



Western Cape  
Government

A vertical collage of three images from the Western Cape. The top image shows people cycling and walking on a pier at sunset. The middle image shows a harbor scene with colorful buildings and a sign that says 'QUAY FOUR'. The bottom image shows a city skyline at night with a large bridge and industrial structures in the water.

# 2020 Overview of Provincial Revenue and Expenditure

**Western Cape Government  
Provincial Treasury**

**Budget**

**Overview of Provincial Revenue  
and Expenditure**

**2026**

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# #WCGBUDGET2026

## 2026 BUDGET HIGHLIGHTS

### ECONOMIC CONTEXT

- According to the International Monetary Fund (IMF), growth in the global economy is expected to stabilise at 3.3% in 2025; 3.3% in 2026 and 3.2% in 2027.
- The South African economy is expected to expand by 1.1% in 2025 and 1.4% in 2026, while the Western Cape is projected to grow by 1.6% in 2025 and 1.7% in 2026.
- Since end-2019, foreign overnight arrivals at Cape Town International Airport rose by 25.2%, with 2025 contributing 16.3 percentage points to this growth.
- The Western Cape unemployment rate was at 18.1% in the 4<sup>th</sup> quarter of 2025, 13.3 percentage points lower than the national unemployment rate of 31.4%.

### FISCAL CONTEXT AND STRATEGY

- The 2026 National Fiscal Strategy marks a turning point, with debt stabilising and a growing primary surplus, while expenditure shifts toward growth-enhancing capital investment and improved spending efficiency through the Targeted and Responsible Savings (TARS) initiative.
- Although lower inflation and moderating interest rates ease borrowing costs, structural expenditure pressures, particularly Compensation of Employees (CoE) and service delivery demands, continue to constrain fiscal space across the Medium Term Expenditure Framework (MTEF).
- Provincial transfers grow moderately over the medium term, indicating a shift toward greater stability, however limited scope for discretionary expansion, requires disciplined reprioritisation and efficiency-driven reforms.
- The Western Cape Government's (WCG) Five-Year Budget Approach aligns planning and budgeting to risk, evidence and the 2025 - 2030 Provincial Strategic Plan (PSP), strengthening responsiveness, predictability and outcome-driven resource allocation.
- The 2026 Budget embeds a sustainable COE strategy, strengthens disaster resilience through dedicated drought response and water security interventions, and advances infrastructure reform anchored in preservation and alternative financing.
- Enhanced revenue optimisation, scenario-based fiscal modelling, modernised procurement systems, and strengthened intergovernmental coordination collectively reinforce fiscal credibility, value for money and long run fiscal sustainability.

### BUDGET AGGREGATES

- Total provincial receipts are projected to grow at an annual average growth rate of 3.1%, increasing from R88.7 billion in the 2025/26 revised estimate to R97.2 billion in 2028/29. The growth rate is in line with the projected annual inflation rate of 3.6% in 2026/27, 3.3% in 2027/28, and 3.1% in 2028/29.
- Total Provincial receipts for 2026/27 comprise of R69.553 billion (76%) Provincial Equitable Share, Conditional Grants account for R17.431 billion (19%), and R4.738 billion in relation to Provincial Own Receipts (5%).
- Total Provincial expenditure for 2026/27 amounts to R93.598 billion (inclusive of direct charges), of which R72.020 billion (76.9%) is for current payments, R14.105 billion (15.1%) for transfers and subsidies, R7.405 billion (7.9%) for payments for capital assets, and R7.242 million toward Payments for financial assets.
- The total provincial infrastructure investment over the 2026 MTEF amounts to R31.129 billion (R12.147 billion in 2026/27, R10.402 billion in 2027/28, and R10.710 billion in 2028/29) with the majority (62% or R19.3 billion) directed towards maintaining and upgrading existing infrastructure.

# #WCGBUDGET2026

## 2026 BUDGET HIGHLIGHTS

### BUDGET POLICY PRIORITIES AND SPENDING PLANS

- The 2026 Medium Term Expenditure Framework (MTEF) Budget gives effect to the theme of “A budget that delivers growth with discipline and care” by directing resources toward the Province's key policy priorities, as set out in the 2025 - 2030 Provincial Strategic Plan: R36.651 billion is allocated to Growth for Jobs, R8.595 billion to Safety, R208.643 billion to Educated, Healthy and Caring Society, and R31.924 billion to Innovation, Culture, and Governance.
- The 2026 MTEF reflects the Western Cape Government's (WCG) continued commitment to prudent fiscal management and strategic spending that responds to prevailing economic and social pressures.
- The WCG's vision remains to be 'a Government that people trust', supported by its Apex priority of enabling businesses to grow and create jobs and helping residents to get those jobs.
- To advance this vision, the WCG focuses on four core portfolio areas that support job creation, enhances safety, improves education and health outcomes, and strengthens governance and innovation.
- The 2026 MTEF provides for projected spending of R93.538 billion in 2026/27, R94.770 billion in 2027/28 and R97.506 billion in 2028/29 to sustain growth and improve service delivery across the Province.

### SPATIAL DISTRIBUTION OF PROVINCIAL EXPENDITURE

- The Western Cape Government adopts an integrated service delivery approach in partnership with the 30 municipalities. The WCG will spend a total of R93.538 billion in 2026/27, R94.770 billion in 2027/28 and R97.506 billion in 2028/29 across the 30 municipalities.
- The estimated provincial population increased from 6.466 million (2015) to 7.628 million (2025). This translates to an increase of 1.162 million persons at a 1.6% average annual growth rate.
- A major share, R195.714 billion or 68.5%, of the total budget over the 2026 Medium Term Expenditure Framework (MTEF) will be spent in the Cape Town metropolitan area. The budget is allocated proportionally to districts' relative population shares.
- In the 2026/27 financial year, the majority of Provincial expenditure across municipal areas is allocated to the Social sector, totalling R74.386 billion (79.5%).
- In 2026/27, the largest proportion of transfers are directed towards the Cape Metro, with total transfers amounting to R1.434 billion (50%). Allocations to local and district municipalities will amount to R1.382 billion (48.1%) and R19.881 million (0.7%) respectively.

## KEY BUDGET STATISTICS

The comprehensive statistical tables can be found in their respective Chapters and in the Annexures at the back of the Overview of Provincial Revenue and Expenditure.

### Provincial payments and estimates by metro and district municipalities, 2026/27 (R'000)

|                               |                   |
|-------------------------------|-------------------|
| Cape Town Metro               | 64 167 783        |
| West Coast Municipalities     | 5 047 929         |
| Cape Winelands Municipalities | 11 412 093        |
| Overberg Municipalities       | 3 310 246         |
| Garden Route Municipalities   | 8 060 908         |
| Central Karoo Municipalities  | 1 291 196         |
| Unallocated                   | 247 729           |
| <b>Total</b>                  | <b>93 537 884</b> |

### Summary of payments and estimates by Vote, 2026/27 (R'000)

|                                                   |                   |
|---------------------------------------------------|-------------------|
| 1. Department of the Premier                      | 2 177 526         |
| 2. Provincial Parliament                          | 232 504           |
| 3. Provincial Treasury                            | 420 069           |
| 4. Police Oversight and Community Safety          | 806 932           |
| 5. Education                                      | 35 108 173        |
| 6. Health and Wellness                            | 34 470 319        |
| 7. Social Development                             | 2 897 367         |
| 8. Mobility                                       | 3 523 220         |
| 9. Environmental Affairs and Development Planning | 746 153           |
| 10. Infrastructure                                | 9 856 160         |
| 11. Agriculture                                   | 1 149 964         |
| 12. Economic Development and Tourism              | 596 765           |
| 13. Cultural Affairs and Sport                    | 1 103 036         |
| 14. Local Government                              | 449 696           |
| <b>Total</b>                                      | <b>93 537 884</b> |

### Western Cape Economic Outlook

| Sector                                         | Average growth | Annual growth |             |             | Growth contribution |             |             |
|------------------------------------------------|----------------|---------------|-------------|-------------|---------------------|-------------|-------------|
|                                                | 2015-2024      | 2024          | 2025 (f)    | 2026 (f)    | 2024                | 2025        | 2026 (f)    |
| Agriculture                                    | 0.9%           | -10.5%        | 17.4%       | 4.2%        | -0.4                | 0.7         | 0.2         |
| Mining                                         | -2.2%          | -2.5%         | -0.8%       | -1.2%       | -0.0                | -0.0        | -0.0        |
| Manufacturing                                  | 0.1%           | 0.3%          | -1.7%       | 0.9%        | 0.0                 | -0.2        | 0.1         |
| Utilities                                      | -1.5%          | 5.3%          | -2.9%       | -0.9%       | 0.1                 | -0.1        | -0.0        |
| Construction                                   | -3.6%          | -6.5%         | -4.0%       | -3.3%       | -0.2                | -0.1        | -0.1        |
| Trade                                          | -0.4%          | -2.8%         | 2.7%        | 0.7%        | -0.4                | 0.4         | 0.1         |
| Transport                                      | 1.1%           | 0.2%          | 0.3%        | 2.6%        | 0.0                 | 0.0         | 0.3         |
| Finance                                        | 2.5%           | 4.3%          | 2.8%        | 2.8%        | 1.4                 | 1.0         | 0.9         |
| Community Services                             | 1.3%           | 1.6%          | 0.1%        | 1.5%        | 0.2                 | 0.0         | 0.2         |
| Government                                     | 1.1%           | 0.3%          | 0.2%        | 0.6%        | 0.0                 | 0.0         | 0.0         |
| <b>Total Western Cape GDP at Market Prices</b> | <b>0.9%</b>    | <b>0.7%</b>   | <b>1.6%</b> | <b>1.7%</b> | <b>0.7%</b>         | <b>1.6%</b> | <b>1.7%</b> |

### Provincial receipts, 2026/27 (R'000)

|                                         |                   |
|-----------------------------------------|-------------------|
| Equitable share                         | 69 552 778        |
| Conditional Grants                      | 17 430 865        |
| Provincial Revenue Fund (Tax Receipts)  | 1 449 866         |
| Motor Vehicle Licences (Tax Receipts)   | 2 549 762         |
| Provincial own receipts (Vote specific) | 738 049           |
| <b>Total</b>                            | <b>91 721 320</b> |

### Expenditure by economic classification, 2026/27 (R'000)

|                               |                   |
|-------------------------------|-------------------|
| Current payments              | 72 019 796        |
| Of which:                     |                   |
| Compensation of employees     | 51 415 412        |
| Goods and services            | 20 604 118        |
| Interest and rent on land     | 266               |
| Transfers and subsidies       | 14 105 349        |
| Payments for capital assets   | 7 405 497         |
| Payments for financial assets | 7 242             |
| Direct charge                 | 59 968            |
| <b>Total</b>                  | <b>93 597 852</b> |

### Summary of provincial transfers to local government by category, 2026/27 (R'000)

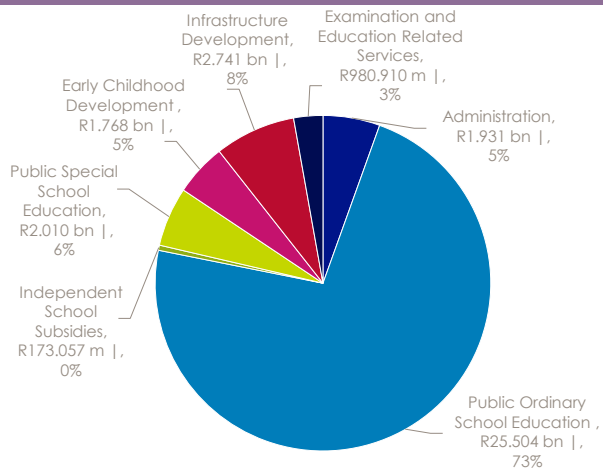
|                                                             |                  |
|-------------------------------------------------------------|------------------|
| Category A: Metropolitan municipalities (City of Cape Town) | 1 433 916        |
| Category B: Local municipalities (24 in the Western Cape)   | 1 382 134        |
| Category C: District municipalities (5 in the Western Cape) | 19 881           |
| Unallocated                                                 | 34 416           |
| <b>Total</b>                                                | <b>2 870 347</b> |

## Diagram representation of sector budgets

### Social sector budget summary, 2026/27

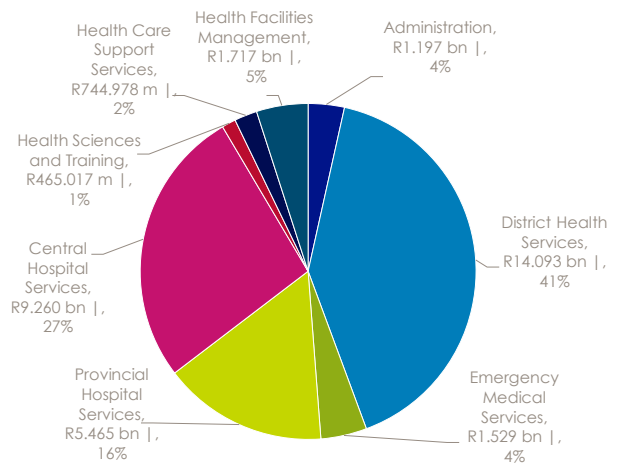
#### EDUCATION

R35.108 bn |  
37.53%



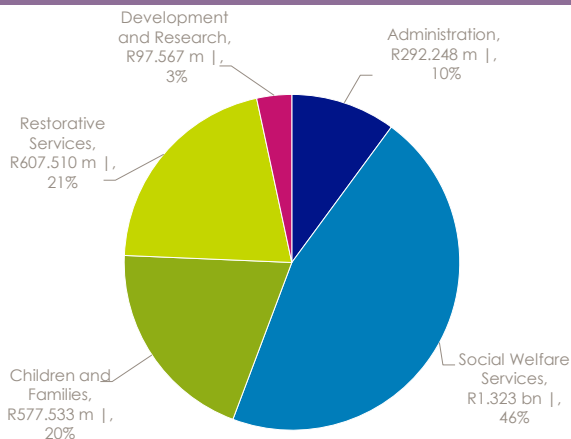
#### HEALTH AND WELLNESS

R34.470 bn |  
36.85%



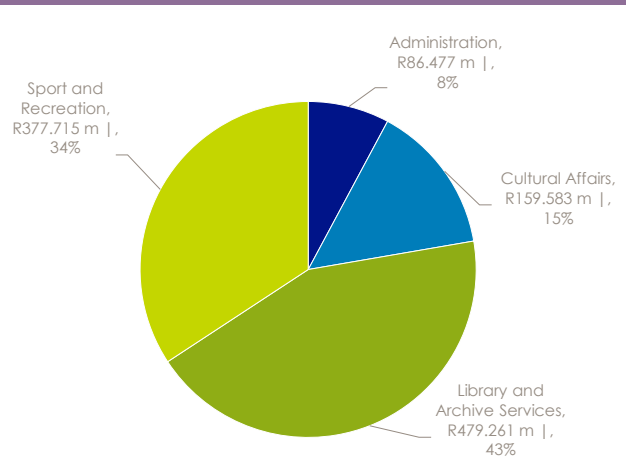
#### SOCIAL DEVELOPMENT

R2.897 bn |  
3.10%



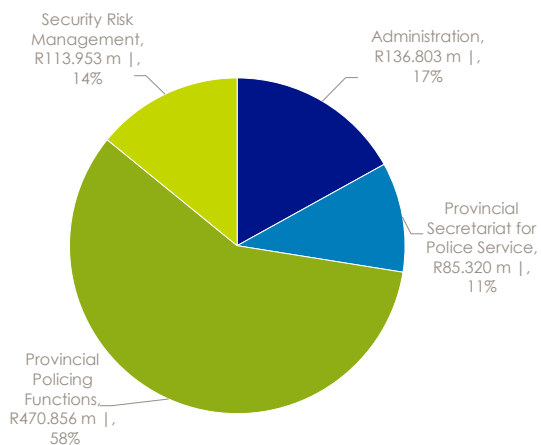
#### CULTURAL AFFAIRS AND SPORT

R1.103 bn |  
1.18%



#### POLICE OVERSIGHT AND COMMUNITY SAFETY

R806.932 m |  
0.86%

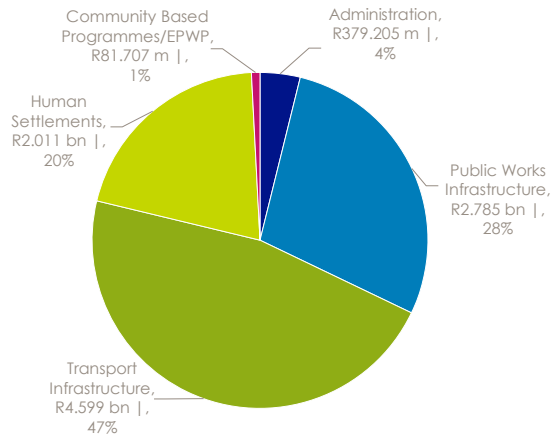


## Diagram representation of sector budgets

### Economic sector budget summary, 2026/27

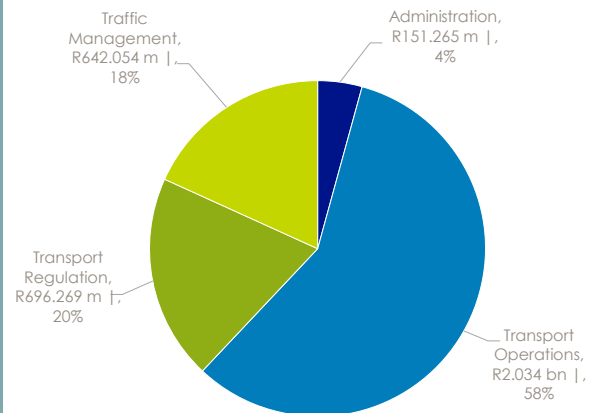
#### INFRASTRUCTURE

R9.856 bn |  
10.54%



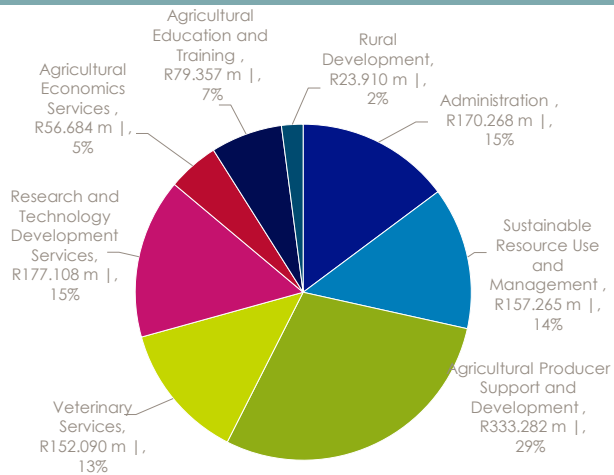
#### MOBILITY

R3.523 bn |  
3.77%



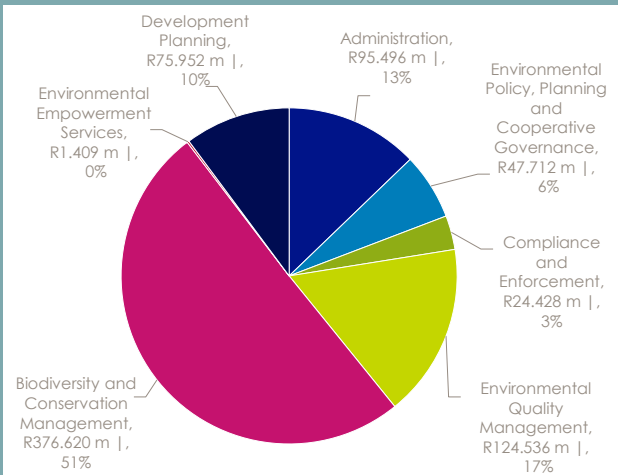
#### AGRICULTURE

R1.150 bn |  
1.23%



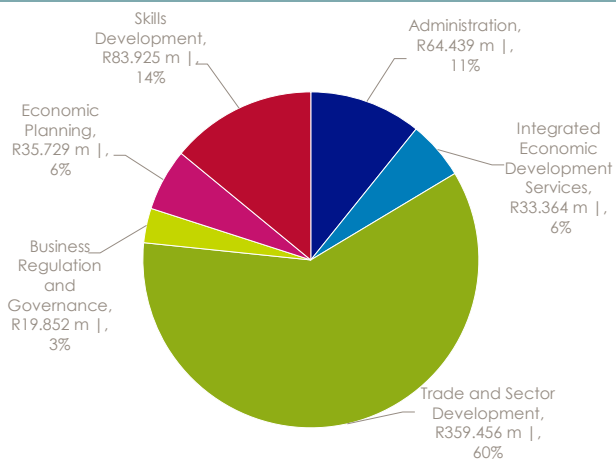
#### ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

R746.153 m |  
0.80%



#### ECONOMIC DEVELOPMENT AND TOURISM

R596.765 m |  
0.64%



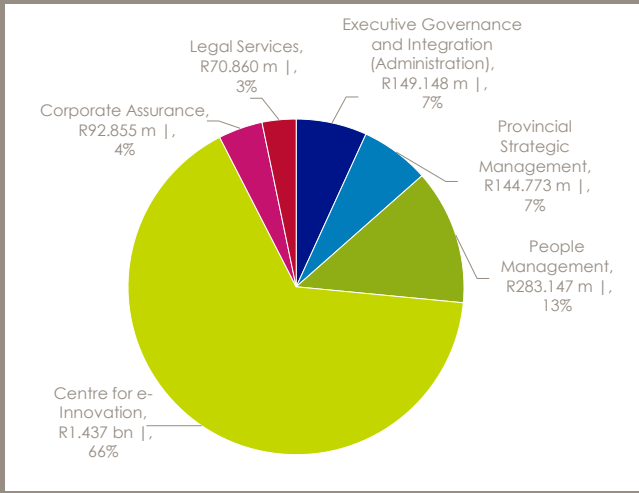
## Diagram representation of sector budgets

### Governance and Administration sector budget summary, 2026/27

#### PREMIER

R2.178 bn |

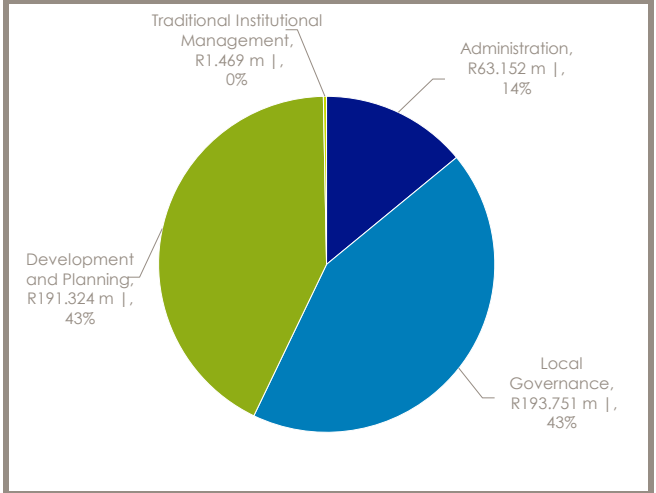
2.33%



#### LOCAL GOVERNMENT

R449.696 m |

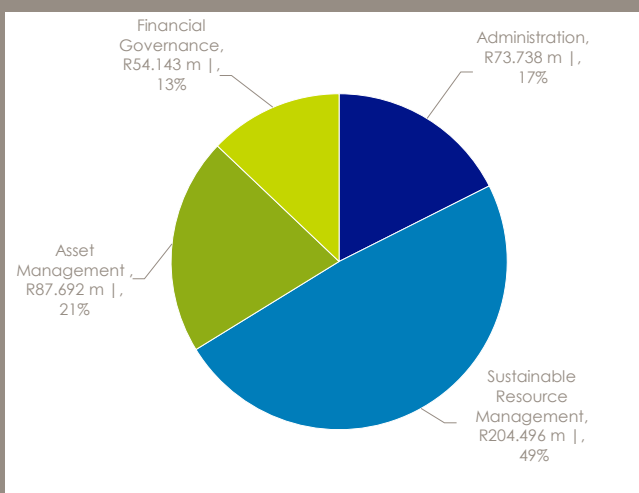
0.48%



#### PROVINCIAL TREASURY

R420.069 m |

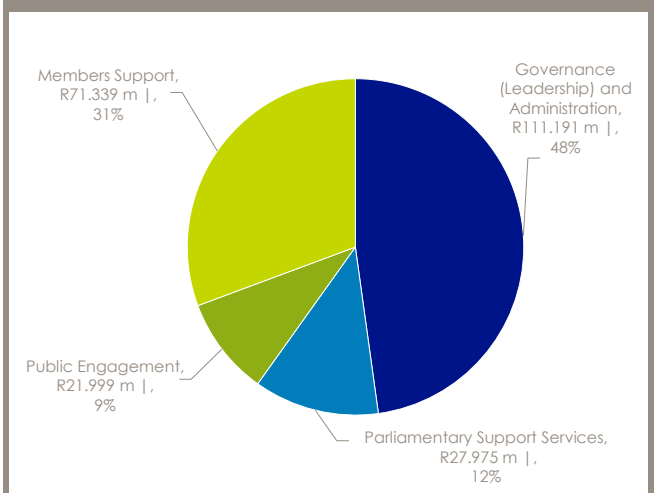
0.45%



#### PROVINCIAL PARLIAMENT

R232.504 m |

0.25%



# Foreword

The 2026 Overview of Provincial Revenue and Expenditure outlines how the Western Cape Government is managing a constrained fiscal environment while supporting economic growth, protecting essential services and strengthening resilience. Although the national outlook has stabilised, provinces continue to face rising demand, higher service pressures, and growing climate-related risks. These realities require careful prioritisation and a disciplined approach to spending.

The 2026 Budget is structured around the four priorities outlined in the 2025 - 2030 Provincial Strategic Plan: Growth for Jobs, Safety, an Educated, Healthy and Caring Society, and Innovation, Culture and Governance. These priorities guide how resources are allocated and ensures that funding decisions remain focused on measurable outcomes. Targeted investments in energy and water resilience, catalytic infrastructure, export development, skills pathways and municipal readiness support the Province's growth objectives, while preserving frontline services in education, health and social development.

The Province continues to protect fiscal sustainability through a managed wage-bill strategy, a preservation-first approach to infrastructure, and the expansion of alternative and blended financing to unlock additional capital. Strengthened disaster management, drought response and water-security measures remain central to building long-term resilience.

Municipalities remain under strain as in-migration and ageing infrastructure increase pressure on local systems. Through integrated planning and improved intergovernmental budgeting, we continue to work alongside all 30 municipalities to support reliable services and enable economic opportunity across the Province.

This OPRE reflects a budget shaped by discipline, care and intent. It balances the need to protect stability with the need to support growth, ensuring that public funds are used where they make the greatest difference to residents.

I express my appreciation to the Provincial Cabinet, Heads of Department, Chief Financial Officers and the teams across the Western Cape Government whose work underpins this Budget.

This is a budget that delivers growth with discipline and care, and one that keeps the needs of our people at its centre.



**MS D BAARTMAN**  
**MINISTER OF FINANCE**  
**12 MARCH 2026**



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# Acronyms

|        |                                                              |
|--------|--------------------------------------------------------------|
| AAGR   | Annual Average Growth Rate                                   |
| ABF    | Alternative and Blended Finance                              |
| ABTs   | Area-Based Teams                                             |
| AFR    | Asset Finance Reserve                                        |
| AGOA   | African Growth and Opportunity Act                           |
| APPs   | Annual Performance Plans                                     |
| ASEZ   | Atlantis Special Economic Zone                               |
| ATKV   | Afrikaanse Taal- en Kultuurvereniging                        |
| BBW    | Bildungswerk der Bayerischen Wirtschaft                      |
| BCI    | Business Confidence Index                                    |
| BFI    | Budget Facility for Infrastructure                           |
| BPO    | Business Processing Outsourcing                              |
| CBD    | Central Business District                                    |
| CBN    | Central Bank of Nigeria                                      |
| CFO    | Chief Financial Officer                                      |
| CHWs   | Community Health Workers                                     |
| CKD    | Central Karoo District                                       |
| CoE    | Compensation of Employees                                    |
| COPC   | Community-Oriented Primary Care                              |
| CPF    | Community Policing Forum                                     |
| CPFs   | Community Policing Forums                                    |
| CPTD   | Continuing Professional Teacher Development                  |
| CTLI   | Cape Teaching and Leadership Institute                       |
| CWD    | Cape Winelands District                                      |
| CYCC   | Child and Youth Care Centre                                  |
| CYCCs  | Child and Youth Care Centres                                 |
| DEA&DP | Department of Environmental Affairs and Development Planning |
| DEDAT  | Department of Economic Development and Tourism               |
| DFIs   | Development Finance Institutions                             |
| DoA    | Department of Agriculture                                    |
| DoI    | Department of Infrastructure                                 |
| DOPCS  | Department of Police Oversight and Community Safety          |
| DotP   | Department of the Premier                                    |
| DSD    | Department of Social Development                             |
| EA     | Euro Area                                                    |
| ECD    | Early Childhood Development                                  |
| ECEP   | Export Competitiveness Enhancement Programme                 |

|                 |                                                                                      |
|-----------------|--------------------------------------------------------------------------------------|
| Econ            | Economic sector                                                                      |
| EHACS           | Educated, Healthy and Caring Society                                                 |
| EIA             | Energy Information Administration                                                    |
| EIG             | Education Infrastructure Grant                                                       |
| EMS             | Emergency Medical Services                                                           |
| EPWP            | Expanded Public Works Programme                                                      |
| FASD            | Foetal Alcohol Spectrum Disorder                                                     |
| FATF            | Financial Action Task Force                                                          |
| FMD             | Foot and Mouth Disease                                                               |
| FPS             | Freeport Saldanha                                                                    |
| G&S             | Goods and Services                                                                   |
| G4J             | Growth for Jobs                                                                      |
| GBV             | Gender-Based Violence                                                                |
| GBVF            | Gender-Based Violence and Femicide                                                   |
| GDP             | Gross Domestic Product                                                               |
| GEES            | Green Economy Ecosystem Support                                                      |
| GIPTN           | George Integrated Public Transport Network                                           |
| GRD             | Garden Route District                                                                |
| Health (sector) | Health and Wellness sector (functional classification)                               |
| HIV             | Human Immunodeficiency Virus                                                         |
| HSDG            | Human Settlements Development Grant                                                  |
| IC&G            | Innovation, Culture and Governance                                                   |
| ICT             | Information and Communication Technology                                             |
| IDMS            | Infrastructure Delivery Management System                                            |
| IDPs            | Integrated Development Plans                                                         |
| IDZ             | Industrial Development Zone                                                          |
| IMF             | International Monetary Fund                                                          |
| INFR            | Infrastructure (in sector share charts)                                              |
| IT              | Information Technology                                                               |
| ITH             | Integrated Transport Hub                                                             |
| JET IP          | Just Energy Transition Investment Plan                                               |
| LEAP            | Law Enforcement Advancement Plan                                                     |
| LGBTQIA+        | Lesbian, Gay, Bisexual, Transgender, Queer/Questioning, Intersex, Asexual and others |
| LNG             | Liquefied Natural Gas                                                                |
| LoLT            | Language of Learning and Teaching                                                    |
| LURITS          | Learner Unit Record Information Tracking System                                      |
| MERO            | Municipal Economic Review and Outlook                                                |
| MOD             | Mass participation; Opportunity and access; Development and growth                   |

|        |                                                                |
|--------|----------------------------------------------------------------|
| MPAC   | Municipal Public Accounts Committee                            |
| MPACs  | Municipal Public Accounts Committees                           |
| MTBPS  | Medium Term Budget Policy Statement                            |
| MTEF   | Medium Term Expenditure Framework                              |
| MTFF   | Medium Term Fiscal Framework                                   |
| MTREF  | Medium Term Revenue and Expenditure Framework                  |
| NCDs   | Non-Communicable Diseases                                      |
| NEET   | Not in Employment, Education or Training                       |
| NPA    | National Prosecuting Authority                                 |
| NPO    | Non-Profit Organisation                                        |
| NPOs   | Non-Profit Organisations                                       |
| NSC    | National Senior Certificate                                    |
| OPEC   | Organization of the Petroleum Exporting Countries              |
| OD     | Overberg District                                              |
| OPMII  | Overview of Provincial and Municipal Infrastructure Investment |
| PAYE   | Pay As You Earn                                                |
| PCF    | Premier's Coordinating Forum                                   |
| PERO   | Provincial Economic Review and Outlook                         |
| PES    | Provincial Equitable Share                                     |
| PGM    | Platinum Group Metals                                          |
| PoCA   | Payments for Capital Assets                                    |
| PPP    | Public Private Partnership                                     |
| PRASA  | Passenger Rail Agency of South Africa                          |
| PRF    | Provincial Revenue Fund                                        |
| PSP    | Provincial Strategic Plan                                      |
| PV     | Photovoltaic                                                   |
| PwC    | PricewaterhouseCoopers                                         |
| R&D    | Research and Development                                       |
| RAF    | Road Accident Fund                                             |
| RMB    | Rand Merchant Bank                                             |
| SARB   | South African Reserve Bank                                     |
| SARS   | South African Revenue Service                                  |
| SAWEM  | South African Wholesale Electricity Market                     |
| SDFs   | Spatial Development Frameworks                                 |
| SETAs  | Sector Education and Training Authorities                      |
| SEZ    | Special Economic Zone                                          |
| SIDAFF | Sustainable Infrastructure Development and Finance Facility    |
| SIME   | Strategic Integrated Municipal Engagement                      |
| SMME   | Small, Medium and Micro Enterprise                             |

|                 |                                                             |
|-----------------|-------------------------------------------------------------|
| Social (sector) | Social sector (functional classification)                   |
| SRD             | Social Relief of Distress                                   |
| SWIMS           | Social Work Integrated Management System                    |
| T&S             | Transfers and Subsidies                                     |
| TARS            | Targeted and Responsible Savings                            |
| TB              | Tuberculosis                                                |
| TCC             | Thuthuzela Care Centre                                      |
| TCCs            | Thuthuzela Care Centres                                     |
| TIPS            | Trade & Industrial Policy Strategies                        |
| TVET            | Technical and Vocational Education and Training             |
| U.S.            | United States                                               |
| UAV             | Unmanned Aerial Vehicle                                     |
| UN              | United Nations                                              |
| UPFS            | Uniform Patient Fee Schedule                                |
| UPI             | Unified Payments Interface                                  |
| USA             | United States of America                                    |
| USD             | United States Dollar                                        |
| VAT             | Value-Added Tax                                             |
| VEP             | Voluntary Exit Programme / Victim Empowerment Programme     |
| VPU             | Violence Prevention Unit                                    |
| WCD             | West Coast District                                         |
| WCED            | Western Cape Education Department                           |
| WCERP           | Western Cape Energy Resilience Programme                    |
| WCG             | Western Cape Government                                     |
| WCGRB           | Western Cape Gambling and Racing Board                      |
| WCIF            | Western Cape Infrastructure Framework                       |
| WCIIIP          | Western Cape Infrastructure Implementation Plan             |
| WCIS            | Western Cape Infrastructure Strategy                        |
| WCLA            | Western Cape Liquor Authority                               |
| WCMD            | Western Cape Mobility Department                            |
| WCPO            | Western Cape Police Ombudsman                               |
| WCPT            | Western Cape Provincial Treasury                            |
| Wesgro          | Western Cape Tourism, Trade and Investment Promotion Agency |
| WRS             | Western Cape Water Resilience Strategy                      |



# ECONOMIC CONTEXT

IMPROVED ECONOMIC PROSPECTS FOR SOUTH AFRICA,  
(SA GDP OUTLOOK: 1.1% IN 2025 AND 1.4% IN 2026) BASED ON:



**Lower interest rates:** On average 96 basis points lower than previous year



**Recovery of Agriculture sector:** Expected to contribute 0.5 % points of SA GDP growth in 2025, recovering from a two consecutive recessions



**Commodity price boom:** Average gold price up by 42.2 %: average platinum price surged by 27.8 % over the first 11 months of 2025.

## MINING DRIVES SOUTH AFRICA'S 2025 EXPORT RESILIENCE



**Nominal exports,** first 11 months (2024 vs 2025)



**Increase in mining exports (R36.9 billion) offsets decline in manufacturing exports (-R22.6 billion)**

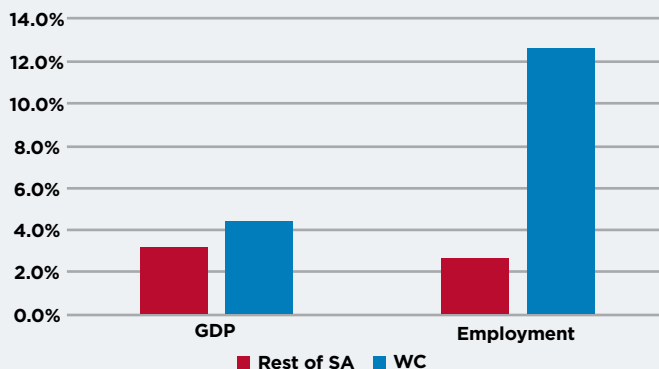
**Gold and uranium,** R28.5 billion increase

**Platinum** R19.3 billion increase

**Coal** R15 billion less than previous year

## WESTERN CAPE LEADS POST-PANDEMIC JOBS RECOVERY

Rest of South Africa and the Western Cape cumulative growth in GDP and employment, 2020 Q1 - 2025 Q3



**12.5%**

The Province's employment rose 12.5% from pre-pandemic levels, compared to just 2.6% in the rest of South Africa.

**46.6%**

The Western Cape accounted for 46.6% of total national job growth over the period.

## LABOUR STATISTICS (1Q2026)

### South Africa:

Narrow unemployment rate:



**31.4%**

Youth unemployment rate:

**43.8%**



### Western Cape:

Narrow unemployment rate:



**18.1%**

Contribution to employment growth of SA:

**93 000**

employment opportunities; more than double SA's net employment gains

### Western Cape economic outlook:

1.6% in 2025; 1.7% in 2026

- The Finance and Agriculture sectors expected to make significant growth contributions of 1.0 % points and 0.7 % points respectively in 2025
- Manufacturing sector expected to make largest negative contribution to growth: -0.2 % points



### International Tourism in the Western Cape (2020 to 2025)

- Number of international arrivals at Cape Town International Airport surged by **25.2%**



- of which **2025** made a **16.3 %** point contribution to the total growth.



Western Cape  
Government  
FOR YOU

# 1

## Economic context

### In brief

- According to the International Monetary Fund (IMF), growth in the global economy is expected to stabilise at 3.3 per cent in 2025; 3.3 per cent in 2026 and 3.2 per cent in 2027.
- The South African economy is expected to expand by 1.1 per cent in 2025 and 1.4 per cent in 2026, while the Western Cape is projected to grow by 1.6 per cent in 2025 and 1.7 per cent in 2026.
- Since the end of 2019, foreign overnight arrivals at Cape Town International Airport have risen by 25.2 per cent, with 2025 contributing 16.3 percentage points to this growth.
- The Western Cape unemployment rate was 18.1 per cent in the 4<sup>th</sup> quarter of 2025, 13.3 percentage points lower than the national unemployment rate of 31.4 per cent.

### ■ Introduction

Over the past decade, South Africa has been characterised by sluggish economic growth, falling GDP per capita and mounting structural constraints, most notably years of debilitating energy challenges, deteriorating port and rail infrastructure, and an increasingly tight and fragile fiscal position. Against this difficult backdrop, developments in 2025 marked the first clear signs of improvement, offering a measure of renewed optimism about the country's economic and fiscal trajectory.

Chapter 1 outlines how global, national and Western Cape economic trends shape the fiscal space, risks and opportunities facing the Province over the 2026 MTEF. This chapter links the external economic environment to policy choices and budget allocations, helping to ensure that limited resources are targeted where they can most effectively support growth and jobs.

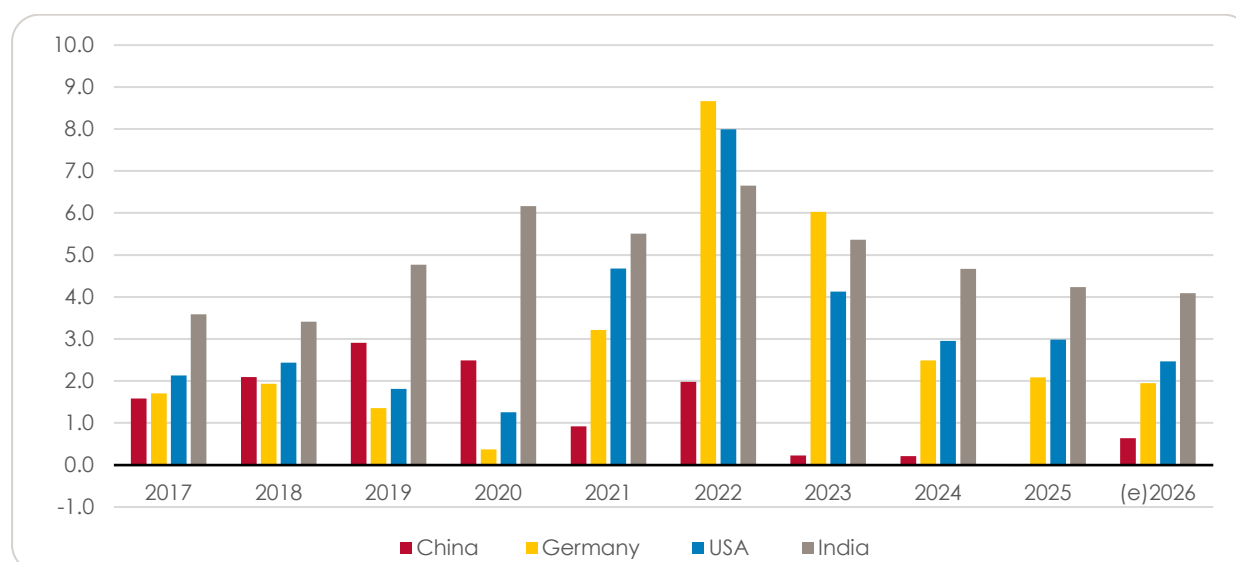
## Macroeconomic developments and outlook

### Global Inflation at a Crossroads: Managing Shocks, Slowdowns and Shifting Demographics

Global inflation remains at a turning point, shaped by lingering shocks, slower economic momentum, and demographic shifts. Because South Africa is an open and import-dependent economy, global price movements continue to feed directly into domestic inflation through fuel, food and other imported goods, as well as through the exchange rate and international financing conditions. These pressures require policymakers to balance inflation control with already fragile economic growth, high unemployment and tight fiscal constraints.

In 2025, global inflation was driven mainly by two high-impact shocks: conflict in the Middle East, which pushed up oil prices and raised fuel and transport costs, and climate- and war-related disruptions that kept global food prices elevated, particularly for key grains and vegetable oils.

**Figure 1.1 Inflation rates of selected countries, 2017 – 2026**



Source: International Monetary Fund (IMF)

A key risk for 2025 global inflation, namely a sharp increase in US import tariffs, did not materialise. Although higher US tariffs did raise prices for some imported goods, several factors prevented a broad surge in inflation. Firms absorbed part of the additional costs, consumers and businesses substituted towards cheaper suppliers, and tight monetary policy kept overall demand and price pressures in check (Boston Fed, 2026).

Over the medium to long term, slowing population growth in countries such as China and many parts of Europe is gradually reshaping their economies by limiting labour-force growth, dampening consumer demand and weighing on long term GDP growth. Over time, smaller working-age populations and more retirees tend to reduce underlying inflation pressures by softening demand. However, they may also push up certain costs, such as wages in scarce skills and public spending on health and pensions, creating difficult policy trade-offs for governments and central banks (International Monetary Fund, 2025).

Global inflation is expected to keep easing over the next two years but remain above pre-pandemic averages and vulnerable to new shocks. Headline inflation is set to decline from about 4.1 per cent in 2025 to around 3.8 per cent in 2026 and 3.4 per cent in 2027 as demand cools, supply chains normalise and energy prices stay below earlier peaks.

## Tech Boom Lifts U.S. as Europe and China Lag

Global GDP is projected to grow by 3.3 per cent in 2026 and 3.2 per cent in 2027, roughly matching 2025's 3.3 per cent pace and indicating a broadly steady but moderate global expansion.

**Table 1.1 Global economic performance and outlook, 2024 – 2027**

|                                              | Share of<br>global GDP<br>(PPP, current)<br>(Per cent) | 2024 | GDP growth forecast |      |      |
|----------------------------------------------|--------------------------------------------------------|------|---------------------|------|------|
|                                              |                                                        |      | (Per cent)          |      |      |
|                                              |                                                        |      | 2025                | 2026 | 2027 |
| <b>World output</b>                          | 100.0                                                  | 3.3  | 3.3                 | 3.3  | 3.2  |
| <b>Advanced economies</b>                    | 39.4                                                   | 1.8  | 1.7                 | 1.8  | 1.7  |
| <b>United States</b>                         | 14.8                                                   | 2.8  | 2.1                 | 2.4  | 2.0  |
| <b>Euro Area</b>                             | 12.4                                                   | 0.9  | 1.4                 | 1.3  | 1.4  |
| <b>Emerging and developing<br/>countries</b> | 60.6                                                   | 4.3  | 4.4                 | 4.2  | 4.1  |
| <b>China</b>                                 | 19.7                                                   | 5.0  | 5.0                 | 4.5  | 4.0  |
| <b>India</b>                                 | 8.5                                                    | 6.5  | 7.3                 | 6.4  | 6.4  |
| <b>Nigeria</b>                               | 0.8                                                    | 4.1  | 4.2                 | 4.4  | 4.1  |
| <b>Mozambique</b>                            | 0.0                                                    | 2.1  | 2.5                 | 3.5  | 3.7  |

Source: IMF, (WEO Jan 2026).



The **United States (U.S.)** economy is projected to continue solidly expanding, underpinned by sustained technology-related investment, supportive fiscal policy, and still-accommodative financial conditions, even as earlier tariff increases and elevated policy uncertainty continue to weigh on activity. Key upside momentum comes from artificial-intelligence-driven investment and tax incentives for corporate capital spending in the One Big Beautiful Bill Act of 2025, while downside risks stem from possible corrections in highly-valued technology sectors, renewed trade tensions, elevated public debt, fiscal sustainability concerns, and political or geopolitical shocks that could tighten financial conditions and disrupt supply chains.



The **Euro area (EA)** economy is expected to grow modestly, supported by gradually higher public spending in some member states. However, the Euro area is held back by several intertwined structural constraints. Labour-market rules around job protection and wage setting can discourage hiring into permanent positions and slow wage adjustment, leaving many young and lower-skilled workers stuck in insecure, low-productivity jobs. At the same time, education and training systems have not fully kept pace with digitalisation and the green transition, so firms struggle to find workers with the right technical and STEM skills even as unemployment remains elevated in other segments of the labour force.

Product and capital markets also remain fragmented along national and sectoral lines, with differing regulations, weak cross-border services integration, and incomplete banking and capital-markets union limiting competition, firm scale and cross-border risk-sharing. High public and private debt then compound these problems by constraining fiscal space, keeping many households and firms focused on paying down old debts rather than funding new investment, and reinforcing the bank–sovereign feedback loop when stress episodes push up borrowing costs.



**China's** near-term growth is supported by targeted policy stimulus and a temporary easing in US trade tensions. Authorities are using more expansionary fiscal measures, targeted credit and easier mortgage conditions to shore up investment and confidence, while a one-year tariff truce with the United States lowers effective tariffs and reduces uncertainty for export-oriented firms.

These supports are offset by a deep, drawn-out property slump and structural barriers to higher growth. Weak housing demand, falling prices and high household exposure to real estate are dampening consumption, while an ageing population, slower productivity gains and misallocation of capital, especially into less efficient state-linked sectors, limit the durability of high growth even if stimulus is sustained.



**India's** rapid growth is driven mainly by strong domestic demand, large investment, and gradual structural reform. Household consumption benefits from rising incomes, urbanisation, and a young workforce, while the government has sharply increased capital spending on transport, digital and energy infrastructure, which in turn crowds in private investment and raises potential growth (Deloitte, 2026; Government of India, 2025; UN, 2026).

On the supply side, tax reforms (like goods and service tax), production-linked incentives, better logistics, and a powerful digital public infrastructure (Aadhaar, UPI, digital records) are lowering transaction costs and improving productivity in manufacturing and services, supported by ongoing repair of bank and corporate balance sheets (Deloitte, 2026; Government of India, 2025).

Relatively contained inflation and supportive monetary conditions help sustain real incomes and investment, while strong exports of IT and business services, plus emerging gains in selected manufacturing sectors, add an external boost to growth despite a soft global backdrop (Deloitte, 2026; UN, 2026; World Bank, 2026).



**Nigeria's** stronger outlook is underpinned by a compressed but still substantive set of structural reforms. The government has removed petrol subsidies and begun moving electricity tariffs toward more cost-reflective levels, freeing fiscal space and reducing losses at state-owned enterprises while re-orienting spending to investment and social support (IMF, 2025; World Bank, 2025; Tinubu Administration, 2025).

In parallel, it has overhauled the foreign-exchange (FX) and monetary framework by unifying multiple exchange rates, liberalising FX trading, ending direct central-bank deficit financing and tightening policy, which is helping to stabilise inflation and improve FX availability despite short term adjustment costs (IMF, 2025; CBN, 2025).

To lock in these gains and support non-oil growth, Nigeria is rolling out revenue-mobilisation and financial-sector measures, broadening the non-oil tax base, raising bank capital requirements, and strengthening supervision, alongside efforts to ease business-environment constraints, tackle power and infrastructure bottlenecks, raise agricultural productivity, and expand targeted social protection to cushion vulnerable groups during the transition (IMF, 2025; World Bank, 2025; PwC, 2026).



**Mozambique's** economy is gradually recovering from recent shocks but remains in a low-growth equilibrium, with real GDP projected by major international institutions to expand by roughly 3 – 3.5 per cent in 2026, mainly on the back of a rebound in coal and gas-related extractive activity and a partial easing of political and security disruptions in the

north (especially around LNG projects in Cabo Delgado) (International Monetary Fund [IMF], 2025; World Bank, 2026).

Growth outside the extractive sector is more subdued, held back by constrained financing conditions, foreign-exchange shortages, infrastructure gaps and the lingering impact of post-election instability, which together limit the pace at which agriculture, manufacturing and small services can recover and create jobs (IMF, 2025; Nedbank, 2025; World Bank, 2024)

### **Oil, War and a Chokepoint: How the US–Iran Clash Threatens the Global and South African Economy**

In late February 2026, the United States and Israel launched large, coordinated air and missile strikes on Iran, killing Supreme Leader Ayatollah Ali Khamenei and severely damaging key military and government infrastructure (CNN, 2026; Al Jazeera, 2026). This triggered extensive Iranian missile and drone retaliation against Israel and US bases across the region, with some spillover into nearby Gulf states (Al Jazeera, 2026).

Because the confrontation centres on the Strait of Hormuz, a vital chokepoint through which a large share of global oil and liquefied natural gas exports flow, the conflict sharply raises the risk of supply disruptions, price spikes and heightened market volatility (U.S. Energy Information Administration, 2023; International Energy Agency, 2023). Higher war-risk insurance premiums, rerouting of tankers and possible attacks on energy infrastructure could further amplify these shocks (World Bank, 2023).

For oil-importing countries such as South Africa, which relies heavily on Gulf suppliers for crude and petroleum products, these dynamics imply higher fuel and transport costs, upward pressure on inflation and a more challenging macroeconomic environment (Quantec Research, 2025; World Bank, 2023). The overall global impact will depend heavily on how long the conflict lasts and whether US domestic politics allow it to remain a short, intense campaign or escalate into a protracted regional war (International Energy Agency, 2023).

## **The South African Economic Outlook**

### **Early Glimmers of a Turnaround**

Over the past few months, South Africa's economic narrative has quietly shifted from stagnation to cautious momentum. A rare combination of four consecutive quarters of growth, easing inflation and a marginally lower unemployment rate is being reinforced by improving power availability and a strong pipeline of private investment in renewables.

At the same time, the first sovereign credit-rating upgrade in more than a decade by S&P Global, the exit from the Financial Action Task Force (FATF) grey list and a firmer rand are signalling to investors that reforms and fiscal consolidation are starting to gain traction, lifting confidence and nudging medium term growth expectations higher.

Furthermore, lower inflation and interest rates and firm commodity earnings have given South Africa's recovery a timely tailwind. As borrowing costs ease and export prices hold up, cheaper credit and stronger hard-currency inflows are starting to feed through to confidence, spending and a more supportive backdrop for growth.

The one-year extension of the African Growth and Opportunity Act (AGOA) preserves preferential access for key South African exports, while the US Supreme Court's ruling removing President Trump's 1 April "Liberation Day" tariffs has eliminated the 30 per cent duty on South African goods, leaving the new temporary across-the-board ad valorem import surcharge under Section 122, effective 24 February 2026, as the main constraint on AGOA's practical value.

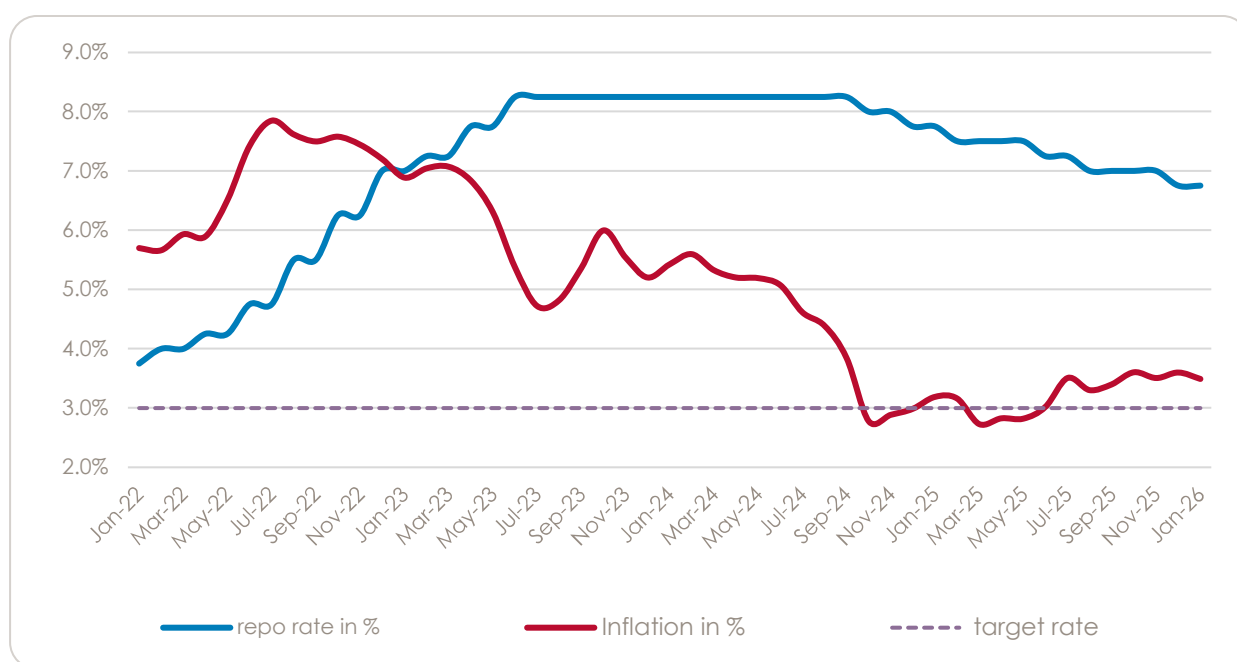
Yet this brighter picture is tempered by new external risks: diplomatic frictions with Washington and moves in the US Congress to review bilateral relations inject uncertainty around future market

access and aid flows, while the escalating US–Iran conflict around the Strait of Hormuz has already driven up oil prices and raised the prospect of further supply disruptions and shipping bottlenecks, heightening South Africa's exposure as a net oil importer and threatening higher fuel, transport and food costs at home. At the same time, a structural slowdown in China, South Africa's largest single trading partner, continues to weigh on demand for mineral exports and adds a further layer of vulnerability to the outlook.

### Calmer Prices, Cheaper Money

A shift to a lower interest rate cycle in late 2024 began to ease financial conditions, boosting forward-looking business confidence and stimulating credit demand, which provided early support to the 2025 recovery. In the third quarter of 2025 national GDP expanded by a solid 2.1 per cent compared to the same quarter the previous year.

**Figure 1.2 Repo rate and inflation trends in South Africa, Jan 2022 - Jan 2026**



Source: StatsSA, Quantec

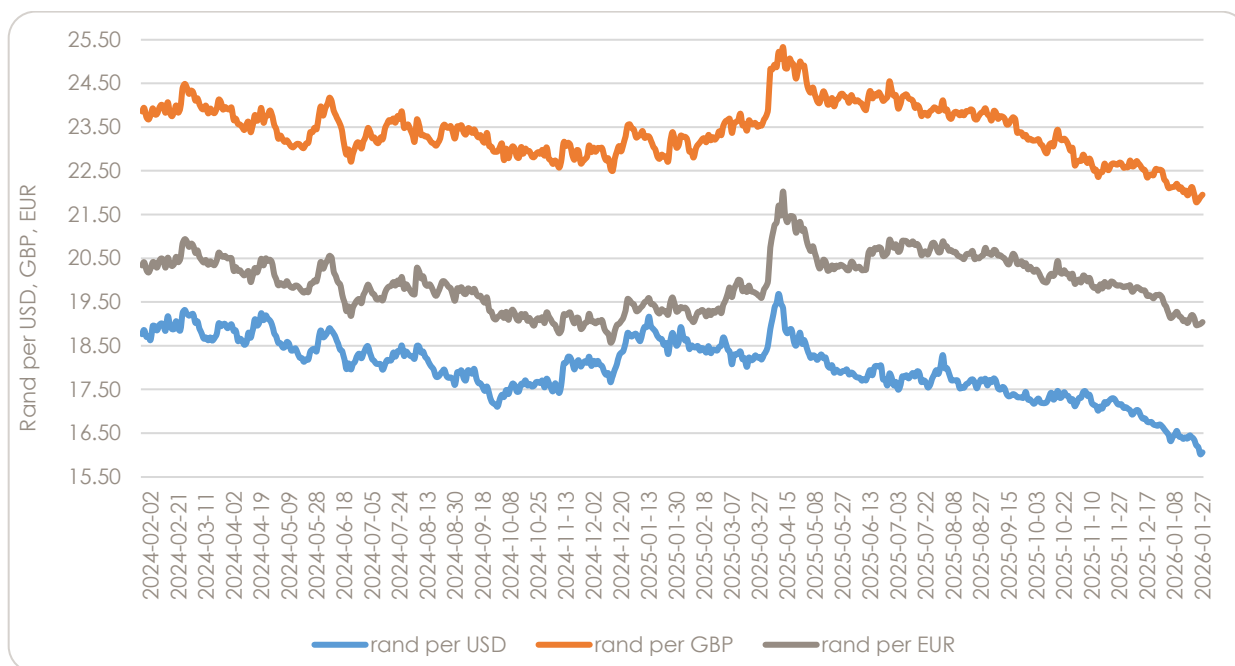
In January 2026, South Africa's inflation rate (3.5 per cent) was marginally lower than the previous month (3.6 per cent) and remains above the new inflation target (3.0 per cent) of the South African Reserve Bank. Due to a downward inflation trend since August 2022, the repo rate was lowered since September 2024 by 150 basis points to 6.75 per cent in November 2025.

Most forecasters see room for at least one further 25 basis point cut to the policy interest rate in 2026, with a few expecting around 50 basis points of additional easing if inflation and the rand stay contained.

### Rand Strength: A Welcome Tailwind

One key support for South Africa's lower inflation and repo rate in 2025 was a markedly stronger rand against the US dollar. Although the currency appreciated against the dollar in five of the past ten years, it still weakened by a cumulative 21.6 per cent over the decade. In 2025 the scale and persistence of the rand appreciation rally stood out, especially coming after several years of pronounced rand depreciation.

**Figure 1.3** Average daily rand exchange rate for selected currencies, 02 Feb 2024 – 27 Jan 2026



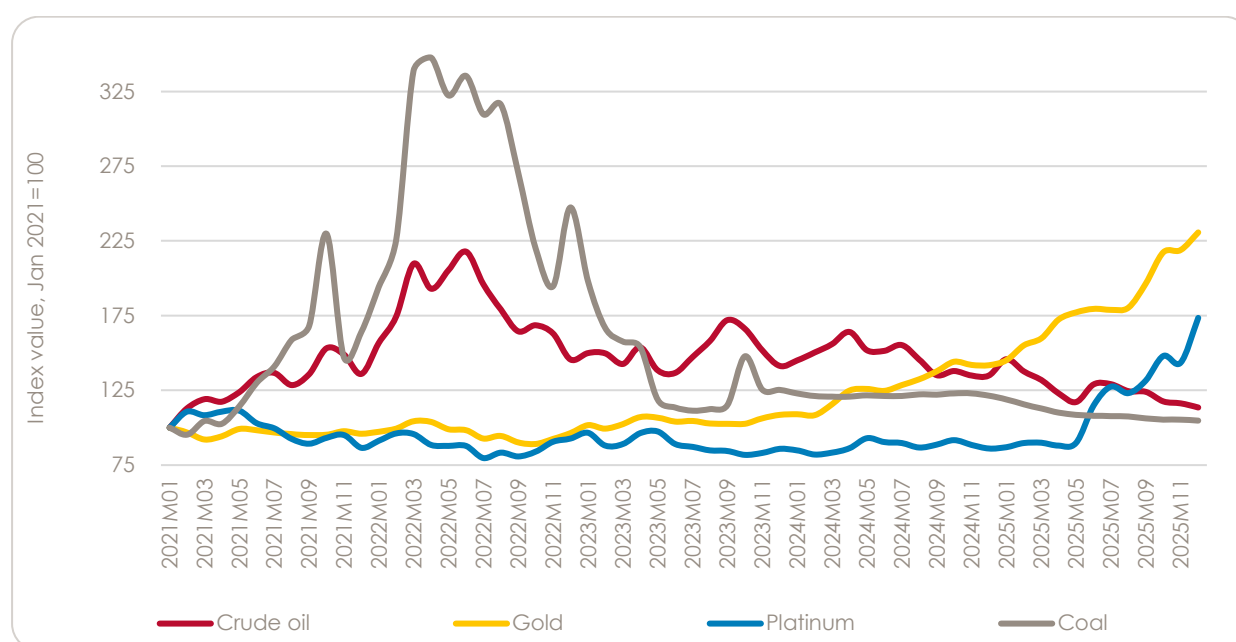
Source: South African Reserve Bank

From its weakest point on 9 April 2025 to late January the following year, the rand strengthened by about 18.4 per cent against the US dollar, supported by high precious-metal export prices, a softer dollar and expectations of US rate cuts, as well as South Africa's own disinflation towards 3 per cent, which kept real interest rates appealing to investors.

At the same time, better sentiment around fiscal consolidation, energy supply and governance reduced perceived risk, attracted more capital into rand-denominated assets and reinforced the currency's gains, which in turn helped lower imported inflation and allowed for a more gradual interest-rate cutting cycle. On an annual basis, the rand's average value in 2025 was around 2.4 per cent stronger than in 2024.

### Gold at Record Highs: The Return of Hard-Asset Power

Global commodity markets are once again in a strong upswing, with precious metals at the forefront, while oil has eased back from its recent peaks. Gold and silver have climbed to record or near-record levels as investors seek safe-haven assets amid heightened geopolitical tensions, concerns over high global debt, and expectations of lower US interest rates, which reduce the opportunity cost of holding non-interest-bearing metals (Smith, 2025; World Gold Council, 2025).

**Figure 1.4 Average monthly commodity prices in USD (Jan 2021=100), for selected commodities, 2021 - 2025**

Source: World Bank

Platinum group metals have been boosted by firm demand from the automotive, industrial and emerging clean technology sectors, alongside supply constraints from key producers (Johnson Matthey, 2025).

Oil prices, meanwhile, have eased from their 2022 highs and drifted lower over the past year, as steady non-OPEC supply growth and softer demand linked to the energy transition have outweighed the upward pressure from OPEC+ production management and recurring geopolitical disruptions (EIA, 2024; World Bank, 2025).

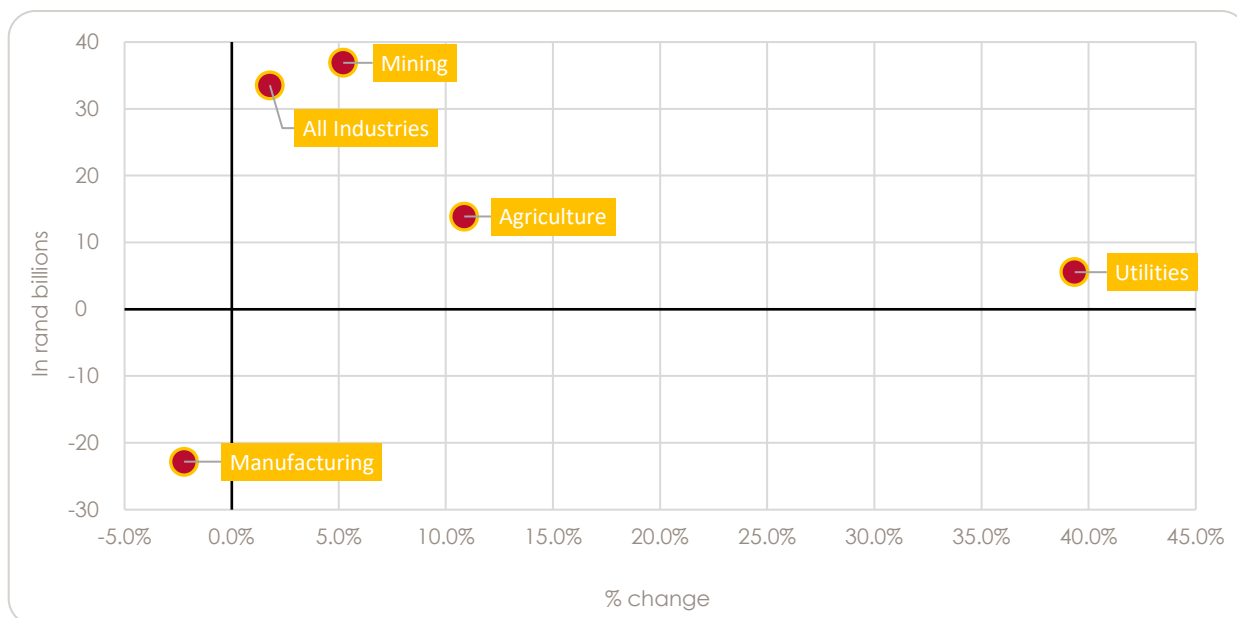
Together, these factors have produced a renewed commodity boom driven less by a single, China-style demand surge and more by a combination of financial hedging, geopolitical risk and supply-side constraints.

However, coal is an exception to the current commodities boom and stands in contrast to many other raw materials, as South African coal prices have fallen sharply since 2022 because the one-off energy-crisis spike from the Ukraine–Russia shock faded as gas and power markets stabilised. Europe cut coal use and drew down large stockpiles instead of importing, and global supply from other exporters increased while major Asian buyers (India and China) expanded domestic production and turned to alternative suppliers, accepting South African coal only at lower prices (World Bank, 2023; World Bank, 2025; Thungela, 2023; Green Economy Journal, 2023; World Bank, 2022).

## Gold Shines as Factories Falter: Mining Drives South Africa's 2025 Export Resilience

South Africa's 2025 export story is one of mining-fueled resilience amid manufacturing weakness, with surging precious-metal earnings more than offsetting tariff-hit factory exports, even as exporters also had to contend with a strengthening rand against the US dollar since early April 2025.

**Figure 1.5 Growth in South African nominal exports per sector, first 11 months (2024 vs 2025)**



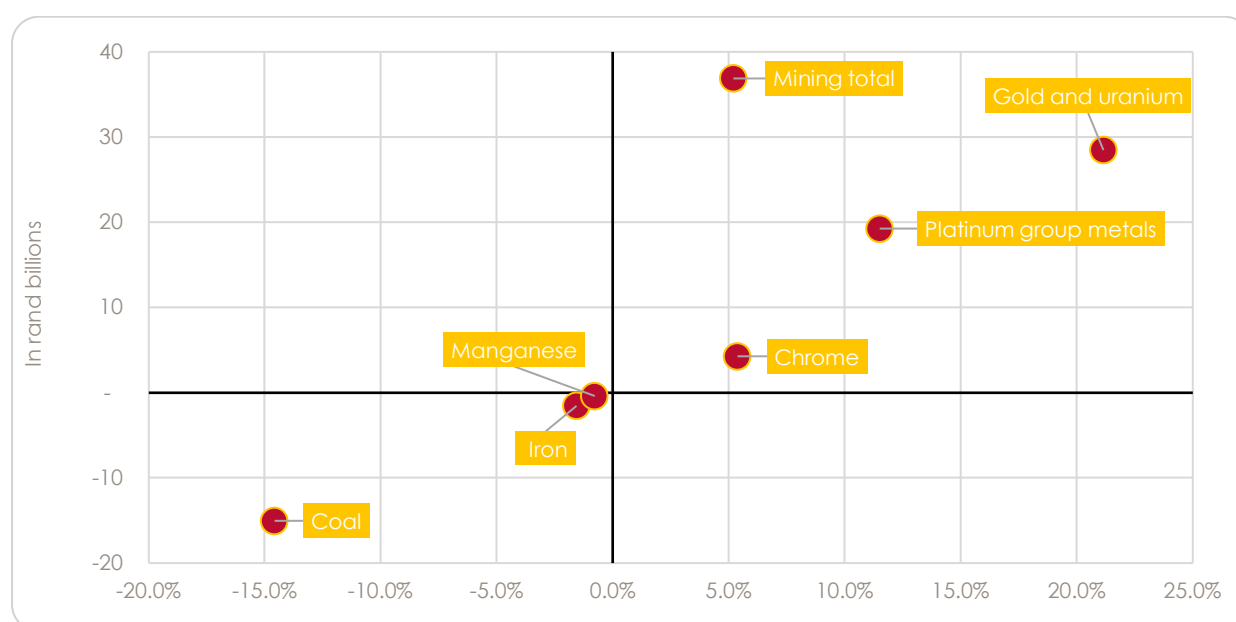
Source: Quantec

When the nominal exports for the first 11 months of 2025 are compared to the same period the previous year, the national economy was mainly reliant on the Mining sector which expanded by 5.2 per cent and exported R36.9 billion more than the same period the previous year. The additional exports in the Mining sector were more than the total growth in nominal exports which stood at R33.5 billion. Positive export growth was also recorded for the Agriculture and Utilities sectors, adding R19.5 billion to South Africa's export growth for the year.

However, in 2025 the Manufacturing sector exported 2.2 per cent or R22.6 billion less in nominal terms compared to the same 11 months in the previous year. One of the key factors for the poor performance in manufacturing exports was the increase in import tariffs by the U.S. in April 2025. This negatively affected motor vehicles nominal exports to the U.S. between April and November of 2025. Exports of motor vehicles to the U.S. declined by R10.0 billion, while total manufacturing exports to the U.S. declined by R17.5 billion.

The positive export performance of mining products can mainly be attributed to a rise in gold, silver and platinum prices as discussed above. Over the first 11 months of 2025 the average monthly price of gold was 42.2 per cent higher than the same period the previous year, while average platinum prices surged by 27.8 per cent. However, over the same period average coal and iron ore prices dropped by 10.0 per cent and 9.3 per cent respectively.

**Figure 1.6 Growth in South African nominal exports of selected mining commodities, first 11 months (2024 vs 2025)**



Source: World Bank

As a result, gold and uranium nominal exports increased by R28.5 billion, an increase of 21.1 per cent compared to the same period the previous year, while platinum exports surged by R19.3 billion or 11.5 per cent. Combined, gold, uranium and platinum metals increased nominal exports by R47.7 billion or 29.3 per cent, thereby exceeding the total growth in mining exports over the same period.

The largest drawdown for South African mining export came from coal which were R15 billion less than the previous year, a decline of 14.6 per cent.

### Steady Gains in South Africa's Economic Outlook

South Africa's GDP is projected to grow by 1.1 per cent in 2025 and 1.4 per cent in 2026, outpacing the average growth rate of 0.7 per cent recorded over the past decade. This improvement is largely attributed to strong performance in the Agriculture, Trade, and Finance sectors in 2025.

The **Agriculture sector** made a substantial contribution (48.7 per cent) to the total national GDP growth when the first three quarters of 2025 are compared to the same period the previous year. However, although foot-and-mouth disease (FMD) outbreaks have recurred in South Africa since 2021, new flare-ups in major livestock provinces in 2025 triggered fresh quarantines and export disruptions, sharply constraining the livestock value chain. The provinces most severely affected by the current FMD outbreak are KwaZulu-Natal and the Eastern Cape (DALRRD, 2026).

**Table 1.2 National GDP growth and expectations per sector, 2025 - 2026**

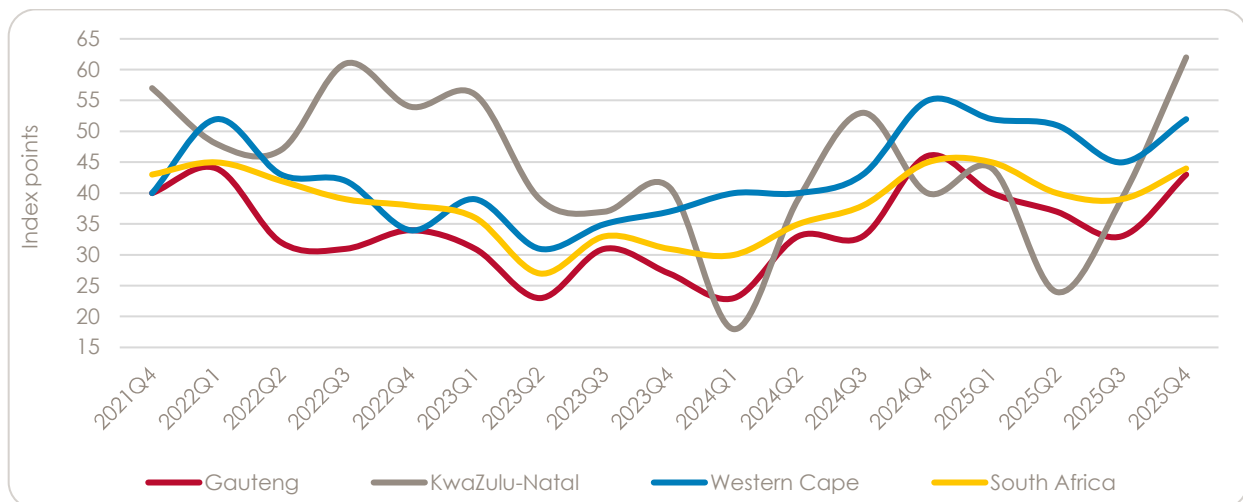
|                                          | Annual growth |             | Growth contribution |             |
|------------------------------------------|---------------|-------------|---------------------|-------------|
|                                          | 2025          | 2026        | 2025                | 2026        |
| <b>Agriculture</b>                       | 18.2%         | 5.8%        | 0.5                 | 0.2         |
| <b>Mining</b>                            | -1.3%         | 0.1%        | -0.1                | 0.0         |
| <b>Manufacturing</b>                     | -1.4%         | 0.1%        | -0.2                | 0.0         |
| <b>Utilities</b>                         | -3.3%         | -1.4%       | -0.1                | -0.0        |
| <b>Construction</b>                      | -4.1%         | -3.5%       | -0.1                | -0.1        |
| <b>Trade</b>                             | 2.4%          | 1.1%        | 0.3                 | 0.1         |
| <b>Transport</b>                         | -0.1%         | 2.0%        | -0.0                | 0.2         |
| <b>Finance</b>                           | 2.7%          | 2.5%        | 0.7                 | 0.7         |
| <b>Community services</b>                | -0.1%         | 1.6%        | -0.0                | 0.3         |
| <b>Government</b>                        | 0.1%          | 0.5%        | 0.0                 | 0.0         |
| <b>South Africa GDP at market prices</b> | <b>1.1%</b>   | <b>1.4%</b> | <b>1.1%</b>         | <b>1.4%</b> |

Source: Provincial Treasury forecasts

The **Trade sector**, covering retail, wholesale, catering and accommodation, benefited from lower interest rates and is projected to recover from its 2024 contraction and expand by 2.4 per cent in 2025, supported by firmer consumer demand in retail, gradual normalisation in wholesale trade volumes and a continued rebound in tourism related catering and accommodation services.

The **Finance sector** is expected to be the single biggest driver of growth in 2025, adding 0.7 percentage points to overall GDP. Lower interest rates have reduced debt service burdens and supported a rebound in credit demand, while a cyclical upturn in the residential property market, reflected in higher sales volumes and more upbeat buyer sentiment as inflation and borrowing costs eased, has further lifted activity within the Sector.

The latest BER-RMB Composite Business Confidence Index (BCI) reveals that 52 per cent of respondents in the Western Cape and 44 per cent nationwide viewed business conditions as satisfactory in the 4<sup>th</sup> quarter of 2025. The 4<sup>th</sup> quarter of 2025, business confidence was markedly higher in KwaZulu- Natal (62 points) than in Gauteng (43 points) and the Western Cape (52 points).

**Figure 1.7 BER - RMB Composite Business Confidence Index for South Africa and selected provinces, 2021Q4 - 2025Q4**

Source: Bureau for Economic Research

Overall, the 4<sup>th</sup> quarter of 2025 BCI reveals a more optimistic business sentiment when compared to the previous quarter, which bodes well for final quarter GDP results.

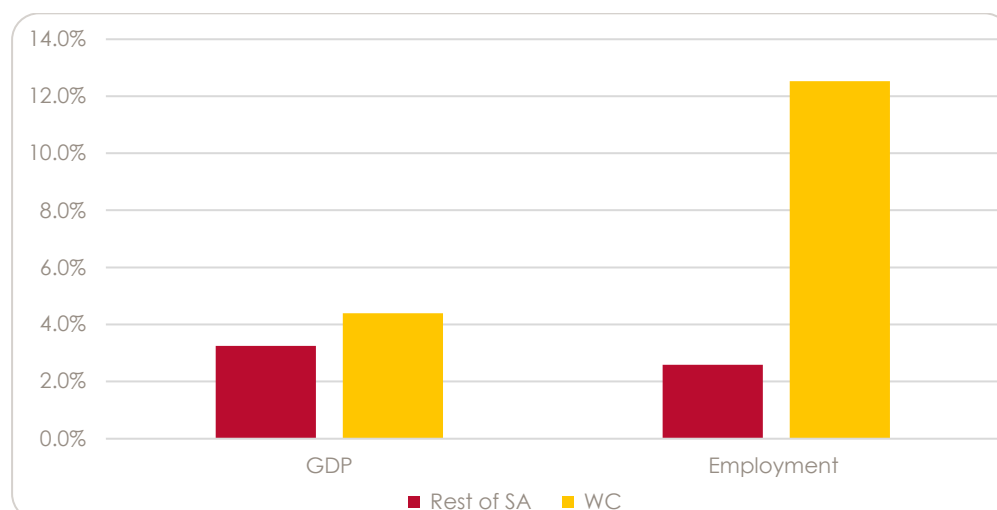
## ■ Western Cape economic developments and outlook

The Western Cape has a broad, mature economy led by finance, tourism, manufacturing and trade, with agriculture and services still key for attracting investment and creating jobs across the Province.

### Employment Triumph: Western Cape Leads Post-Pandemic Jobs Recovery

Employment in the Western Cape has shown remarkable resilience, fully recovering from the COVID-19 lockdowns that began in the 2<sup>nd</sup> quarter of 2020. By the 3<sup>rd</sup> quarter of 2025, the Province employed 12.5 per cent more people than in the quarter just before the pandemic. In contrast, while GDP in the rest of South Africa recovered by 3.3 per cent over the same period, employment growth outside the Western Cape was far weaker, with jobs rising by only 2.6 per cent cumulatively. Over the period, the Province contributed 46.6 per cent toward employment growth in South Africa.

**Figure 1.8 Rest of South Africa and the Western Cape cumulative growth in GDP and employment, 2020 Q1 – 2025 Q3**

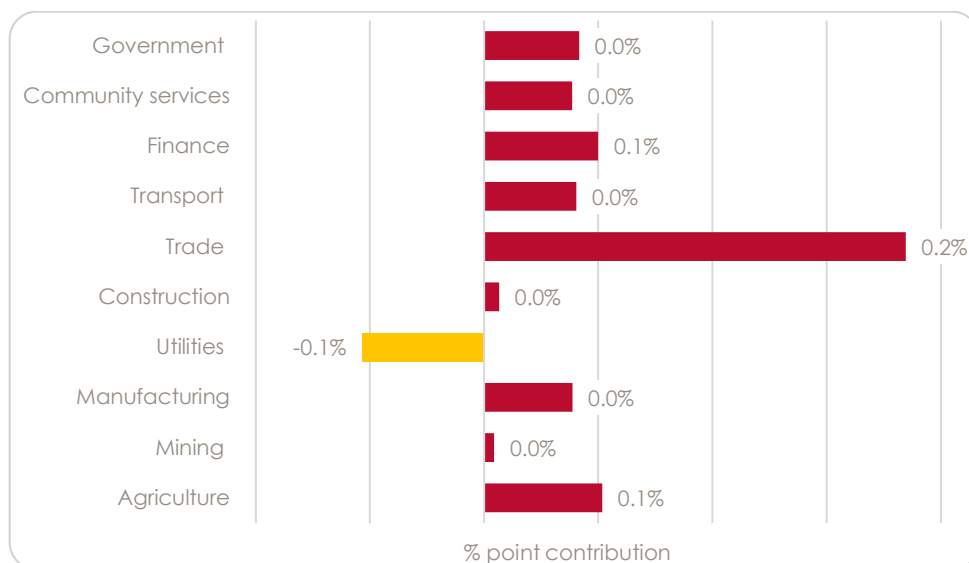


Source: Quantec, own calculations

### Western Cape Economy Gains Momentum in Third Quarter of 2025

In the 3<sup>rd</sup> quarter of 2025, it is estimated that the Western Cape's economy expanded by 0.4 per cent compared to the previous quarter, and by a notable 2.4 per cent year-on-year, quarterly growth.

The Mining (3.0 per cent), Trade (1.4 per cent) and Agriculture (1.1 per cent) sectors recorded the largest expansions in the quarter, while the Utilities sector (-2.4 per cent) experienced significant contraction.

**Figure 1.9 Western Cape relative growth contribution per sector, 2025 Q3**

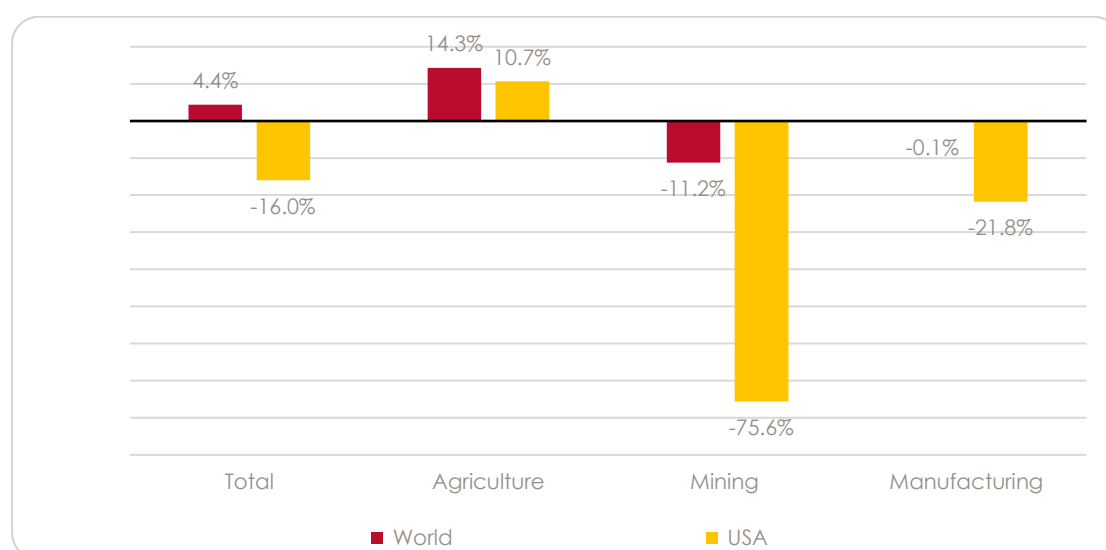
Source: Quantec

In the same quarter, the Trade (0.2 percentage points), Finance (0.1 percentage points) and Agriculture (0.1 percentage points) sectors made the largest contributions to the quarterly expansion, while the Utilities sector made a negative contribution to growth (-0.1 percentage points) in the 3<sup>rd</sup> quarter of 2025.

### Tariffs Tighten the Squeeze on South African Exports

The U.S. trade policy has sharply increased tariff pressures on South African exports from April 2025 onward (PwC, 2025; Trade & Industrial Policy Strategies [TIPS], 2025). An initial baseline tariff of 10 per cent on all imports into the U.S. was imposed on South African goods in April 2025, rising to a much steeper 30 per cent blanket tariff from 1 August 2025 in the absence of a negotiated compromise, and this is layered on top of sector-specific duties of 25 to 50 per cent on key products such as vehicles, steel and aluminium (Webber Wentzel, 2026; TIPS, 2025).

These measures heavily erode South Africa's price competitiveness in the U.S. market and, in practice, wipe out much of the benefit it previously enjoyed under AGOA, even though that scheme formally provides for duty-free access (PwC, 2025; TIPS, 2025).

**Figure 1.10 Western Cape exports to the world and USA Western Cape; first 11 months (2025 vs 2024).**

Source: Quantec

Western Cape nominal exports over the first 11 months of 2025 show that although total exports increased by 4.0 per cent, exports to the U.S. declined by 16.0 per cent compared to the same period the previous year.

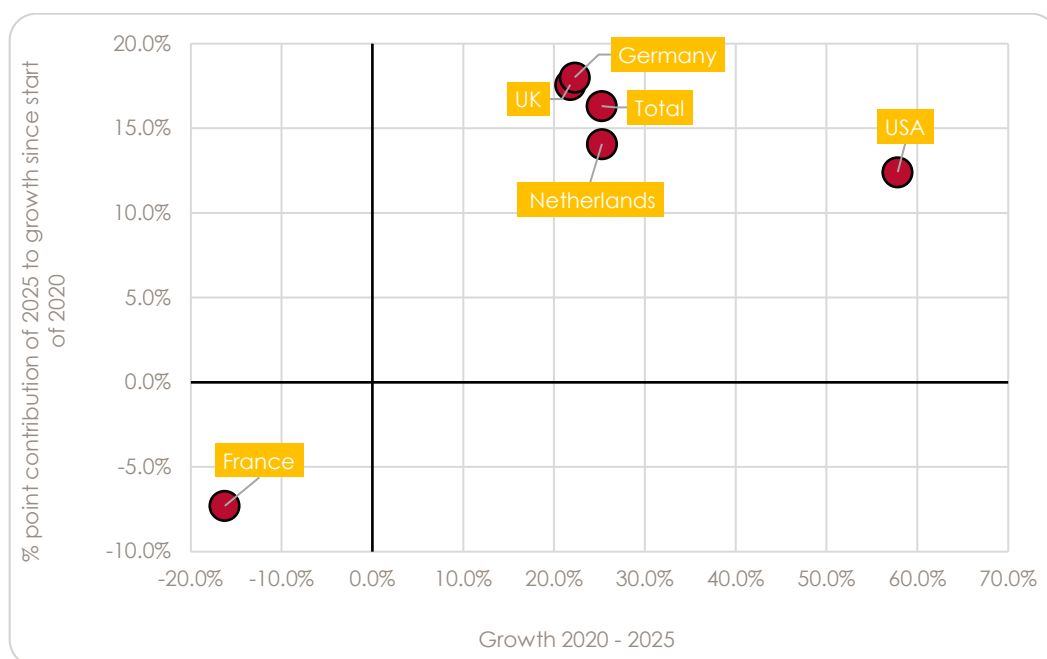
Although exports in mining (-75.6 per cent) and manufacturing (-21.8 per cent) goods declined substantially to the U.S., the impact of increased U.S. import tariffs affected the Agriculture sector less severely. The Sector recorded a 10.7 per cent increase in nominal exports to the U.S. compared to the same period the previous year.

### International Tourism Rebounds Strongly in 2025

Beyond its scenic appeal, the Western Cape's tourism sector is a powerful engine for growth, connecting visitors to its people, cultures and landscapes while helping to safeguard the region's natural heritage.

In 2025 the Western Cape made significant gains in attracting foreign tourists. Since the end of 2019, foreign overnight arrivals at Cape Town International Airport increased by 25.2 per cent of which 2025 made a 16.3 percentage point contribution to the total growth. While the United Kingdom made up the largest portion (16.7 per cent) of international visitors in 2025, the number of visitors from the U.S. increased significantly by 57.8 per cent.

**Figure 1.11 Number of foreign tourist arrivals via Cape Town International Airport in South Africa, (2020 - 2025)**



Source: Quantec, own calculations

A major driver of the strong growth in international tourists in 2025 was improved air connectivity, through both additional routes and increased seat and passenger capacity. Cape Town International now offers non-stop flights to 41 destinations in 22 countries, with 28 airlines operating from the airport (AirportInformation.com, 2025).

### Western Cape Rebounds: Agriculture and Finance Lead a Stronger Growth Path

The Western Cape continues to play a pivotal role in driving South Africa's economic growth and maintaining social stability. As a key center for agriculture, tourism, and finance, the Province's development has a major influence on the country's overall prosperity.

Following a 0.7 per cent expansion in 2024, the Provincial economy is projected to grow by 1.6 per cent in 2025, a substantial improvement on the average growth of the past decade and is expected to retain this level of growth with an expected 1.7 per cent expansion in 2026. The more optimistic forecast for 2025 is largely driven by the performance of the Agriculture and Finance sectors with an expected growth contribution of 0.7 percentage points and 1.0 percentage points respectively. Additionally, the significant surge in international tourism in 2025 is likely to have provided the Trade sector with sufficient support through hotels and restaurants industries.

**Table 1.3 Western Cape economic outlook, 2025 – 2026**

|                                          | Annual growth |             | Growth contribution |             |
|------------------------------------------|---------------|-------------|---------------------|-------------|
|                                          | 2025          | 2026        | 2025                | 2026        |
| <b>Agriculture</b>                       | 17.4%         | 4.2%        | 0.7                 | 0.2         |
| <b>Mining</b>                            | -0.8%         | -1.2%       | -0.0                | -0.0        |
| <b>Manufacturing</b>                     | -1.7%         | 0.9%        | -0.2                | 0.1         |
| <b>Utilities</b>                         | -2.9%         | -0.9%       | -0.1                | -0.0        |
| <b>Construction</b>                      | -4.0%         | -3.3%       | -0.1                | -0.1        |
| <b>Trade</b>                             | 2.7%          | 0.7%        | 0.4                 | 0.1         |
| <b>Transport</b>                         | 0.3%          | 2.6%        | 0.0                 | 0.3         |
| <b>Finance</b>                           | 2.8%          | 2.8%        | 1.0                 | 0.9         |
| <b>Community services</b>                | 0.1%          | 1.5%        | 0.0                 | 0.2         |
| <b>Government</b>                        | 0.2%          | 0.6%        | 0.0                 | 0.0         |
| <b>Western Cape GDP at market prices</b> | <b>1.6%</b>   | <b>1.7%</b> | <b>1.6%</b>         | <b>1.7%</b> |

Source: Provincial Treasury Own forecasts

The strong resurgence of the **Agriculture sector** in 2025 is based on a relatively low baseline at the start of 2025. The Agriculture sector is expected to recover from two consecutive recessions and could expand by an estimated 17.4 per cent in 2025. The Sector showed resilience against increased U.S. import tariffs in 2025 and provided a watershed 3<sup>rd</sup> quarter performance of 44.1 per cent (year-on-year quarterly growth) expansion; thereby contributing 1.4 percentage points to the Province's total year-on-year quarterly growth of 2.4 per cent in the 3<sup>rd</sup> quarter of 2025. Severe winter floods and storms that occurred in July 2023 and 2024 damaged crops, orchards, roads and farm infrastructure, disrupting harvesting (e.g. citrus, potatoes) and delaying planting. These floods provided the Sector with relatively low baseline from which it recovered in 2025.

However, climate and disease risks suggest that 2026 could be a difficult year for the Agriculture sector in the Western Cape, putting pressure on production, farm incomes and jobs in rural areas. Seasonal forecasts from the South African Weather Service indicate a higher likelihood of below-normal rainfall over the south-western and southern coastal areas (including much of the Western Cape) in early winter, combined with above-normal temperatures that will increase evaporation (South African Weather Service, 2026). Furthermore, the Western Cape, previously FMD-free, is now expected to face sporadic foot and mouth disease flare-ups in 2026 following a contained 2025 feedlot outbreak near Gouda and newly confirmed and suspected cases around Mbekweni, George and Mossel Bay (Western Cape Department of Agriculture, 2025; Western Cape Government, 2026a, 2026b).

The **Finance sector**, as the largest sector in the Western Cape, will yet again make a substantial contribution to total growth in 2025 (1.0 percentage point) with an expected 2.8 per cent expansion in 2025, and is projected to maintain its pivotal role to the prosperity of the provincial economy in 2026. Lower interest rates have supported the sector in 2025 by reducing debt-servicing costs, stimulating credit demand and property purchases, improving asset quality, and, in some cases, raising the market value of existing fixed-income portfolios.

Although the Western Cape's economic prospects have improved in 2025, most primary and secondary sectors are expected to contract. These include Manufacturing, Utilities, Mining and Construction. These contractions do not bode well for the employment prospects of the semi- and low-skilled workforce.

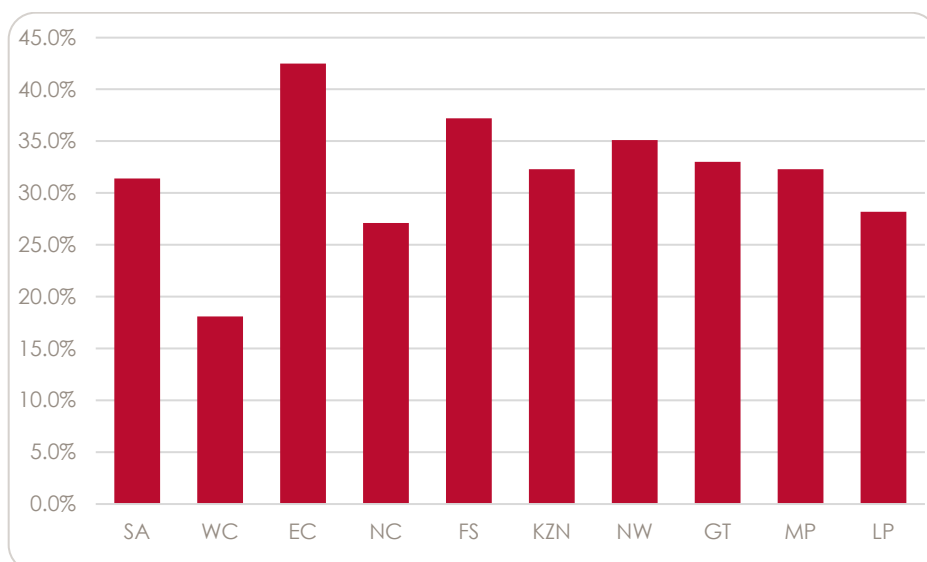
## Labour Dynamics

### Resilient Labour Market: Western Cape Tops Employment Growth and Retains Lowest Unemployment Rate

Employment is crucial for economic development because it provides individuals with the means to support themselves and their families, stimulates local and national economies through consumer spending, and fosters social stability. High levels of employment drive business expansion, increase tax revenue for public services, and help reduce poverty, making it a central focus for both policymakers and communities.

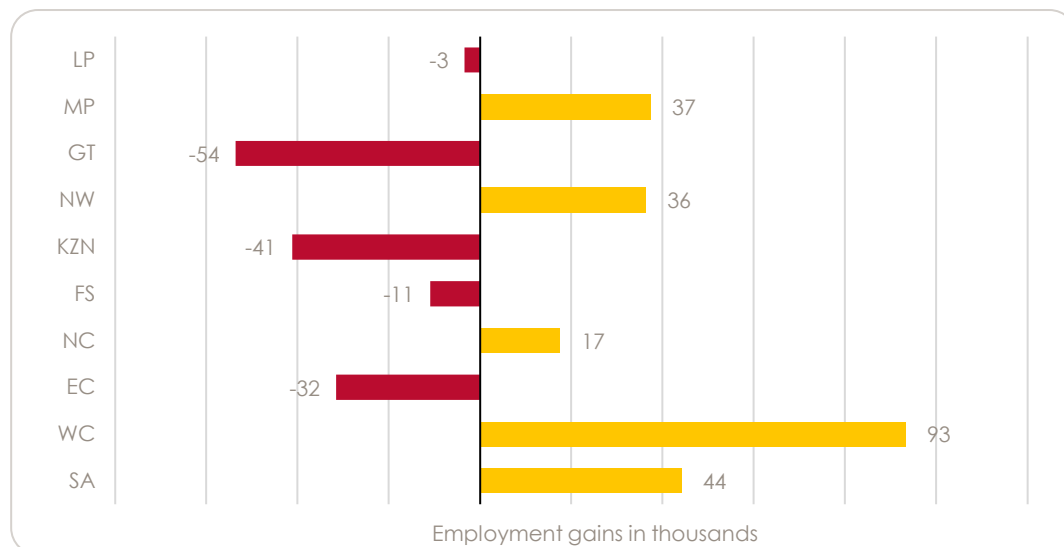
In the 4<sup>th</sup> quarter of 2025, the Western Cape unemployment rate declined by 1.6 percentage points from the previous quarter to 18.1 per cent. In the same quarter, the Province added 93 000 employment opportunities, an increase of 3.3 per cent from the previous quarter. The bulk of employment gains for the Province occurred in the Community services (95.8 per cent), Construction (72.5 per cent) and Finance sectors (66.5 per cent).

**Figure 1.12 Unemployment rates per province, 4Q2025**



Source: Quantec, own calculations

In the 4<sup>th</sup> quarter of 2025, the Western Cape had the lowest unemployment rate (18.1 per cent) among provinces; 10.1 percentage points lower than the Limpopo province, with the second lowest unemployment rate, and 24.4 percentage points less than the Eastern Cape, the province with the highest unemployment rate.

**Figure 1.13 Contribution per province in employment gains of South Africa, 4Q2025**

Source: Quantec, own calculations

In the 4<sup>th</sup> quarter of 2025, the Western Cape made the largest contribution (93 000 employment opportunities) or more than twice South Africa's total employment gains; followed by notable contributions from Mpumalanga (37 000 employment opportunities) and North-West (36 000 employment opportunities). The most significant employment losses were recorded in Gauteng (- 54 000 employment opportunities), KwaZulu-Natal (-41 000 employment opportunities) and the Eastern Cape (-32 000 employment opportunities).

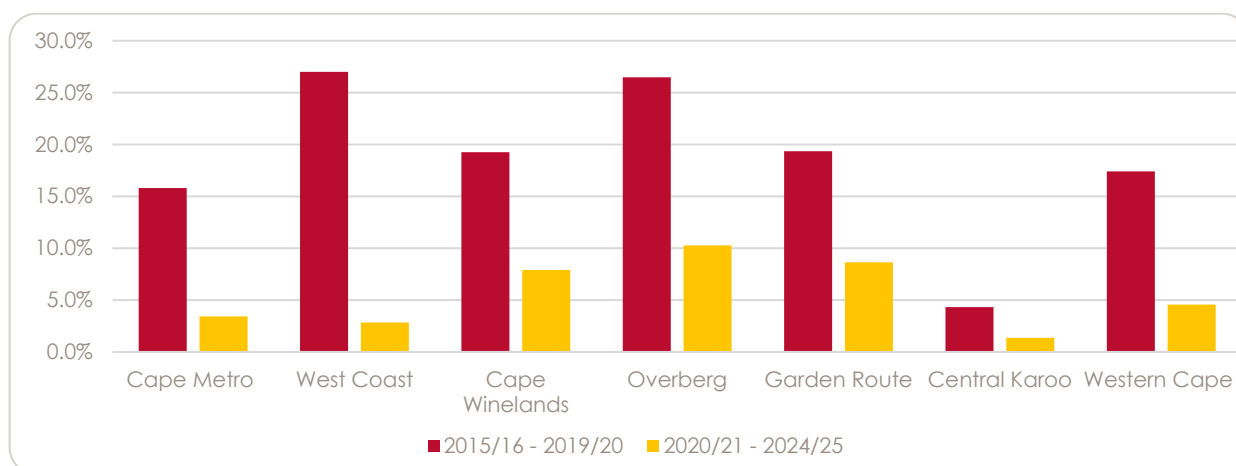
In the 4<sup>th</sup> quarter of 2025, both the Western Cape and South Africa saw informal employment decline, but on very different scales. In the Western Cape, informal jobs fell by 5 000 while formal employment rose strongly by 109 000, with an additional loss of 11 000 jobs in the Households sector, resulting in a net gain of 93 000 jobs. Interest-rate cuts, tax incentives and credit programmes tend to reach formal firms more easily than informal operators, supporting formal hiring while informal businesses still struggle with cash flow and debt. Informally employed individuals made up 16,5 per cent of all employment in the Province, pointing to a relatively more formal labour market.

Nationally, South Africa lost 293 000 informal jobs in the 4<sup>th</sup> quarter of 2025, even as formal employment increased by 320 000 and the Households sector added 18 000 jobs, producing a modest net employment gain of 44 000. Informally employed individuals accounted for 21.4 per cent of all employment, notably higher than in the Western Cape, indicating that South Africa as a whole remains more reliant on informal work.

Employment numbers derived from SARS tax data typically include people who are formally employed and registered for tax, earning above the filing or PAYE thresholds through salaries, wages or commissions from employers that submit tax returns and payroll data.

The SARS-derived tax employment data therefore mainly capture formal-sector employees on employer payrolls and some registered self-employed or company owners drawing taxable remuneration, but exclude most informal workers, undeclared employment, and those earning below tax thresholds.

**Figure 1.14** Employment growth per district in the Western Cape derived from SARS tax data, 2015/16 - 2019/20; 2020/21 - 2024/25.



Source: SARS, own calculations

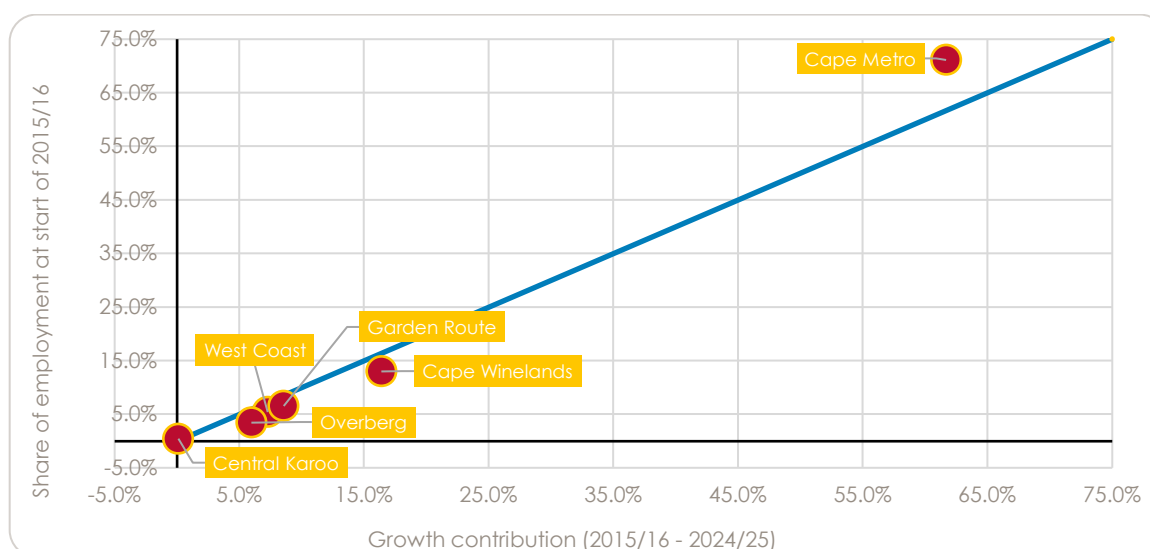
Western Cape employment data derived from SARS tax shows significantly lower employment growth in the second half of the past decade (2020/21 - 2024/25) at 4.6 per cent, compared to the first half of the past decade (2015/16 - 2019/20) at 17.4 per cent.

In the Cape Metro, which accounts for 69.4 per cent of all employees in the Western Cape registered with SARS, employment only expanded by 3.4 per cent between 2020/21 and 2024/25, compared to growth of 15.6 per cent the previous five years.

The Central Karoo recorded the lowest employment growth over the decade (5.7 per cent), while the Overberg (39.5 per cent) had the highest employment growth over the same period.

Over the decade, the Cape Metro's contribution to employment growth (61.7 per cent) was less than its employment share at the start of 2015/16 (71.1 per cent).

**Figure 1.15** Employment growth contribution (2015/16-2024/25) and employment share (start of 2015/16) per Western Cape district



Source: SARS, own calculations

In contrast, the Cape Winelands (3.4 percentage points), Overberg (2.5 percentage points) and Garden Route districts' (2.0 percentage points) growth in employment contribution exceeded its share of total employment in 2015/16. When relative size is considered, the Cape Winelands district was the top performing district in employment creation the past decade.

### **Influence Comes With Income: Why South African Creators Are Now Squarely in SARS's Sights**

Social media influencing is now firmly on the tax radar, and SARS has made it clear that creators are no longer operating in a grey area. If you earn money, secure paid collaborations or receive valuable products and experiences in exchange for content, those benefits are treated as taxable income in the same way as freelance or small-business earnings. In practice, this means that sponsored posts, affiliate commissions, appearance fees, gifted clothing or gadgets, paid trips, event tickets and similar "freebies" all form part of your income and should be valued and declared.

For influencers, the implication is that you need to start thinking of your online presence as a business, not just a feed. That involves registering as a taxpayer when you cross the tax threshold, keeping proper records of all payments and in-kind rewards, and including this income in your annual return. The upside is that you can also deduct legitimate business expenses (equipment, data, editing software, certain travel costs) which can reduce your taxable income. Ignoring these obligations comes with growing risk: as SARS increasingly compares visible lifestyles and brand partnerships with declared income, non-compliance can trigger audits, interest and penalties. Taking tax seriously now protects you from future headaches and positions you as a professional partner for brands that expect full compliance.

*Sources: South African Revenue Service. (2025, September 4). SARS clarifies issues around social influencers [Media release]; TaxTim. (2024, April 9). Navigating tax consequences for social media influencers in South Africa; Moonstone Information Refinery. (2025, September 7). Influencers in the tax net: SARS clarifies approach to digital income.*

## **Conclusion**

Global developments point to a world economy still adjusting to past shocks, with shifting inflation, trade and growth patterns that create a more uncertain and competitive environment for South Africa and the Western Cape. Nationally, South Africa is emerging from a period of stagnation with pockets of renewed momentum, but remains exposed to external risks, structural constraints and tighter trade conditions, including higher tariffs in key markets.

Within this context, the Western Cape shows areas of resilience and renewed strength, particularly in agriculture, tourism and finance, alongside weaker performance in several primary and more labour-absorbing sectors and a widening squeeze in some export-oriented manufacturing activities. Labour dynamics reveal both strong gains in employment and persistent disparities across districts, underscoring that growth alone is not resolving underlying labour market and social vulnerabilities.

### **Provincial and Municipal Socio-economic Intelligence – the PERO and MERO**

Every year the Western Cape Government publishes the Provincial Economic Review and Outlook (PERO) ahead of the Medium Term Budget Policy Statement, followed by its complementary publication, the Municipal Economic Review and Outlook (MERO).

The PERO and MERO tracks key statistics in the Growth for Jobs; Safety; an Educated, Healthy and Caring Society; and Innovation, Culture and Governance focus areas of the Provincial Strategic Implementation Plan and are aimed at informing policymakers at a provincial and municipal level on key economic issues that affect policy, planning and budgeting.

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# FISCAL CONTEXT AND STRATEGY

## THEME OF THE 2026 BUDGET

### Growth with discipline and care

The theme of **growth, discipline and care** reflects three complementary objectives:



- **Growth:** Expanding economic opportunity through investment in infrastructure, energy and water resilience, and catalytic economic initiatives.



- **Discipline:** Maintaining fiscal credibility through prudent expenditure management, efficiency improvements and responsible budgeting.



- **Care:** Protecting frontline services and supporting communities facing social and disaster-related risks.

## NATIONAL FISCAL CONTEXT AND DIVISION OF NATIONAL REVENUE

The national fiscal strategy is underpinned by four key pillars:



In 2026/27, approximately:



# 34.0%

of nationally raised revenue is allocated to provinces



# 7.6%

is allocated to local government

The **Provincial Equitable Share** remains the main source of funding for provinces. Conditional grants continue to support targeted priorities, although their growth remains more selective.

**The national fiscal framework provides relative stability but limited fiscal space. While debt stabilisation and a stronger primary surplus reduce the immediate risk of broad provincial funding reductions, the fiscal environment remains constrained and uncertain. A principles-based fiscal anchor reinforces the need for continued provincial prudence and disciplined budgeting.**

## WESTERN CAPE FISCAL STRATEGY: THE FIVE-YEAR BUDGET APPROACH

The Western Cape Government's **Five-Year Budget Approach** strengthens **fiscal discipline**, enables **evidence-based and targeted service delivery**, and supports **accelerated growth and greater impact for residents**.

### Three key phases:

**Phase 1 – Planning:** Departments align **five-year strategic plans** with the **2025–2030 Provincial Strategic Plan**, defining key outcomes, baselines and flagship initiatives.

**Phase 2 – Planning to Budgeting:** Strategic priorities are **translated into funded MTEF allocations** through detailed analysis of **risks, fiscal constraints and performance evidence**.

**Phase 3 – Finalising the Budget:** Departments undertake **trade-offs and confirm allocations**, ensuring alignment with **PSP priorities while maintaining fiscal sustainability**.

## WESTERN CAPE GOVERNMENT FISCAL STRATEGY PRINCIPLES



### Unlocking Allocative Efficiency -

Directing resources to the highest-impact programmes and policy priorities



### Enhancing Productive Efficiency -

Improving value for money and strengthening performance across government programmes.



### Enabling Long-Run Fiscal Sustainability -

Maintaining stable and responsible public finances to support service delivery over the long term



Western Cape  
Government  
**FOR YOU**

# 2

## Fiscal Context and Strategy

### In brief

- The 2026 National Fiscal Strategy marks a turning point, with debt stabilising and a growing primary surplus, while expenditure shifts toward growth-enhancing capital investment and improved spending efficiency through the Targeted and Responsible Savings (TARS) initiative.
- Although lower inflation and moderating interest rates ease borrowing costs, structural expenditure pressures, particularly Compensation of Employees (CoE) and service delivery demands, continue to constrain fiscal space across the Medium Term Expenditure Framework (MTEF).
- Provincial transfers grow moderately over the medium term, indicating a shift toward greater stability, however limited scope for discretionary expansion, requires disciplined reprioritisation and efficiency-driven reforms.
- The Western Cape Government's (WCG) Five-Year Budget Approach aligns planning and budgeting to risk, evidence and the 2025 - 2030 Provincial Strategic Plan (PSP), strengthening responsiveness, predictability and outcome-driven resource allocation.
- The 2026 Budget embeds a sustainable COE strategy, strengthens disaster resilience through dedicated drought response and water security interventions, and advances infrastructure reform anchored in preservation and alternative financing.
- Enhanced revenue optimisation, scenario-based fiscal modelling, modernised procurement systems, and strengthened intergovernmental coordination collectively reinforce fiscal credibility, value for money and long run fiscal sustainability.

### ■ Introduction

Chapter 2 sets out the fiscal context within which the 2026 Budget is framed and outlines the WCG's strategic response to a constrained but stabilising macro-fiscal environment. The 2026 Budget is guided by the theme, "A Budget that delivers growth with discipline and care," reflecting the Province's commitment to advancing economic opportunity while safeguarding fiscal sustainability and protecting essential services. While the national fiscal framework reflects important progress in managing debt levels and restoring credibility, medium term risks remain, including structural expenditure pressures, growth uncertainty and limited fiscal buffers. These dynamics shape the Provincial resource envelope and necessitates disciplined, evidence-based decision-making.

Against this backdrop, the WCG's fiscal strategy balances growth and prudence. It is anchored in safeguarding fiscal discipline, strengthening allocative and productive efficiency, and embedding long run fiscal sustainability, while ensuring that resource decisions are responsive to the needs of residents. The 2026 Budget gives practical effect to the 2025 - 2030 Provincial Strategic Plan (PSP), aligning limited resources to the four transversal portfolios of Growth for Jobs (G4J); Safety; Educated Healthy and Caring Society (EHACS); and Innovation, Culture and Governance (IC&G), with a clear focus on impact, resilience and value for money.

This chapter outlines the national fiscal framework and the division of revenue, assesses the implications for the Province, and details the WCG's fiscal strategy. It further highlights the key enablers of the 2026 Budget that delivers growth with discipline and care, including revenue optimisation, forward-looking fiscal modelling, a sustainable Compensation of Employees (CoE) strategy, a resilience-focused infrastructure approach, strengthened procurement and financial systems, and coordinated intergovernmental budgeting. Together, these measures reinforce a coherent, credible and risk-informed fiscal strategy designed to enhance service delivery, protect frontline services, and position the Province for sustainable growth and institutional resilience over the medium to long term.

### National Fiscal Context

The 2026 National Budget marks a turning point in South Africa's public finances. For the first time since the 2008 global financial crisis, government debt as a share of GDP is stabilising, with the gross debt-to-GDP ratio<sup>1</sup> projected to peak in 2025/26 before declining gradually over the medium term. This reflects sustained fiscal consolidation efforts, improved revenue performance, lower inflation, and reduced borrowing costs. The fiscal strategy now shifts from stabilising debt to steadily reducing it over the remainder of the decade.

Revenue performance in 2025/26 has exceeded earlier projections, resulting in an upward revision to main budget revenue. Government is expected to achieve a primary surplus of 0.9 per cent of GDP in 2025/26, with this surplus projected to strengthen to 2.3 per cent over the medium term. The consolidated deficit narrows from 4.5 per cent of GDP in 2025/26 to 2.9 per cent by 2028/29. Debt-service costs<sup>2</sup>, while still significant, are projected to grow more slowly than total expenditure, easing pressure on the fiscus and allowing for a measured shift toward growth-enhancing investment. Notably, capital expenditure is projected to grow faster than compensation of employees, signalling a deliberate rebalancing of spending toward infrastructure and economic growth.

National Government's medium term fiscal strategy is anchored in four pillars: supporting economic growth, implementing Targeted and Responsible Savings (TARS), containing the public service wage bill, and entrenching fiscal sustainability through a principles-based fiscal anchor. The strategy prioritises public investment, improved spending efficiency and wage moderation, while embedding fiscal rules to strengthen credibility. However, it remains subject to risks including weaker-than-expected economic growth, partial realisation of efficiency gains, structural wage pressures and elevated debt-service costs.

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<sup>1</sup> Gross debt-to-GDP ratio: A measure of the total government debt compared with the size of the country's economy.

<sup>2</sup> Debt-service costs: The interest on government debt and other costs directly associated with borrowing.

The 2026 Budget withdraws previously proposed tax increases due to revenue over-performance, fully adjusts personal income tax brackets for inflation, raises tax-free savings thresholds and strengthens enforcement against illicit trade. While no broad-based tax hikes are introduced, inflation-linked increases in fuel levies and excise duties remain.

**Table 2.1 Division of national raised revenue**

| R billion                                             | Outcome        |                |                | Revised<br>estimate<br>'2025/26 | Medium-term estimates |                |                | Average<br>annual<br>MTEF<br>growth |
|-------------------------------------------------------|----------------|----------------|----------------|---------------------------------|-----------------------|----------------|----------------|-------------------------------------|
|                                                       | 2022/23        | 2023/24        | 2024/25        |                                 | 2026/27               | 2027/28        | 2028/29        |                                     |
| <b>Division of available funds</b>                    |                |                |                |                                 |                       |                |                |                                     |
| <b>National departments</b>                           | <b>855.9</b>   | <b>826.9</b>   | <b>860.5</b>   | <b>939.4</b>                    | <b>951.7</b>          | <b>939.9</b>   | <b>987.9</b>   | <b>1.7%</b>                         |
| of which:                                             |                |                |                |                                 |                       |                |                |                                     |
| Indirect transfers to provinces                       | 3.5            | 4.1            | 3.7            | 4.6                             | 3.0                   | 2.6            | 2.7            | (16.5)%                             |
| Indirect transfers to local government                | 7.2            | 8.2            | 7.1            | 7.6                             | 7.5                   | 8.0            | 8.3            | 2.8%                                |
| <b>Provinces</b>                                      | <b>694.1</b>   | <b>706.3</b>   | <b>730.6</b>   | <b>788.8</b>                    | <b>810.5</b>          | <b>845.9</b>   | <b>872.4</b>   | <b>3.4%</b>                         |
| Equitable share                                       | 570.9          | 585.1          | 600.5          | 649.3                           | 670.3                 | 698.6          | 720.4          | 3.5%                                |
| Conditional grants                                    | 123.3          | 121.2          | 130.2          | 139.4                           | 140.2                 | 147.2          | 152.0          | 2.9%                                |
| <b>Local government</b>                               | <b>150.7</b>   | <b>157.7</b>   | <b>167.7</b>   | <b>178.3</b>                    | <b>182.3</b>          | <b>189.3</b>   | <b>195.3</b>   | <b>3.1%</b>                         |
| Equitable share                                       | 83.9           | 92.3           | 99.5           | 103.8                           | 110.1                 | 114.5          | 118.0          | 4.4%                                |
| Conditional grants                                    | 51.4           | 50.0           | 52.1           | 57.7                            | 54.7                  | 56.6           | 58.5           | 0.4%                                |
| General fuel levy sharing with metros                 | 15.3           | 15.4           | 16.1           | 16.8                            | 17.5                  | 18.2           | 18.8           | 3.7%                                |
| Provisional allocations not appropriated <sup>1</sup> | -              | -              | -              | -                               | 1.3                   | 38.2           | 39.2           |                                     |
| <b>Non-interest allocations</b>                       | <b>1 700.7</b> | <b>1 690.8</b> | <b>1 758.8</b> | <b>1 906.5</b>                  | <b>1 945.8</b>        | <b>2 013.3</b> | <b>2 094.8</b> | <b>3.2%</b>                         |
| Percentage increase                                   | 5.0%           | -0.6%          | 4.0%           | 8.4%                            | 2.1%                  | 3.5%           | 4.0%           |                                     |
| Debt-service costs                                    | 308.5          | 356.1          | 385.8          | 420.6                           | 432.4                 | 451.5          | 469.3          | 3.7%                                |
| Contingency reserve                                   | -              | -              | -              | -                               | 5.0                   | 10.6           | 17.0           |                                     |
| <b>Main budget expenditure</b>                        | <b>2 009.2</b> | <b>2 046.9</b> | <b>2 144.6</b> | <b>2 327.1</b>                  | <b>2 383.3</b>        | <b>2 475.4</b> | <b>2 581.1</b> | <b>3.5%</b>                         |
| Percentage increase                                   | 6.5%           | 1.9%           | 4.8%           | 8.5%                            | 2.4%                  | 3.9%           | 4.3%           |                                     |
| Percentage shares                                     |                |                |                |                                 |                       |                |                |                                     |
| National departments                                  | 50.3%          | 48.9%          | 48.9%          | 49.3%                           | 48.9%                 | 47.6%          | 48.1%          |                                     |
| Provinces                                             | 40.8%          | 41.8%          | 41.5%          | 41.4%                           | 41.7%                 | 42.8%          | 42.4%          |                                     |
| Local government                                      | 8.9%           | 9.3%           | 9.5%           | 9.4%                            | 9.4%                  | 9.6%           | 9.5%           |                                     |

Source: National Treasury

For early retirement costs in 2026/27 and Social Relief of Distress grant in the outer two years

Over the 2026 MTEF, more than half of nationally raised revenue continues to be transferred to provinces and municipalities to fund constitutionally mandated services. In 2026/27, 41.7 per cent of nationally raised revenue is allocated to provinces and 9.4 per cent to local government. The PES remains the primary funding instrument, growing moderately over the MTEF, while conditional grants expand more selectively. Additional targeted allocations include funding for Grade R pay parity, early retirement initiatives, the Presidential Employment Programme, and a top-up to the Provincial Roads Maintenance Grant to address disaster-related infrastructure damage.

Sectoral priorities emphasise the social wage, with education and health continuing to absorb a significant share of consolidated expenditure. Early Childhood Development (ECD) funding is

expanded substantially, the National School Nutrition Programme is adjusted for food inflation, and additional funding is provided to provinces to strengthen HIV/AIDS programmes and address compensation pressures in health and education. Infrastructure investment exceeds R1 trillion across the public sector over the MTEF, supported by reforms to public-private partnerships (PPPs), the expansion of the Budget Facility for Infrastructure (BFI), and the establishment of a Credit Guarantee Vehicle to crowd in private investment in transmission infrastructure.

At local government level, reforms focus on improving financial sustainability and governance, including performance-linked reforms to trading services in metropolitan municipalities and adjustments to the Municipal Infrastructure Grant delivery model. Targeted savings of R12 billion are identified nationally, including reductions to certain transport-related grants.

### **Implications for the Western Cape Government**

For the WCG, the national fiscal framework provides relative stability but limited discretionary space. While debt stabilisation and a strengthening primary surplus reduce the immediate risk of across-the-board provincial reductions, the fiscal environment remains constrained and subject to growth and implementation risks. The introduction of a principles-based fiscal anchor further reinforces the need for continued provincial prudence.

Provincial allocations grow moderately over the MTEF, but much of the additional funding is targeted. Increases linked to Grade R pay parity, health pressures and provincial roads maintenance assist in addressing specific baseline pressures within education, health and infrastructure. However, non-protected areas remain constrained, necessitating continued reprioritisation, spending discipline and efficiency improvements.

The sustained national emphasis on the social wage intensifies demand pressures within the Province, particularly in education, health and social development, against the backdrop of ongoing in-migration and urbanisation. While additional ECD and health allocations provide partial relief, they are unlikely to fully offset structural growth. The WCG must therefore continue to balance fiscal discipline with the protection of frontline services, ensuring that allocations remain responsive to demographic realities.

Reductions to certain transport-related conditional grants introduce risks to provincial mobility priorities, particularly in relation to urban transport systems. These adjustments may require strengthened oversight, alternative financing approaches and continued efficiency reforms to safeguard service delivery outcomes.

At the same time, national reforms in infrastructure financing, PPP frameworks and credit guarantees present strategic opportunities. The expansion of the BFI window, reforms to municipal trading services and the establishment of the transmission Credit Guarantee Vehicle align closely with the Western Cape's infrastructure-led growth strategy, energy resilience agenda and Alternative and Blended Finance (ABF) initiatives. Leveraging strong provincial planning capacity and project preparation capabilities will be critical to securing national co-funding and crowding in private investment.

Municipal reforms and performance-linked funding models may reduce discretion in weaker municipalities but could enhance implementation discipline and improve infrastructure delivery outcomes. This aligns with the Province's emphasis on coordinated intergovernmental planning and strengthened financial governance.

Overall, while the 2026 National Budget stabilises the macro-fiscal environment and creates selective opportunities for infrastructure and reform alignment, it does not materially expand provincial fiscal space. The Western Cape Government must therefore continue to entrench allocative efficiency, strengthen productivity and safeguard institutional resilience to ensure sustainable service delivery over the 2026 MTEF.

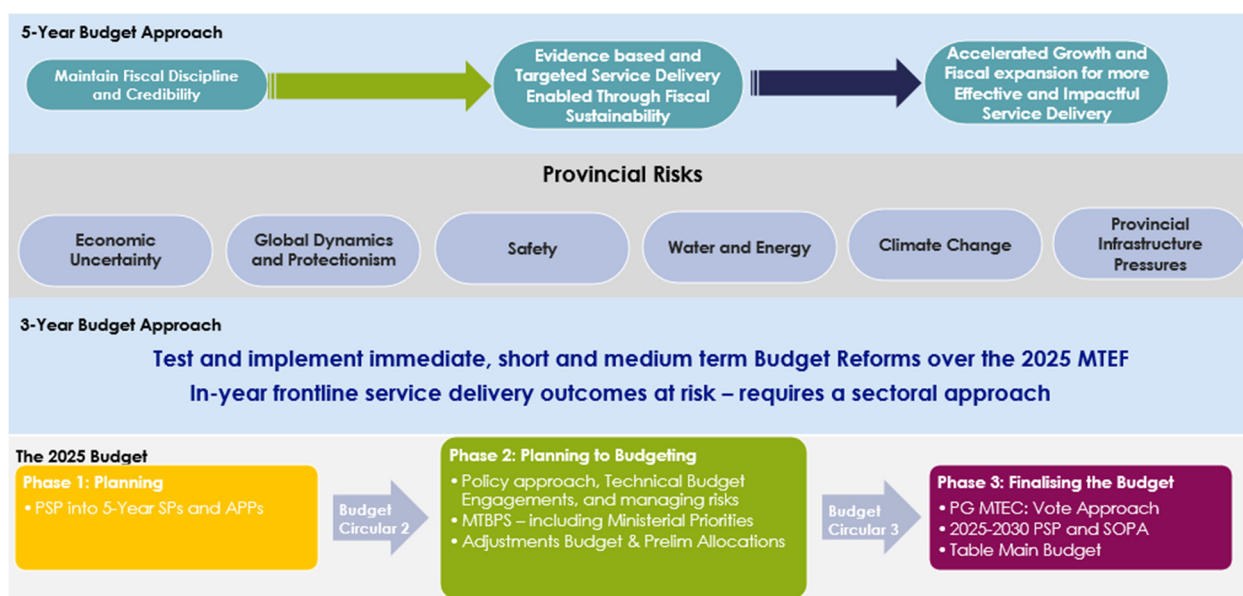
Further detail on the Provincial Fiscal Framework is provided in Chapter 3: Budget Aggregates, while the spatial distribution of provincial expenditure across the Cape Metro, district and local municipalities is outlined in Chapter 5: Spatial Distribution of Provincial Expenditure.

## Provincial Fiscal Strategy and Response

The implementation of the WCG's Five-Year Budget Approach, which was introduced as part of the 2025 MTEF budget process, reflects a deliberate and sequenced reform trajectory, beginning with maintaining fiscal discipline and credibility, advancing toward evidence-based and targeted service delivery enabled through fiscal sustainability, and culminating in accelerated growth and fiscal expansion for more effective and impactful service delivery.

This approach creates certainty and stability in the WCG's planning and budgeting process, while placing stronger emphasis on strategic trade-offs, prioritisation, and measurable impact.

**Figure 2.1 5 to 3 - Year Budget Approach**



### Phase 1 (Planning)

Phase 1 focused on embedding the 2025 - 2030 Provincial Strategic Plan (PSP) into departmental 5-Year Strategic Plans and Annual Performance Plans (APPs). This phase marked the beginning of an iterative journey to strategically connect PSP delivery to departmental planning and budgeting, with a specific focus on value for money and service delivery impact.

Departments were required to define outcome-level targets, articulate baselines, identify flagship interventions, and demonstrate what systems are in place, or need to be developed, to measure progress toward PSP outcomes. This strengthened fiscal credibility by ensuring that planning was evidence-based, risk-informed, and anchored in long term fiscal sustainability before detailed resource allocations were considered.

Importantly, this phase placed significant emphasis on whether sound outcome measurement and impact monitoring systems exist, as budget decisions would increasingly be informed by the credibility and maturity of these systems.

### **Phase 2 (Planning to Budgeting)**

Phase 2 translated strategic priorities into a funded Medium Term Expenditure Framework (MTEF). Through a policy-led approach, technical budget engagements, and structured risk assessments, departments refined proposals and reprioritised within the constrained fiscal envelope.

Budget decisions were required to demonstrate responsiveness, credibility, and sustainability, supported by clear targets, systematic use of evidence, review of performance indicators, and data- and information-driven decision-making.

The preliminary allocations incorporated the carry-through implications of the 2025 Adjusted Budget allocations over the 2026 MTEF, reflecting approved budget realignments and baseline shifts. This ensured that outer-year allocations were credible and aligned to updated spending trajectories.

Crucially, during this phase, the Province deepened its iterative approach by testing whether interventions were supported by measurable outcome frameworks and credible performance indicators. Funding proposals were assessed not only on policy alignment, but also on whether departments could demonstrate how progress toward PSP outcomes would be measured and monitored through a coherent data ecosystem.

### **Phase 3 (Finalising the Budget)**

Phase 3 represents the formalisation and consolidation stage of the budget process. The Provincial Treasury consolidated the results of portfolio engagements, departmental trade-offs, fiscal risk assessments, and reprioritisation into a final Budget for Provincial Cabinet consideration and approval.

In line with the Budget Engagement requirements, departments were expected to demonstrate how their budgets give practical effect to the PSP through measurable, sequenced interventions, while strengthening fiscal sustainability and implementation feasibility.

The final Budget 2026 allocations therefore reflect alignment with the 2025 - 2030 PSP, demonstrates outcome-level targets supported by credible measurement systems, ensure adherence to fiscal sustainability principles, and responsiveness to emerging risks, applies Compensation of Employees ceilings, and enables priority resilience interventions.

The WCG principles and values provide the foundation for how it plans, budgets and delivers services. As the Province strengthens continuity and coherence across the budget process, these principles remain central to guiding decision-making and ensuring that resource allocations are strategically aligned to the implementation of the 2025 - 2030 Provincial Strategic Plan (PSP).

**Figure 2.2 2026 Fiscal Strategy Principles and Values**

The Western Cape Fiscal Strategy remains anchored in the principles of unlocking allocative efficiency, enhancing productive efficiency and safeguarding long run fiscal sustainability. These principles guide decision-making across the 2026 MTEF and give practical effect to the value-for-money objective. In this context, value for money entails achieving the intended policy outcomes and qualitative impact, while delivering those outcomes in the most cost-effective and efficient manner. Through this approach, the 2026 Budget strengthens fiscal discipline, supports credible service delivery and ensures that limited resources are directed to interventions that yield the greatest measurable benefit for residents.

## Implementing the 2026 Budget Policy Principles

The WCG's fiscal strategy is structured around three reinforcing objectives, unlocking allocative efficiency through budget responsiveness, strengthening productive efficiency through budget credibility, and enabling long run fiscal sustainability, to ensure that resources are strategically aligned to the 2025 - 2030 Provincial Strategic Plan, while safeguarding medium and long term resilience.

### Budget Responsiveness

The 2026 Budget is the main tool for delivering the 2025 - 2030 Provincial Strategic Plan (PSP). It shifts focus from separate departmental silos to four resident-centred portfolios: Growth for Jobs; Safety; Educated Healthy and Caring Society (EHACS); and Innovation, Culture and Governance (IC&G). The Budget also responds to the Province's evolving disaster risk profile by strengthening preparedness, rapid response and recovery capacity in the face of intensifying climate-related risks and socio-economic shocks, including the declared disaster of Gender-Based Violence (GBV). Over the medium term, explicit provision is made for both drought response and water resilience interventions, with targeted funding supporting immediate risk mitigation measures such as emergency water supply, demand management and technical support to municipalities, alongside longer term structural investments in bulk infrastructure upgrades, augmentation planning, ecological infrastructure restoration and strengthened institutional capability within the water governance system. In addition, the WCG has prioritised investments in energy efficiency and resilience to support economic growth and job creation by reducing operational costs for businesses, improving access to reliable, low-carbon and cost-effective energy sources, and enhancing the Province's resilience to ongoing energy supply disruptions.

Over the medium term, funding is directed to initiatives that support inclusive growth, better social outcomes and stronger public-sector capability, while still protecting fiscal sustainability and frontline services. This coordinated, evidence-based approach advances Growth for Jobs, EHACS, Safety and IC&G, and supports a more resilient and opportunity-driven Western Cape.

### **Sustainability**

The 2026 Budget promotes sustainability through tighter control of Compensation of Employees (CoE), better revenue performance and structural reforms aimed at long term fiscal health. Early Retirement and Voluntary Exit Programmes have generated savings that are built into departmental baselines and linked to human-resource planning, helping to keep staffing affordable over time. The multi-year wage agreement is fully costed in the MTEF, supported by strict CoE budgeting rules on realistic recruitment, phased appointments and the return of underspending to the Provincial Revenue Fund.

Sustainability is also addressed at sector level. In Education, learner growth and wage pressures are managed through reprioritisation and infrastructure trade-offs, while protecting long term system stability. In Health, extra baseline funding stabilises goods and services budgets and restores critical clinical capacity, shifting away from short term crisis management. In Social Development, ongoing pressure on funding for non-profit organisations and statutory care services highlights persistent social-service risks.

The fiscal framework draws a clear line between recurring and once-off revenue. Stable sources such as the provincial equitable share, motor-vehicle license fees and other own receipts fund ongoing operating and infrastructure commitments. Once-off revenue is used mainly for once-off, infrastructure-related spending. A portion of license-fee revenue is earmarked for the Alternative and Blended Finance (ABF) Reserve, creating a predictable stream to service infrastructure borrowing and related projects. This structured revenue approach supports resilience, better risk management and long-run fiscal sustainability.

### **Credibility**

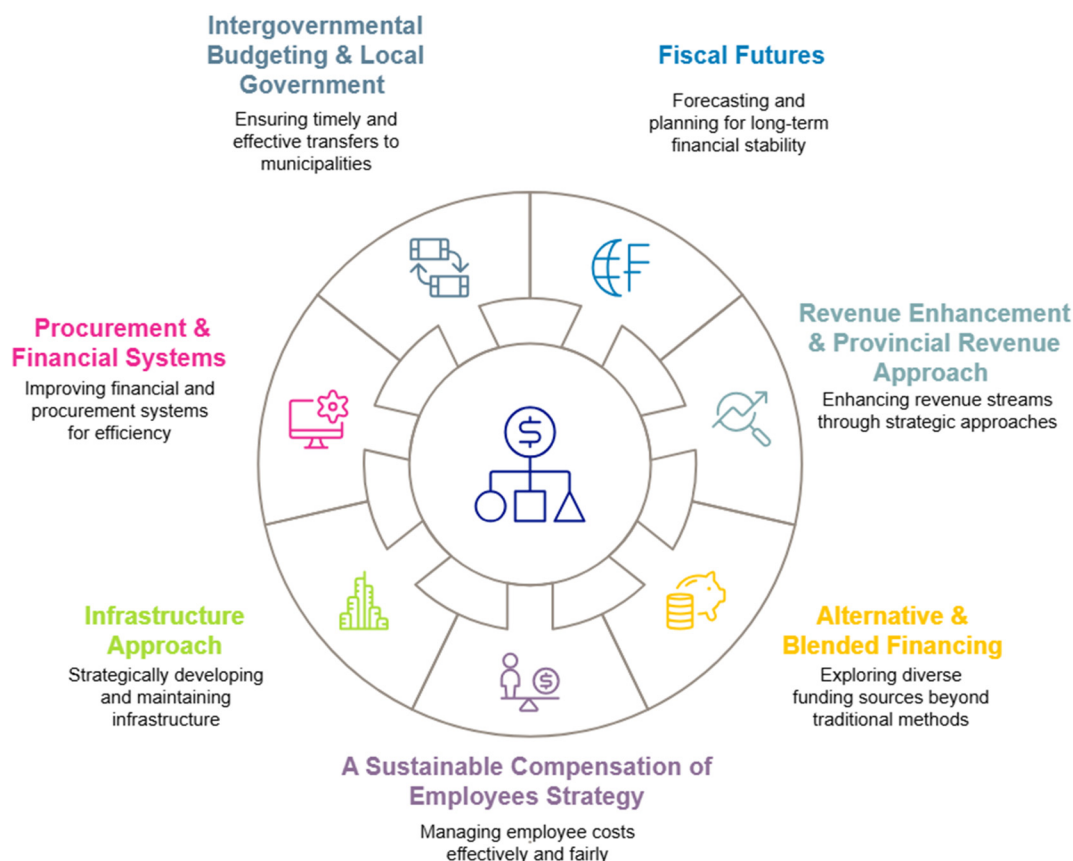
Budget credibility is built on realistic, capacity-aligned budgeting and stronger expenditure oversight. Departments had to show that their plans are deliverable within the available envelope, with close scrutiny of CoE assumptions, service-delivery models, recruitment plans and key cost drivers. Where needed, allocations were adjusted to match implementation readiness, improving feasibility and reducing fiscal risk. A key mechanism for credibility is the institutionalisation of expenditure reviews. Fourteen expenditure reviews have been completed from 2021/22 to 2024/25 in partnership with the Government Technical Advisory Centre (GTAC). These help improve allocative efficiency, value for money and service outcomes by strengthening evidence-based budgeting, refining programme design and aligning resources with measurable and sustainable results. The list of completed and planned expenditure reviews are available in Annexure 1 to this chapter.

Over the medium term, the focus shifts from doing reviews to implementing their recommendations and tracking progress. This helps ensure that reviews lead to lasting impact, better performance and stronger accountability. Together, these measures ground the 2026 Budget in realistic assumptions, transparent reprioritisation and firm fiscal controls, supporting credible public finances in a constrained and uncertain macro-fiscal environment.

## Enablers of the 2026 Budget Process

The effectiveness of the 2026 Budget depends on a set of integrated enablers that strengthen planning, budgeting, execution and oversight across the WCG. These enablers reinforce alignment with the 2025 - 2030 PSP and ensures that fiscal decisions are responsive to emerging risks, infrastructure pressures and evolving socio-economic conditions. Together, they support a coordinated, evidence-based approach to service delivery while advancing the Innovation, Culture and Governance portfolio's drive toward a more agile, collaborative and high-performing state.

**Figure 2.3 Enablers of the 2026 Budget Process**



## Revenue Enhancement and Provincial Revenue Approach

In a constrained fiscal environment where national transfers grow only marginally and do not keep pace with inflation and a growing population, strengthening provincial own revenue becomes increasingly important. Own revenue is a small part of total funding but gives the Province flexibility to manage risks, co-fund infrastructure and support key priorities, which in turn bolsters fiscal resilience.

Provincial own revenue comes mainly from motor-vehicle licence fees, gambling taxes, hospital patient fees and interest, and has grown steadily, helping to stabilise the fiscal framework. Over the 2026 MTEF, the focus is on optimisation, better compliance, modernised revenue systems, more accurate forecasting, tariffs that reflect costs and higher investment returns, to lift revenue yield while improving efficiency and governance.

Debt management is a core part of this approach. Hospital patient fee debt, including Road Accident Fund (RAF) claims, remains a large component of amounts owed to the Province. Targeted measure, such as faster claims processing, tighter billing controls, upgraded digital systems, better settlement processes and focused debt-recovery actions are intended to improve cash flow and reduce outstanding balances, supported by stronger transversal oversight from Provincial Treasury.

The Province is also cautiously assessing new revenue options within constitutional and legal limits. Any new levy or fee will go through strict economic, legal and administrative tests to ensure it supports growth and does not damage competitiveness.

The WCG Revenue Approach rests on three pillars: improving and optimising existing revenue streams, testing and introducing carefully assessed new revenue sources, and using (ABF) to bring in private and other non-fiscal resources. Provincial Revenue Forums provide a platform for coordinated implementation and oversight across departments and entities.

The goal is to expand the provincial fiscal base responsibly and sustainably, strengthening fiscal stability while supporting inclusive growth and service delivery.

### Alternative and Blended Financing

Alternative and Blended Financing (ABF) forms a central pillar of the WCG's fiscal strategy. In an environment of constrained own-revenue growth and rising infrastructure and service-delivery demands, ABF provides a structured mechanism to mobilise additional capital, diversify funding sources, and strengthen long term fiscal sustainability. By leveraging private capital, development finance institutions (DFIs), public-private partnerships (PPPs), donor funding and sustainable finance instruments, the Province is broadening its financing toolkit beyond traditional intergovernmental transfers.

Launched in April 2025, the ABF Framework establishes a disciplined, governance-led approach to responsible borrowing and blended financing. It is fully aligned with provincial fiscal strategy principles. Implementation is structured across three phases:

- **Phase 1: Initiation and Exploration:** Establishing governance structures, developing departmental templates and guidelines, engaging with private-sector partners and DFIs, strengthening internal capacity, and assessing available financing instruments and procurement pathway.
- **Phase 2: Project Prioritisation and Selection:** Subjecting on-balance sheet projects to affordability assessments and undertaking the preparatory financial, technical and governance due diligence prior to recommendation to Cabinet.
- **Phase 3: Loan Structuring and Approval:** Undertaking detailed loan structuring through the Technical Provincial Loans Coordination Committee, followed by formal recommendations to the Provincial Loans Coordination Committee, Cabinet and the National Treasury Loans Coordination Committee.

To underpin this strategy, the Province has created a dedicated ABF Reserve over the 2026 MTEF totaling R518.814 million. The reserve will serve as a stable, recurring funding source to service borrowings for infrastructure and related projects. It is primarily funded from additional revenues derived from motor vehicle licence fees and will be supplemented by further revenue as it becomes available.

Based on the current level of the Reserve, the WCG could potentially raise approximately R1.3 billion over a 10-year period at the current prime interest rate of 10.25 per cent. The intention is to test the market in 2026/27, with a view of scaling up loan financing over the 2026 MTEF and beyond as the ABF Reserve is strengthened through additional revenue streams.

The current and planned ABF pipeline reflects a diversified and strategically targeted portfolio across transport, human settlements, water security, health, education, agriculture, municipal infrastructure, governance strengthening and catalytic flagship projects.

### Current and planned ABF projects

**Table 2.2 ABF Projects**

| Current and Planned ABF Projects          |                                                                        | Total Budget      |
|-------------------------------------------|------------------------------------------------------------------------|-------------------|
| R'000                                     |                                                                        |                   |
| <b>Budget Facility for Infrastructure</b> |                                                                        | <b>10 088 549</b> |
| Vote 6: Health and Wellness               | Tygerberg Regional Hospital                                            | 135 448           |
| Vote 6: Health and Wellness               | Klipfontein Regional Hospital                                          | 150 453           |
| Vote 5: Western Cape Education Department | Rapid Build Schools Programme                                          | 2 501 000         |
| Vote 6: Health and Wellness               | Tygerberg Hospital HT                                                  | 295 000           |
| Drakenstein Municipality                  | Drakenstein Sanitation Infrastructure                                  | 1 388 000         |
| George Municipality                       | Potable Water Security                                                 | 909 648           |
| City of Cape Town                         | MyCityPhase 2A project                                                 | 4 709 000         |
| <b>Public-Private Partnerships</b>        |                                                                        | <b>490 000</b>    |
| Vote 10: Infrastructure                   | Chapman's Peak Drive PPP                                               | 450 000           |
| CapeNature                                | De Hoop Nature Reserve PPP                                             | 40 000            |
| <b>Other ABF projects</b>                 |                                                                        | <b>24 047 753</b> |
| Vote 1: Premier                           | Donor Funding (UK Partnering for Accelerated Climate Transitions Coun  | 12 000            |
| Vote 7: Social Development                | Cape Care Fund                                                         | 253               |
| WCG                                       | ABF Flagship Projects                                                  | 23 690 000        |
| Vote 11: Agriculture                      | Agricultural Partnerships                                              | 140 000           |
| Vote 12: Economic Development and Tourism | Experiential Learning Programmes                                       | 55 000            |
| Vote 13: Cultural Affairs and Support     | Youth, Sports and Cultural Partnerships                                | 77 000            |
| Vote 14: Local Government                 | Project Preparation & Transaction support to unlock ABF (SECO & IFD)   | 72 000            |
| Vote 14: Local Government                 | Capacitation of Municipal Leaders and Officials (Hans Seidell Foundati | 1 500             |
| <b>Grand Total</b>                        |                                                                        | <b>34 626 302</b> |

Source: Provincial Treasury

### Alternative and Blended Finance (ABF) Portfolio

The WCG's ABF portfolio reflects a strategically structured investment programme amounting to R34.626 billion. The portfolio spans major infrastructure projects, established public-private partnerships (PPPs), and catalytic ABF initiatives. Collectively, these investments are designed to stimulate economic growth, strengthen core service delivery, and mobilise private and blended capital in support of long term fiscal sustainability.

### Direct ABF Infrastructure Projects

A total of R10.088 billion is directed toward high-impact infrastructure projects across the Health and, Education sector departments, including sanitation and water projects within the Drakenstein and George municipalities, as well as transport in the City of Cape Town.

## **Public–Private Partnerships**

Established PPP arrangements contribute a further R490 million to the portfolio supporting transport and environmental affairs, leveraging private sector expertise and risk-sharing arrangements to enhance public infrastructure and environmental management.

## **Catalytic ABF Programmes and Flagship Initiatives**

The largest component of the portfolio, R24.048 billion, supports provincial flagship priorities and catalytic programmes aimed at unlocking investment, enhancing sector development, and strengthening governance systems. This primarily being leveraged from the private sector, public sector and DFIs.

The combination of major infrastructure projects, structured PPPs, and catalytic sector initiatives demonstrates a deliberate shift toward diversified funding mechanisms and innovative financing solutions to maximise developmental impact across the Western Cape.

## **Fiscal Futures**

The WCG continues to strengthen forward-looking fiscal modelling through the Fiscal Futures model, which combines national macroeconomic assumptions with Western Cape specific scenarios, to test the sensitivity of the provincial fiscal envelope. The baseline scenario incorporates National Treasury's main budget assumptions, including nominal GDP growth, consolidated revenue performance and the Province's projected share of the Provincial Equitable Share (PES). Alternative scenarios then assess the impact of changes in key macro-fiscal variables on provincial transfers and overall fiscal sustainability.

In the 2026 Budget process, Fiscal Futures has been practically applied as a scenario-testing tool to inform fiscal risk assessment and medium term planning. The model has been utilised in the MTBPS and is currently in a testing phase, with automation recently incorporated to enhance efficiency and repeatability. Scenario analysis has enabled Provincial Treasury to stress-test the provincial resource envelope against potential revenue shifts, macroeconomic shocks and changes in intergovernmental transfers, thereby strengthening the credibility and resilience of the fiscal framework underpinning the 2026 MTEF.

The next step in the development of Fiscal Futures is to extend its practical application beyond macro-fiscal projections by selecting a revenue-raising department as a pilot case. Targeted research will be undertaken to support that department's specific focus area, enabling improved revenue forecasting at departmental level and refining the integration between macro-fiscal modelling and operational budgeting. This phased expansion will deepen the model's policy relevance, strengthen evidence-based decision-making and further embed scenario planning within the Province's budget reform trajectory.

## **A sustainable Compensation of Employees Strategy**

Within a tight economic and fiscal environment, the WCG is pursuing a sustainable, evidence-based approach to managing Compensation of Employees (CoE). Because CoE is a large share of provincial spending, effective management is critical for fiscal credibility, protection of frontline services and long term sustainability. The Province is tightening wage-bill discipline by building efficiency measures into organisational structures, service-delivery models and workforce planning.

Departments developed tailored CoE management plans based on clear assumptions, affordability limits and operational realities. These plans support workforce capability, succession planning and the prioritisation of essential services, while keeping staffing decisions fiscally sustainable. Linking human-resource planning to medium term budget ceilings reinforces the idea that CoE budgets must be credible, implementable and aligned with service imperatives.

From 2026/27, the first round of Early Retirement Programme (ERP) and Voluntary Exit Programme (VEP) applications is implemented. Savings from ERP and VEP are systematically built into departmental baselines, embedding fiscal discipline in CoE budgets. Departments are expected to align post-exit staffing with skills gaps, operational needs and wider efficiency reforms so that workforce changes improve both capability and sustainability.

The 2025 wage agreement, which runs to 2027/28, supports medium term stability by capping salary increases at 4 per cent in 2026/27 and 2027/28. For 2028/29, the framework assumes 3.1 per cent headline inflation. This provides predictability in the CoE baseline and helps departments plan within clear fiscal parameters. Any underspending on CoE must return to the Provincial Revenue Fund, unless directed otherwise, reinforcing accountability and disciplined spending.

Together, these measures form a coherent CoE strategy that balances fiscal sustainability with service-delivery priorities. Rather than focusing only on cost containment, the Province is embedding a culture of fiscal responsibility that integrates workforce realities into financial planning, strengthens budget credibility and supports institutional resilience over the medium to long term.

### **Approach to Infrastructure**

The WCG's 2026 infrastructure approach shifts deliberately toward preserving and optimising existing assets, strengthening disaster resilience, securing energy and water as core enablers of service delivery, and expanding alternative financing. Guided by the Western Cape Infrastructure Framework (WCIF), Infrastructure Strategy (WCIS) and Infrastructure Implementation Plan (WCIP), the Province is embedding a more integrated approach to planning, prioritisation and delivery to support long term asset sustainability and fiscal credibility.

A preservation-first principle sits at the centre of this strategy, balancing new capacity with maintenance and lifecycle asset management. With maintenance backlogs rising across sectors, departments prioritise asset protection and service continuity before launching major new capital projects. This discipline protects the long term value of public infrastructure and improves operational reliability.

Disaster resilience is now a core design consideration. As floods, fires and water-related risks increase, investments in ecological infrastructure, targeted disaster funding and climate-adaptation measures aim to cut vulnerability and protect critical assets. Energy and water security are treated as cross-cutting priorities, recognising that reliable bulk services are essential to the functioning of schools, health facilities and other public infrastructure.

The Province also recognises that the fiscus alone cannot meet growing infrastructure needs, especially for mega-projects and long term commitments. Alternative and Blended Finance (ABF) mechanisms are therefore being strengthened to mobilise private and other non-fiscal capital. Through the ABF programme and its Panel of Experts, Provincial Treasury supports better project preparation, technical review and risk assessment, ensuring alternative financing is used responsibly and does not undermine fiscal sustainability.

Provincial Treasury will maintain governance oversight, assessment, monitoring and reporting across the infrastructure portfolio, in line with the Infrastructure Delivery Management System (IDMS), to promote transparency, accountability and value for money. Overall, these measures define a coherent infrastructure strategy that balances fiscal sustainability with service-delivery needs. Instead of simply expanding capital spending, the Province is embedding a disciplined, resilience-focused and fiscally responsible approach that protects existing assets, strengthens foundational services and supports long term economic and institutional resilience.

### **Procurement and Financial Systems**

The 2026 Budget modernises how the WCG buys goods and services and manages public money. It focuses on using digital tools to get better value, more transparency and smoother processes across government.

The Province is finalising an updated procurement policy. This policy will cover normal, disaster and crisis procurement, and will use performance-based sourcing and total cost of ownership principles so that what is bought remains affordable and sustainable over time.

A major priority is joining up and improving digital systems. The eProcurement System, Procurement Planning Toolkit and Western Cape Supplier Evidence Bank now work together and feed into the Provincial Treasury data warehouse and business intelligence hub. This allows almost real time monitoring, faster tracking of procurement steps, stronger audit trails and better analysis of value for money. Routine, low value transactions are increasingly automated, and better supplier information and consolidated reporting reduce paperwork while improving transparency and accountability.

Provincial Treasury also offers stronger support to departments and municipalities through the in-house Procurement Client Centre. This unit provides practical help, guidance and training so that procurement plans match budgets, implementation capacity and clear service delivery results. Strategic sourcing methods such as commodity-based buying, transversal contracts and the use of demographic and spatial data increase purchasing power and encourage participation by small businesses and historically disadvantaged groups.

Over the 2026 medium term expenditure framework the focus will be on deepening digital integration from requisition to final payment, stabilising and updating shared financial systems, cutting duplication and overall system costs, and preparing for future national financial management reforms. Better data governance, disclosure and performance analytics will further support fiscal discipline and strengthen the credibility of the budget.

Taken together, these changes make procurement and financial systems a key enabler of efficient and sustainable public spending. By linking digital platforms, strong oversight and performance-based sourcing, Provincial Treasury helps to maintain credible public finances while ensuring that procurement supports effective, inclusive and sustainable service delivery.

### **Intergovernmental Budgeting and Local Government**

The WCG works in close partnership with municipalities to ensure that limited public resources are coordinated and directed toward achieving the greatest possible impact for residents. Given the constitutional allocation of powers and functions across spheres of government, effective intergovernmental budgeting is essential to align planning, strengthen fiscal discipline, and enhance service delivery outcomes.

Strategic coordination across the Western Cape is institutionalised through a deliberate and evolving system of intergovernmental integration that links planning, budgeting and implementation across provincial and municipal spheres. Through the Premier's Coordinating Forum (PCF) and its technical structures (PCF Tech), together with the Provincial CFO Forum, the WCG creates structured spaces where strategic intent, fiscal realities and implementation risks are collectively interrogated. These forums are not merely consultative platforms; they are mechanisms to align priorities, sequencing and inform resource allocation across all 30 municipalities in support of the 2025 - 2030 PSP.

The Strategic Integrated Municipal Engagement (SIME) process provides the operational backbone for this integration. SIME 1 represents the first stage of the annual engagement cycle and focuses on aligning provincial strategic priorities with municipal planning processes. During this phase, provincial and municipal stakeholders engage on emerging policy priorities, fiscal risks, infrastructure pipelines and service delivery challenges to ensure that municipal Integrated Development Plans (IDPs) and Spatial Development Frameworks (SDFs) are responsive to provincial strategic objectives. By creating an early platform for alignment, SIME 1 strengthens policy coherence, improves planning certainty and supports more coordinated investment decisions across spheres of government.

A central pillar of this integration is the Strategic Integrated Municipal Engagement (SIME) process. SIME 2 strengthens the provincial-municipal interface by assessing the conformance, responsiveness, credibility and sustainability of municipal draft budgets, Integrated Development Plans (IDPs), Spatial Development Frameworks (SDFs) and supporting plans. These engagements precede the approval of municipal budgets and provide structured provincial feedback to ensure that local planning and budgeting align with provincial priorities and community needs. The 2025 SIME process placed particular emphasis on aligning strategic intent within IDPs and municipal budgets to create public value, safeguarding municipal sustainability through funded budgets, strengthening financial management, and deepening integrated service delivery through the consolidation and concentration of resources across spheres.

Importantly, SIME 2 builds on earlier engagements to institutionalise integrated planning and budgeting as a core governance practice. By co-chairing engagements with Municipal Managers and undertaking site visits, the Province strengthens accountability while grounding policy decisions in geographic realities. This ensures that implementation of the PSP is understood within specific local contexts, requiring coordinated infrastructure investment, resilience planning and targeted service delivery.

Together, PCF, PCF Tech, SIME, Technical Integrated Engagements and the portfolio budget engagements form a coherent system that advances integration across spheres. They shift the focus from compliance-based coordination to strategic alignment, measurable outcomes and value for money. By linking geographic delivery, fiscal sustainability, credible budgeting and evidence-based performance tracking the WCG, particularly through the IC&G priority, is institutionalising a culture of coordinated governance that strengthens resilience, enhances public value and improves service delivery impact across the Western Cape.

To strengthen spatial and infrastructure alignment, the Province publishes detailed information on its infrastructure pipeline through the Overview of Provincial and Municipal Infrastructure Investment (OPMII) budget publication. This enables municipalities to incorporate provincial road, health and education infrastructure projects into their own Integrated Development Plans (IDPs) and capital investment strategies, promoting integrated service delivery and reducing duplication.

The 2026 Budget also provides for 34 grants from 10 provincial departments to municipalities, amounting to R2.870 billion in 2026/27, supporting both infrastructure delivery and institutional capacity development. These include large-scale infrastructure allocations, such as the Human Settlements Development Grant managed by the Department of Infrastructure, as well as targeted capacity-building support, including the Financial Management Capability Grant administered by the Provincial Treasury. In addition, the assignment of the library function to the majority of municipalities enhances fiscal efficiency, as future transfers for this function will no longer be subject to VAT, thereby increasing the proportion of funding directed toward frontline services.

## Conclusion

The 2026 Budget is framed within a national environment characterised by fiscal consolidation, stabilising debt and constrained but predictable transfers to provinces and municipalities. While this context provides a degree of macro-fiscal certainty, it also limits discretionary expansion and reinforces the imperative for disciplined reprioritisation, efficiency reforms and strategic investment.

In response, the WCG has adopted a structured and sequenced fiscal approach through its Five-Year Budget Approach. By embedding responsiveness, credibility and sustainability at the centre of decision-making, the Province ensures that resource allocations are aligned to strategic priorities, grounded in realistic assumptions and safeguarded against medium term risks.

The 2026 Budget demonstrates this balance in practice by strengthening disaster resilience and water security; protecting frontline services amid demographic and social pressures; embedding a sustainable Compensation of Employees strategy; advancing infrastructure reform and alternative financing; modernising procurement and financial systems; and reinforcing intergovernmental coordination. Forward-looking tools such as the Fiscal Futures model further enhance preparedness for uncertainty and fiscal volatility.

Guided by the theme, “A Budget that delivers growth with discipline and care,” these measures position the WCG to navigate a constrained fiscal environment with prudence and purpose, while sustaining essential services and supporting long term economic growth.



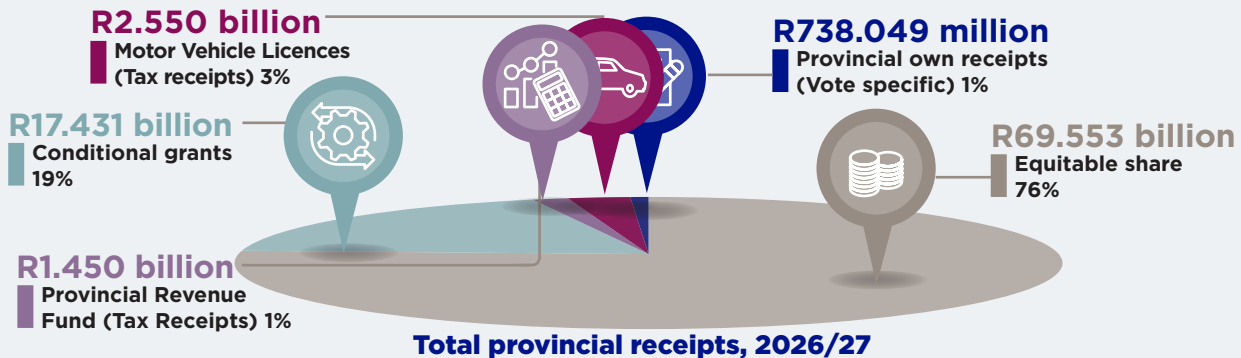
# BUDGET AGGREGATES

## OVERVIEW OF THE PROVINCIAL FISCAL FRAMEWORK

### Provincial Receipts

**Increase from R88.7 billion to R97.2 billion**

Total provincial receipts are projected to increase from **R88.7 billion in 2025/26 to R97.2 billion by 2028/29**, growing at an average **3.1% annually**, broadly in line with inflation. Growth is driven mainly by **national transfers**, while **provincial own revenue** grows modestly, led by motor vehicle licence fees and gambling and liquor taxes, requiring continued fiscal discipline and reprioritisation.



### Provincial Expenditure

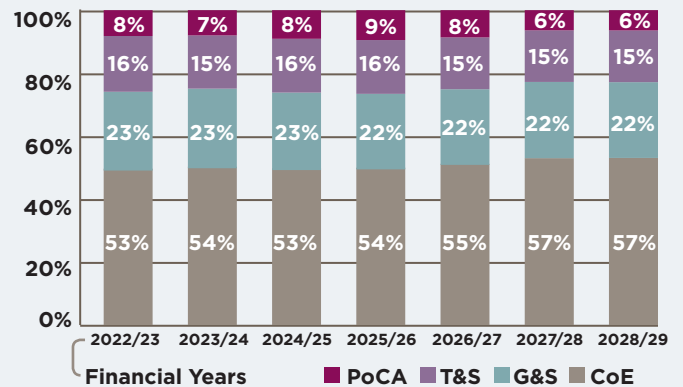


Over the **2026 MTEF**, expenditure remains focused on sustaining the workforce while managing non-personnel spending.



#### Breakdown of provincial expenditure:

- Compensation of Employee (R160.9 billion)** remains the largest share, rising from 53% in 2022/23 to about 57% by 2028/29, reflecting the importance of staff in service delivery.
- Goods and Services (R63.1 billion)** stay stable at around 22%.
- Transfers and Subsidies (R43 billion)** at 15-16%, while
- Payments for Capital assets (R18.7 billion)** peaks at 8.7% in 2025/26 before easing to 6%, as infrastructure support concludes—maintaining a balanced and fiscally sustainable expenditure mix.



**Percentage share of economic classification to the total provincial budget, 2022/23 - 2028/29**



#### Infrastructure investment:

Over the 2026 MTEF, the Province allocates R31.1 billion to infrastructure, **with the majority (62% or R19.3 billion) directed toward maintaining and upgrading existing infrastructure**, highlighting a strong focus on preserving assets.

**New infrastructure** accounts for 15% (R4.5 billion), infrastructure transfers 18% (R5.6 billion), and non-infrastructure spending 5% (R1.7 billion).



For more detail on the Western Infrastructure investment, see the 2026 Overview of Provincial and Municipal Infrastructure Investment.



**Western Cape  
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# 3

## Budget Aggregates

### In brief

- Total provincial receipts are projected to grow at an annual average growth rate of 3.1 per cent, increasing from R88.7 billion in the 2025/26 revised estimate to R97.2 billion in 2028/29. The growth rate is in line with the projected annual inflation rate of 3.6 per cent in 2026/27, 3.3 per cent in 2027/28, and 3.1 per cent in 2028/29.
- Total Provincial receipts for 2026/27 comprise of R69.553 billion (76 per cent) Provincial Equitable Share, Conditional Grants account for R17.431 billion (19 per cent), and R4.738 billion in relation to Provincial Own Receipts (5 per cent).
- Total Provincial expenditure for 2026/27 amounts to R93.598 billion (inclusive of direct charges), of which R72.020 billion (76.9 per cent) is for current payments, R14.105 billion (15.1 per cent) for transfers and subsidies, R7.405 billion (7.9 per cent) for payments for capital assets, and R7.242 million toward Payments for financial assets.
- The total provincial infrastructure investment over the 2026 MTEF amounts to R31.129 billion (R12.147 billion in 2026/27, R10.402 billion in 2027/28, and R10.710 billion in 2028/29) with the majority (62 per cent or R19.3 billion) directed towards maintaining and upgrading existing infrastructure.

### ■ Introduction

The 2026 Medium Term Fiscal Framework (MTFF), guided by the theme “A budget that delivers growth with discipline and care,” responds proactively to evolving economic conditions while remaining firmly anchored in the Western Cape Government’s (WCG) fiscal strategy. It strengthens fiscal resilience, expands fiscal capacity, and advances strategic budget reforms to enhance accountability, efficiency, and transparency. By balancing disciplined financial management with targeted, high-impact investments, the framework safeguards long term sustainability while supporting inclusive economic growth, job creation, and the protection of essential services for residents.

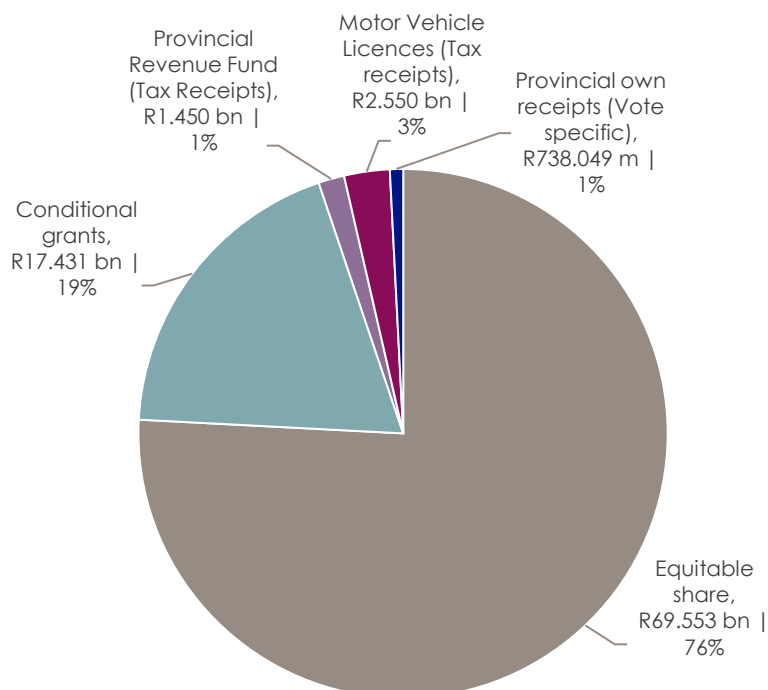
The provincial fiscal framework serves as an anchor for stability while enabling growth-oriented reforms. It must be firmly aligned with the Western Cape’s fiscal strategy of responsiveness, credibility, and sustainability, ensuring that resources are directed to the most pressing priorities while maintaining long term fiscal health. Fiscal policy must focus on building resilience against external shocks, expanding fiscal capacity through innovative financing and revenue

diversification, and embedding reforms that strengthen accountability, efficiency, and transparency in public administration. In doing so, the framework should not only guarantee fiscal stability but also create an enabling environment for growth and job creation while sustaining essential services.

## ■ Overview of the Provincial Fiscal Framework

The main **Provincial receipts** are:

- Transfers from national government, including Provincial Equitable Share (PES) and Conditional Grants, are projected to increase from R83.973 billion in the 2025/26 revised estimate to R92.054 billion by 2028/29. This represents an annual average growth rate (AAGR) of 3.1 per cent, which is largely in line with the projected annual inflation rate of 3.6 per cent in 2026/27, 3.3 per cent in 2027/28 and 3.1 per cent in 2028/29.
- Provincial Own Receipts, which include provincial tax receipts, such as motor vehicle licence fees and liquor licence fees, gambling taxes, as well as other vote-specific own receipts, are projected to grow at an AAGR of 2.7 per cent, increasing from R4.728 billion in the 2025/26 revised estimate to R5.117 billion in 2028/29.
- Provincial tax receipts raised from motor vehicle licence fees are expected to grow at an AAGR of 5.3 per cent, increasing from R2.369 billion in the 2025/26 revised estimate to R2.767 billion in 2028/29.
- Provincial tax receipts (Provincial Revenue Fund) comprising gambling taxes and liquor licence fees are projected to grow at an AAGR of 4 per cent, increasing from R1.387 billion in the 2025/26 revised estimate to R1.562 billion in 2028/29.
- Total provincial receipts are projected to grow at an AAGR of 3.1 per cent, increasing from R88.701 billion in the 2025/26 revised estimate to R97.172 billion in 2028/29. The growth rate is in line with the projected annual inflation rate of 3.6 per cent in 2026/27, 3.3 per cent in 2027/28, and 3.1 per cent in 2028/29. In order to remain within the fiscal envelope, deliberate reprioritisation and discipline in service delivery will be required, ensuring that expenditure growth does not outpace inflationary trends and that resources are channelled toward the most pressing provincial priorities.
- The total provincial receipts for 2026/27 are illustrated in Figure 3.1, providing a detailed breakdown of revenue sources and their respective contributions to the provincial budget.

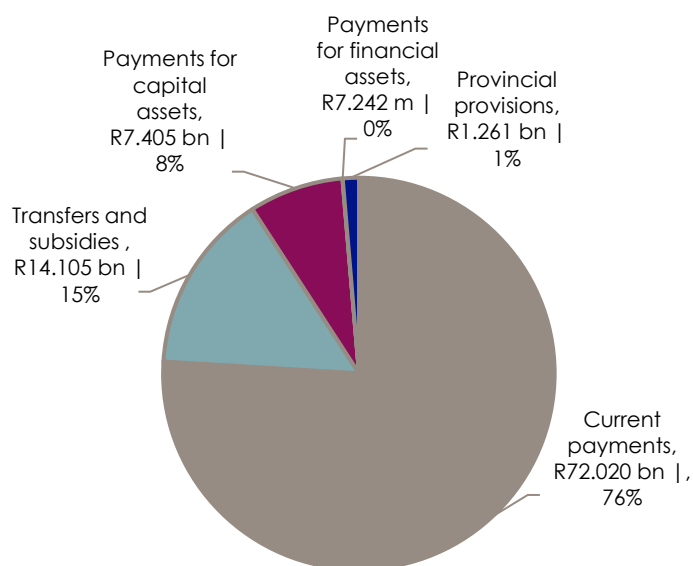
**Figure 3.1 Total provincial receipts, 2026/27**

The main **Provincial payments** and **provisions** are:

- Provincial Payments are projected to increase from R89.725 billion in the 2025/26 revised estimate to R97.506 billion by 2028/29, reflecting an AAGR of 2.8 per cent over the period. Current payments are expected to remain the largest expenditure component, comprising 77 per cent of total provincial payments in 2026/27, followed by transfers and subsidies (15.1 per cent) and payments for capital assets (7.9 per cent).
- Total Provincial Provisions, which include a provision for:
  - direct charges;
    - A reserve for unforeseen and unavoidable expenditure, for spending that could not have been anticipated at the time of the budget and which, if delayed would seriously prejudice the public interest.
    - A stabilisation reserve exists to mitigate in-year fiscal risks, absorb revenue shocks, and ensure continuity of service delivery by smoothing expenditure across volatile cycles.
    - An acquisition of property reserve, to enable the Province to secure assets essential for service delivery and administrative accommodation, aligned with long term asset management strategies and principles of fiscal sustainability.
    - An alternative and blended finance (ABF) reserve to service borrowings for infrastructure and related projects.

- Total Provincial payments and provisions, including Direct Charges, are projected to increase by 4.3 per cent from the 2025/26 revised estimate to R94.799 billion in 2026/27. The allocation for 2026/27 is distributed as follows: R72.020 billion (76 per cent) for current payments, R14.105 billion (14.9 per cent) relates to transfers and subsidies, R7.405 billion (7.8 per cent) payments for capital assets, and R7.242 million in payments for financial assets.
- The total provincial payments and provisions for 2026/27 are shown in Figure 3.2 overleaf. Figure 3.2. provides a comprehensive breakdown of expenditure allocations across key budget categories.

**Figure 3.2 Provincial payments and provisions, 2026/27**



#### Provincial financing:

- The deficit between expenditure and revenue will be financed from accumulated reserves, primarily the Asset Finance Reserve (AFR) and the Provincial Revenue Fund (PRF). Financing is projected to decrease from R4.006 billion in the 2025/26 revised estimate to R3.077 billion in 2026/27, R1.922 billion in 2027/28 and R955.992 million in 2028/29.

**Table 3.1 Provincial receipts and payments, 2022/23 - 2028/29**

| R'000                                               | Outcome           |                    |                    |                          |                          |                     | Medium-term estimate                    |          |                     |                    |
|-----------------------------------------------------|-------------------|--------------------|--------------------|--------------------------|--------------------------|---------------------|-----------------------------------------|----------|---------------------|--------------------|
|                                                     | Actual            | Actual             | Actual             | Main                     | Adjusted                 | Revised             | % Change<br>from<br>Revised<br>estimate | 2026/27  | 2027/28             | 2028/29            |
|                                                     | 2022/23           | 2023/24            | 2024/25            | appropriation<br>2025/26 | appropriation<br>2025/26 | estimate<br>2025/26 |                                         |          |                     |                    |
| <b>Provincial receipts</b>                          |                   |                    |                    |                          |                          |                     |                                         |          |                     |                    |
| Transfer receipts from national                     | 73 288 866        | 74 178 052         | 76 993 245         | 81 643 909               | 83 973 444               | 83 973 444          | <b>86 983 643</b>                       | 3.58     | 89 026 643          | 92 054 411         |
| Equitable share                                     | 59 322 184        | 60 592 832         | 62 071 168         | 65 376 198               | 66 381 036               | 66 381 036          | <b>69 552 778</b>                       | 4.78     | 72 757 042          | 75 272 973         |
| Conditional grants                                  | 13 966 682        | 13 585 220         | 14 922 077         | 16 267 711               | 17 592 408               | 17 592 408          | <b>17 430 865</b>                       | (0.92)   | 16 269 601          | 16 781 438         |
| Provincial own receipts                             | 3 761 141         | 4 564 382          | 4 885 209          | 4 457 034                | 4 490 346                | 4 727 619           | <b>4 737 677</b>                        | 0.21     | 4 967 616           | 5 117 334          |
| Provincial Revenue Fund (Tax Receipts)              | 1 072 672         | 1 475 626          | 1 667 793          | 1 387 432                | 1 387 432                | 1 387 432           | <b>1 449 866</b>                        | 4.50     | 1 515 110           | 1 562 078          |
| Motor Vehicle Licences (Tax receipts)               | 1 957 815         | 2 092 029          | 2 234 922          | 2 386 273                | 2 386 273                | 2 369 445           | <b>2 549 762</b>                        | 7.61     | 2 684 046           | 2 767 252          |
| Provincial own receipts (Vote specific)             | 730 654           | 996 727            | 982 494            | 683 329                  | 716 641                  | 970 742             | <b>738 049</b>                          | (23.97)  | 768 460             | 788 004            |
| <b>Total provincial receipts</b>                    | <b>77 050 007</b> | <b>78 742 434</b>  | <b>81 878 454</b>  | <b>86 100 943</b>        | <b>88 463 790</b>        | <b>88 701 063</b>   | <b>91 721 320</b>                       | 3.40     | 93 994 259          | 97 171 745         |
| <b>Provincial payments and provisions</b>           |                   |                    |                    |                          |                          |                     |                                         |          |                     |                    |
| Provincial payments                                 | 77 423 953        | 81 037 271         | 84 184 315         | 87 986 378               | 89 725 586               | 89 724 929          | <b>93 537 884</b>                       | 4.25     | 94 770 080          | 97 505 522         |
| Current payments                                    | 59 007 103        | 62 506 959         | 63 959 981         | 67 511 965               | 67 789 839               | 67 852 199          | <b>72 019 796</b>                       | 6.14     | 74 954 705          | 77 072 770         |
| Transfers and subsidies                             | 12 581 250        | 12 551 395         | 13 179 870         | 13 409 980               | 14 069 369               | 14 024 689          | <b>14 105 349</b>                       | 0.58     | 14 243 729          | 14 656 967         |
| Payments for capital assets                         | 5 814 247         | 5 958 214          | 7 016 177          | 7 057 444                | 7 824 408                | 7 803 975           | <b>7 405 497</b>                        | (5.11)   | 5 564 165           | 5 768 072          |
| Payments for financial assets                       | 21 353            | 20 703             | 28 287             | 6 989                    | 41 970                   | 44 066              | <b>7 242</b>                            | (83.57)  | 7 481               | 7 713              |
| Provincial provisions                               | 43 396            | 44 875             | 53 152             | 1 329 682                | 1 204 811                | 1 204 811           | <b>1 260 920</b>                        | 4.66     | 1 145 937           | 622 215            |
| Direct charge                                       | 43 396            | 44 875             | 53 152             | 57 386                   | 57 386                   | 57 386              | <b>59 968</b>                           | 4.50     | 62 667              | 64 610             |
| Unforeseen and unavoidable                          |                   |                    |                    | 600 000                  | 600 000                  | 600 000             | <b>595 806</b>                          | (0.70)   | 500 000             | 250 524            |
| Stabilisation reserve                               |                   |                    |                    | 421 821                  | 421 821                  | 421 821             | <b>352 928</b>                          | (16.33)  | 354 575             |                    |
| Acquisition of Property Reserve                     |                   |                    |                    | 176 945                  | 52 074                   | 52 074              | <b>121 606</b>                          | 133.52   | 72 661              | 74 913             |
| Energy Reserve                                      |                   |                    |                    | 73 529                   | 73 529                   | 73 529              |                                         | (100.00) |                     |                    |
| Alternative and Blended Finance (ABF) reserve       |                   |                    |                    |                          |                          |                     | <b>130 612</b>                          |          | 156 034             | 232 168            |
| <b>Total provincial payments and provisions</b>     | <b>77 467 349</b> | <b>81 082 146</b>  | <b>84 237 467</b>  | <b>89 316 060</b>        | <b>90 930 397</b>        | <b>90 929 740</b>   | <b>94 798 804</b>                       | 4.26     | 95 916 017          | 98 127 737         |
| <b>Surplus (Deficit) (before financing)</b>         | <b>( 417 342)</b> | <b>(2 339 712)</b> | <b>(2 359 013)</b> | <b>(3 215 117)</b>       | <b>(2 466 607)</b>       | <b>(2 228 677)</b>  | <b>(3 077 484)</b>                      | 38.09    | <b>(1 921 759 )</b> | <b>( 955 992 )</b> |
| <b>Financing</b>                                    | <b>3 424 964</b>  | <b>5 038 650</b>   | <b>5 112 476</b>   | <b>3 215 117</b>         | <b>4 006 133</b>         | <b>4 006 133</b>    | <b>3 077 484</b>                        | (23.18)  | <b>1 921 759</b>    | <b>955 992</b>     |
| Asset Finance Reserve                               | 1 233 687         | 1 087 073          | 823 609            | 593 029                  | 689 046                  | 689 046             | <b>223 666</b>                          | (67.54)  |                     |                    |
| Provincial Revenue Fund                             | 2 191 277         | 3 951 577          | 4 288 867          | 2 622 088                | 3 317 087                | 3 317 087           | <b>2 853 818</b>                        | (13.97)  | 1 921 759           | 955 992            |
| <b>Nett Surplus/Deficit (after financing)</b>       | <b>3 007 622</b>  | <b>2 698 938</b>   | <b>2 753 463</b>   |                          | <b>1 539 526</b>         | <b>1 777 456</b>    |                                         | (100)    |                     |                    |
| Provincial Revenue Fund (Tax receipts) includes:    |                   |                    |                    |                          |                          |                     |                                         |          |                     |                    |
| Casino taxes                                        | 520 665           | 520 037            | 497 612            | 463 618                  | 463 618                  | 463 618             | <b>484 481</b>                          | 4.50     | 506 283             | 521 977            |
| Horse racing taxes                                  | 512 987           | 906 496            | 1 118 874          | 870 198                  | 870 198                  | 870 198             | <b>909 356</b>                          | 4.50     | 950 277             | 979 736            |
| Liquor licence fees                                 | 39 020            | 49 093             | 51 307             | 53 616                   | 53 616                   | 53 616              | <b>56 029</b>                           | 4.50     | 58 550              | 60 365             |
| <b>Total Provincial Revenue Fund (Tax receipts)</b> | <b>1 072 672</b>  | <b>1 475 626</b>   | <b>1 667 793</b>   | <b>1 387 432</b>         | <b>1 387 432</b>         | <b>1 387 432</b>    | <b>1 449 866</b>                        | 4.50     | 1 515 110           | 1 562 078          |

Note 1: Excludes donor funding of R94.607million over the MTEF (which is excluded from Vote 6's appropriation).

## ■ Provincial receipts

### Intergovernmental fiscal system

South Africa's National System of Revenue Sharing lies at the centre of its intergovernmental fiscal system, ensuring that nationally raised revenue is distributed among the three spheres of government. This system operationalises the constitutional principle of equitable access to public resources, enabling provinces and municipalities to deliver essential services in line with their functional mandates.

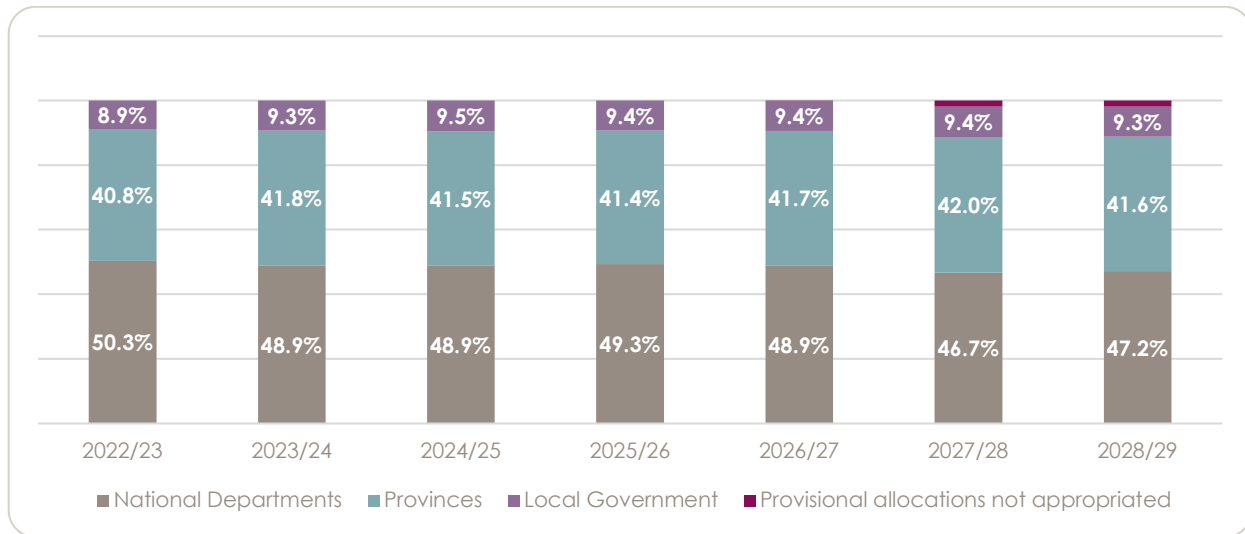
The distribution of nationally raised revenue is carried out using a two-tier approach. The vertical division distributes funds among national departments, provinces, and municipalities. The horizontal division determines how resources are shared within these national departments, provinces, and municipalities. The intergovernmental fiscal system is designed to promote a fair allocation of resources, thereby enhancing effective service delivery across all levels of government. Addressing funding disparities, the intergovernmental fiscal system enables provinces and municipalities to deliver essential services, even when their revenue-raising capabilities differ.

The 2026 Division of Revenue has been designed to support the government's immediate priorities. These priorities are as follows:

- **Achieving Fiscal Sustainability:** This involves stabilising and then reducing public debt and gradually increasing the primary budget surplus throughout the Medium Term Expenditure Framework (MTEF) period.
- **Promoting Economic Growth and Investment:** The focus is on reallocating spending towards capital investment and growth-enhancing infrastructure.
- **Supporting Critical Social Services:** This includes safeguarding essential services such as health, education, community development, social protection, and job programmes.
- **Improving Public Spending Efficiency and Efficacy:** The Targeted and Responsible Savings initiative aims to enhance value for money in the public service wage bill and other current spending by identifying low-priority and underperforming programmes for reduction or closure.

### 2026 MTEF allocations to provinces

Between the 2022/23 and 2028/29 financial years, the distribution of budget allocations has shifted, with the national departments' share declining by 3.1 percentage points. The relative share of the allocation to local government and provinces increases by 0.4 percentage points and 0.8 percentage points, respectively. The allocation for provisional allocations, not yet appropriated, is set to increase from 0.1 per cent in 2026/27 for early retirement costs to 1.9 per cent in the two outer years for the Social Relief Distress grant.

**Figure 3.3** Percentage share of the vertical division of revenue amongst the three spheres of government

### Provincial equitable share

The Provincial Equitable Share (PES) is the primary funding source of provinces, ensuring the provision of essential public services such as education, healthcare, and social welfare. The PES allocates funds to provinces using a formula-based approach that draws on six weighted components – education, health, population, poverty levels, economic activity, and institutional – to support fairness, efficiency, and developmental balance in the distribution of resources across provinces. To achieve this, the provincial fiscal framework is premised on being redistributive, allocating larger per capita allocations to poorer provinces and provinces with smaller populations.

**Table 3.2** PES budget allocations over the 2026 MTEF by Province

| R million     | 2026 MTEF      |                |                |
|---------------|----------------|----------------|----------------|
|               | 2026/27        | 2027/28        | 2028/29        |
| Eastern Cape  | 86 599         | 89 813         | 92 199         |
| Free State    | 36 761         | 38 247         | 39 364         |
| Gauteng       | 140 952        | 147 063        | 151 711        |
| KwaZulu-Natal | 136 378        | 142 178        | 146 679        |
| Limpopo       | 78 951         | 82 364         | 84 979         |
| Mpumalanga    | 56 019         | 58 585         | 60 580         |
| Northern Cape | 18 242         | 19 097         | 19 765         |
| North West    | 46 867         | 48 522         | 49 860         |
| Western Cape  | 69 553         | 72 757         | 75 273         |
| <b>Total</b>  | <b>670 322</b> | <b>698 626</b> | <b>720 410</b> |

The Western Cape receives the 5<sup>th</sup> largest portion of PES budget allocations to provinces and has the 3<sup>rd</sup> largest population (7.628 million) in the country. The increase in the Western Cape's PES allocation over the 2026 MTEF provides some assistance in managing fiscal pressures and sustaining service delivery. However, in the context of the province's rapidly expanding population, this increase remains modest. The growing population in the Western Cape continues to place demand pressures on essential public services, including education, healthcare, housing, infrastructure, safety, and transport.

The structure of the PES formula favours provinces with younger populations, with the education component of the PES formula accounting 48 per cent of a province's PES allocation. For the period 2026 to 2034, Statistics South Africa projects the Western Cape population to grow by 11.63 per cent. The Western Cape Department of Social Development has projected the growth of the elderly population up to 2034 at 24.63 per cent, showing that the growth rates of the elderly population outstrip the growth rates for the population as a whole.

**Figure 3.4 Cumulative growth of Real PES and population vs Real PES per capita for the Western Cape, 2016/17 – 2028/29**

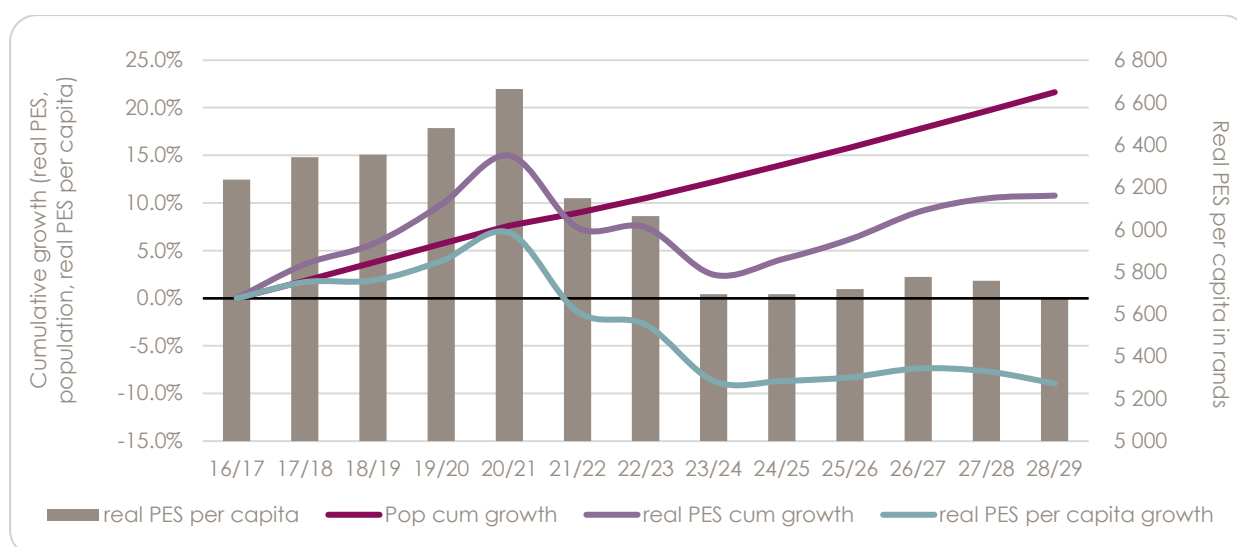


Figure 3.4 illustrates significant trends in real PES per capita, cumulative population growth, real PES cumulative growth, and real PES per capita growth for 2016/17 to 2028/29. A clear trend emerges showing the growing divergence between population growth and real PES per capita growth. This widening gap, as illustrated by the declining real PES per capita, is indicative of the failure of PES to first keep pace in real terms, i.e., inflationary or above inflationary growth in PES as a result of fiscal consolidation, and secondly, the steadily increasing cumulative population growth being experienced in the Western Cape. This divergence underscores the growing pressure on social service delivery systems, culminating in the erosion of per - capita fiscal capacity.

It is clear from Figure 3.4 that the Province is approaching a tipping point at which efforts to improve efficiency and effectiveness can only achieve so much before the Province faces a risk of service-demand overload, which could jeopardise the quality of services. This scenario calls for the need to review the PES formula, to ensure that it is able to not only achieve redistribution, but is also able to stimulate economic growth at a regional level. The current weighting of the economic activity component in the PES formula does not sufficiently incentivise economic

growth within provinces. Without data-driven revisions to the PES formula and consideration of a review of the components used and the weights attached to these components, the formula and its funding are unlikely to adequately respond to provinces experiencing rapid population growth and positively contributing toward economic growth and employment.

### Annual technical data updates impact on the Provincial Equitable Share

The PES formula is updated on an annual basis with the latest demographic, economic, and administrative data to align allocations with evolving needs. The reliability of these different data sources is critical to ensure that the PES formula is able to allocate funds to provinces that are reflective of the need for these services.

Periodically, the formula undergoes changes that are more substantive in nature, which may include changes to subcomponent weights and/or the use of new data variables to better reflect the drivers of needs within a subcomponent. For the 2026 MTEF, no structural modifications have been made to the PES formula components. The National Treasury's PES task team proposed changes to the education component; however, these proposals have been deferred. A summary of the data sources used annually to update the PES formula components is shown in Table 3.3.

**Table 3.3 Provincial Equitable Share data updates**

| Weight | Component     | Data used                                                                                                                                                                                                                                                                                                                    |
|--------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 48%    | Education     | <ul style="list-style-type: none"> <li>Mid-Year Population Estimates 2025 age cohorts (5 – 17) (new data)</li> <li>School enrolment (Grade R -12: enrolled in ordinary public schools) obtained from the Department of Basic Education's LURITS system, with the most recent data collected in 2025 (new data)</li> </ul>    |
| 27%    | Health        | <ul style="list-style-type: none"> <li>2025 Mid-Year Population Estimates (new data)</li> <li>Medically Insured population, based 2024 General Household Survey</li> <li>Total fertility rate (new data)</li> <li>Premature Mortality (new data)</li> <li>Patient load data (DHIS 2023/24 and 2024/25) (new data)</li> </ul> |
| 16%    | Basic         | <ul style="list-style-type: none"> <li>2025 Mid-Year Population Estimates (new data)</li> </ul>                                                                                                                                                                                                                              |
| 3%     | Poverty       | <ul style="list-style-type: none"> <li>2025 Mid-Year Population Estimates (new data)</li> <li>Income and Expenditure Survey (IES) 2022/23 (new data)</li> </ul>                                                                                                                                                              |
| 1%     | Economic      | <ul style="list-style-type: none"> <li>GDP-R 2024 (new data)</li> </ul>                                                                                                                                                                                                                                                      |
| 5%     | Institutional | <ul style="list-style-type: none"> <li>Not applicable – distributed equally amongst provinces (data not used)</li> </ul>                                                                                                                                                                                                     |

## Data updates

The 2026 MTEF PES allocations incorporate the latest available data across various components of the formula:

- **Population Data:** The 2025 Mid-Year Population Estimates have been used, as these are the most up-to-date official figures measuring provincial population size. The Western Cape has the third largest population, and the update shows the Western Cape's population increased by 65 100, second to Gauteng, which recorded a population increase of 173 109 between the 2024 and 2025 Mid-Year Population Estimates.
- **Economic Activity:** The economic activity component of the PES formula is used as a proxy for provincial tax capacity and expenditure assignments. For the 2026 MTEF, the economic component has been updated with 2024 provincial GDP data. This data update incorporates, for the first time, the adoption of a new methodology by Statistics South Africa for measuring regional GDP.
- **Education:** The school enrolment component of the PES formula has been updated using the 2025 enrolment data obtained from the Department of Basic Education's Learner Unit Record Information Tracking System (LURITS).
- **Health:** Updates to the health component of the PES formula include data from the health sector for 2023/24 and 2024/25, along with medical aid coverage statistics derived from the 2024 General Household Survey.
- **Poverty:** The poverty component uses data from the 2022/23 Income and Expenditure Survey and is the first update to this component since the 2010/11 Income and Expenditure Survey data. The poor population is defined as people who fall into the lowest 40 per cent of household incomes. The estimated size of the poor population in each province is calculated by multiplying the proportion of people in the province who fall into the poorest 40 per cent of South African households by the province's population figure from the 2025 mid-year population estimates. The data also shows how poverty has shifted from more rural provinces to more urban provinces as populations shift in search of employment opportunities.

The combined changes to the data used in each of the components, together with the weight assigned to each component/sub - component results in changes to a province's share of the PES formula.

## Changes to the Provincial Equitable Share

Table 3.4 below highlights the impacts of the data updates on the PES formula for the 2026 MTEF. These data updates ensure that allocations remain responsive to demographic and economic changes as well as reflecting the demand for provincial services as captured by administrative data.

These data updates see the Western Cape's share of the PES increase from 10.3 per cent over the 2025 MTEF to 10.4 per cent over the 2026 MTEF. These adjustments, due to data updates, translate into an additional R1.2 billion over the 2026 MTEF for the Western Cape. While the variations are minor, they highlight the importance of maintaining accurate and up-to-date data to ensure that provincial funding remains aligned with evolving socio-economic conditions, while certainty is maintained.

**Table 3.4 Full impact of data updates on the provincial equitable share**

| Province      | 2025 MTEF<br>weighted<br>average | 2026 MTEF<br>weighted<br>average | Difference  |
|---------------|----------------------------------|----------------------------------|-------------|
| Eastern Cape  | 13.0%                            | 12.9%                            | (0.0)%      |
| Free State    | 5.5%                             | 5.5%                             | (0.0)%      |
| Gauteng       | 21.2%                            | 21.0%                            | (0.1)%      |
| KwaZulu-Natal | 20.2%                            | 20.3%                            | 0.1%        |
| Limpopo       | 11.7%                            | 11.8%                            | 0.1%        |
| Mpumalanga    | 8.3%                             | 8.4%                             | 0.1%        |
| Northern Cape | 2.7%                             | 2.7%                             | 0.0%        |
| North West    | 7.1%                             | 7.0%                             | (0.1)%      |
| Western Cape  | 10.3%                            | 10.4%                            | 0.1%        |
| <b>Total</b>  | <b>100.0%</b>                    | <b>100.0%</b>                    | <b>0.0%</b> |

### Adjustments to the PES baseline allocation

The 2026 MTEF includes adjustments to the PES baseline allocation as detailed in Table 3.5 below. An additional R4 billion over the 2026 MTEF has been allocated to the Western Cape through the PES. The additional allocations relate to new data updates; adjustments to the baseline to account for reductions due to the lower inflation outlook; additions to the education and health sectors for compensation of employees, employment of doctors, and shortfalls in goods and services. Funding is also provided for the progressive equalisation of the remuneration of Grade R teachers, as well as for the Early Retirement and Voluntary Exit Programmes. Lastly, funding is provided for Teacher Assistants under the Presidential Employment Stimulus Programme.

**Table 3.5 Revisions to the Provincial Equitable Share, 2026 MTEF**

| R Thousands                                                                                                      | 2026 Medium-term expenditure framework |                   |                   | Total<br>Revisions |
|------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------|-------------------|--------------------|
|                                                                                                                  | 2026/27                                | 2027/28           | 2028/29           |                    |
| Provincial equitable share (PES) (as per final 2025 MTEF allocation letter)                                      | 68 344 039                             | 71 507 449        | 73 729 843        | 213 581 331        |
| Adjustment to baseline due to impact of new data updates in the PES formula (phase-in from 2026/27 of 2025 MTEF) | 211 477                                | 370 229           | 622 041           | 1 203 747          |
| <b>Total: Technically adjusted provincial equitable share before Adjustments to Baselines</b>                    | <b>68 555 516</b>                      | <b>71 877 678</b> | <b>74 351 884</b> | <b>214 785 078</b> |
| <b>Adjustments to Baselines</b>                                                                                  | <b>997 262</b>                         | <b>879 364</b>    | <b>921 089</b>    | <b>2 797 715</b>   |
| Inflation Adjustment                                                                                             | (108 508)                              | (225 139)         | (232 851)         | (566 498)          |
| Additional Allocation: Education                                                                                 | 330 356                                | 346 289           | 358 150           | 1 034 795          |
| Additional Allocation: Health                                                                                    | 717 206                                | 740 976           | 766 358           | 2 224 540          |
| Additional Allocation: Grade R Equalisation                                                                      | 8 619                                  | 17 238            | 29 432            | 55 289             |
| Additional Allocation: Early Retirement & Voluntary Exit Programmes                                              | 19 357                                 |                   |                   | 19 357             |
| Additional Allocation: Presidential Employment Stimulus                                                          | 30 232                                 |                   |                   | 30 232             |
| 2026 MTEF PES Percentages (new data updates (phased-in))                                                         | 10.39%                                 | 10.42%            | 10.45%            |                    |
| <b>Preliminary Provincial Equitable Share for 2026 MTEF</b>                                                      | <b>69 552 778</b>                      | <b>72 757 042</b> | <b>75 272 973</b> | <b>217 582 793</b> |

## Conditional grants

Conditional grants form a significant element of South Africa's intergovernmental fiscal transfer system. They enable the national government to channel funding toward specific priorities and challenges, ensuring that resources are strategically allocated to achieve targeted outcomes. By attaching conditions to their use, these grants promote accountability and compliance with established criteria, thereby strengthening the effectiveness of public spending.

Over the 2026 MTEF, the Western Cape is projected to receive approximately R50.482 billion in conditional grants allocations. Conditional grants allocations are estimated at R17.431 billion in 2026/27, R16.270 billion in 2027/28, and R16.781 billion in 2028/29, reflecting a moderate downward trend across the 2026 MTEF period.

The largest conditional grants driving development in the Western Cape include:

- National Tertiary Services Grant: supporting healthcare service delivery.
- Comprehensive HIV, AIDS, and TB Grant: funding treatment and prevention initiatives.
- Education Infrastructure Grant (EIG): enhancing learning environments and outcomes.
- Provincial Roads Maintenance Grant: Provincial road rehabilitation, resealing, maintenance, and repairs.
- Human Settlements Development Grant (HSDG): advancing housing development.

## Specific changes to Conditional Grants Nationally

### Basic Education

The Early Childhood Development Grant was originally allocated an additional R12.8 billion over the 2026 MTEF. This allocation has now been reduced by R800 million in 2026/27 due to projected underspending. The reduction has allowed for the reprioritisation of funds to address key pressures in the sector. Specifically, R342 million has been added to progressively cover the remuneration of 6,166 fully qualified Grade R teachers who were previously underpaid, with increases of 3 per cent in 2026/27, 6 per cent in 2027/28, and 10.2 per cent in 2028/29, over and above the cost-of-living adjustments. Further adjustments include the protection of baselines for the National School Nutrition Programme, which receives an additional R446 million, and the Learners with Profound Intellectual Disabilities Grant, which receives an additional R13 million. The additional allocation of R175 million for the implementation of the eCares system remains unchanged.

### Education Infrastructure Grant

The Education Infrastructure Grant baseline has been revised downwards by R503 million in 2026/27 to make funding available for the Presidential Employment Stimulus. This reduction has been effected in the incentive portion of the grant, which has been adjusted from R876 million to R373 million for 2026/27.

### ***Health Facility Revitalisation Grant***

Technical corrections have been made to the Health Facility Revitalisation Grant allocations. The CPI inflation adjustments previously applied were not proportionally distributed across provinces for 2026/27 and 2027/28. In addition, funds approved through the Budget Facility for Infrastructure were not allocated to Western Cape projects. The Department of Health has since provided revised allocations, which now proportionally distribute CPI adjustments across all provinces and allocate the approved BFI funding to the Western Cape.

### ***Human Settlements Development Grant***

An amount of R3 billion has been reprioritised from the Human Settlements Development Grant to the Informal Settlements Upgrading Partnership Grant for Provinces over the 2026 MTEF. Initially, these funds were allocated only to provinces without metropolitan municipalities, on the basis that they do not benefit from the metropolitan grant allocation. Following engagements with provinces, this approach was changed, and the department has resorted to using the sector-approved formula to distribute the additions across all provinces.

### ***Provincial Roads Maintenance Grant***

The Provincial Roads Maintenance Grant baseline has been reduced by R747 million in 2026/27, from R18.7 billion to R18 billion, to make funding available for the Presidential Employment Stimulus. In addition, technical corrections have been made to the allocations. In 2026/27, the refurbishment component has been amended in line with the correct formula. The allocations in 2027/28 and 2028/29 have been amended to ensure that the funding for the refurbishment component remains unallocated. As a result, the allocations for each of the provinces have been revised downwards to effect this correction.

### ***Expanded Public Works Programme Integrated Grant for Provinces***

Revisions were made to the breakdown of the Expanded Public Works Programme Integrated Grant for Provinces. The Department of Public Works and Infrastructure used two different datasets for the baseline of the grant and the breakdown per qualifying provincial department in the allocations submitted in December 2025 to the National Treasury. The aggregated provincial allocations did not include quarter two data, whereas the provincial breakdown data incorporated quarter two data, which is the correct data. The discrepancy in the aggregated provincial allocations was subsequently corrected and submitted to the National Treasury in January 2026.

## Changes to conditional grant allocations in the Western Cape

**Table 3.6 Largest and most notable conditional grant changes over the 2026 MTEF in the Western Cape**

| Grant name                                                                        | in R'000  |           |           |           |
|-----------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
|                                                                                   | 2026/27   | 2027/28   | 2028/29   | 2026 MTEF |
| Education Infrastructure Grant                                                    | 41 477    | -         | 19 336    | 60 813    |
| Early Childhood Development Grant                                                 | 267 209   | 491 615   | 525 044   | 1 283 868 |
| Health Facility Revitalisation Grant                                              | 263 031   | 29 853    | (13 253)  | 279 631   |
| Provincial Roads Maintenance Grant                                                | 736 291   | (11 263)  | (11 525)  | 713 503   |
| Human Settlements Development Grant                                               | (126 302) | (135 607) | (135 909) | (397 818) |
| Human Settlements: Informal Settlements Upgrading Partnership Grant for Provinces | 117 035   | 116 431   | 116 430   | 349 896   |
| Ilima/Letsema Projects Grant                                                      | (68 455)  | (69 550)  | (71 706)  | (209 711) |
| Comprehensive Agriculture Support Programme Grant                                 | 57 714    | 67 736    | 66 972    | 192 422   |
| EPWP Integrated Grant for Provinces                                               | 43 488    | -         | -         | 43 488    |

Table 3.6 outlines the largest changes to conditional grants in the Western Cape over the 2026 MTEF.

- The *Education Infrastructure Grant* is to accelerate the development, maintenance, upgrading, and rehabilitation of both new and existing education facilities, including district and circuit accommodation. The grant supports compliance with minimum norms and standards for school infrastructure, facilitates repairs and reconstruction of facilities damaged by unforeseen events, and strengthens the education sector's capacity to effectively manage and deliver infrastructure projects.
- The *Early Childhood Development Grant* supports the expansion and improvement of early learning services by funding the establishment, upgrading, and maintenance of ECD centres. It ensures compliance with national standards, strengthens practitioner capacity, and provides for essential learning materials, nutrition support, and the rehabilitation of facilities affected by unforeseen events.
- The *Health Facility Revitalisation Grant* supports the construction, upgrading, and maintenance of health facilities to ensure compliance with national norms and standards. It provides for the rehabilitation and replacement of infrastructure, addresses backlogs in essential health services, and strengthens the sector's capacity to efficiently manage and deliver sustainable health infrastructure projects.
- The *Provincial Roads Maintenance Grant* provides funding for the maintenance, rehabilitation, and upgrading of provincial road networks. It supports compliance with road safety and engineering standards, addresses backlogs in infrastructure upkeep, and enhances provincial capacity to efficiently manage and deliver sustainable road maintenance projects.
- The *Human Settlements Development Grant* is being progressively reduced, with allocations redirected into the *Informal Settlements Upgrading Partnership Grant* for Provinces. This shift reflects government's policy decision to prioritise the upgrading of informal settlements, ensuring dedicated, ring-fenced funding for basic services, tenure security, and incremental improvements, while strengthening provincial capacity to deliver sustainable settlement upgrading projects.

- The *Comprehensive Agricultural Support Programme Grant* and the *Ilima/Letsema Projects Grant* are being consolidated over the 2026 MTEF to streamline and enhance support for emerging farmers. The name of the newly merged grant will remain the Comprehensive Agricultural Support Programme Grant. The conditional grant framework of the Comprehensive Agricultural Support Programme Grant has been amended to incorporate the details of the key outputs that were previously delivered through the Ilima/Letsema Projects Grant. Furthermore, R108 million has been reprioritised from the Comprehensive Agricultural Support Programme Grant to the Department of Agriculture for the development of an e-certification system, to implement animal identification, recording, and traceability systems, and to continue to implement blended financing.

**Table 3.7 Provincial conditional grant allocations, 2022/23 – 2028/29**

| Vote and grant<br>R'000                                        | Outcome            |                    |                    | Main<br>appro-<br>piation | Adjusted<br>appro-<br>piation | Revised<br>estimate | Medium-term estimate |           |           |
|----------------------------------------------------------------|--------------------|--------------------|--------------------|---------------------------|-------------------------------|---------------------|----------------------|-----------|-----------|
|                                                                | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 |                           |                               |                     | 2026/27              | 2027/28   | 2028/29   |
| <b>Vote 4: Police Oversight and Community Safety</b>           | 3 821              | 3 744              | 2 778              | 4 970                     | 4 970                         | 4 970               | <b>5 006</b>         |           |           |
| Expanded Public Works Programme Integrated Grant for Provinces | 3 821              | 3 744              | 2 778              | 4 970                     | 4 970                         | 4 970               | <b>5 006</b>         |           |           |
| <b>Vote 5: Education</b>                                       | 2 013 694          | 1 815 616          | 2 384 756          | 3 219 573                 | 3 451 626                     | 3 451 626           | <b>3 743 291</b>     | 2 755 396 | 2 889 474 |
| Education Infrastructure Grant                                 | 1 351 539          | 1 133 187          | 1 627 354          | 2 410 299                 | 2 410 299                     | 2 410 299           | <b>2 622 218</b>     | 1 391 044 | 1 453 502 |
| Maths, Science and Technology Grant                            | 46 056             | 32 863             | 38 045             | 39 346                    | 39 346                        | 39 346              | <b>41 146</b>        | 42 438    | 44 066    |
| HIV and AIDS (Life Skills Education) Grant                     | 17 822             | 14 983             | 18 923             | 19 883                    | 19 883                        | 19 883              | <b>20 681</b>        | 21 522    | 22 173    |
| Learners with Profound Intellectual Disabilities Grant         | 36 859             | 38 113             | 33 930             | 35 605                    | 35 605                        | 35 605              | <b>37 315</b>        | 38 823    | 40 545    |
| National School Nutrition Programme Grant                      | 451 289            | 496 802            | 531 615            | 551 103                   | 551 103                       | 551 103             | <b>570 674</b>       | 586 145   | 614 637   |
| Social Sector EPWP Incentive Grant for Provinces               | 12 322             | 11 718             | 8 266              |                           |                               |                     |                      |           |           |
| Expanded Public Works Programme Integrated Grant for Provinces | 1 941              | 1 912              | 2 266              | 8 284                     | 8 284                         | 8 284               | <b>8 894</b>         |           |           |
| Early Childhood Development Grant                              | 95 866             | 86 038             | 124 357            | 155 053                   | 387 106                       | 387 106             | <b>442 363</b>       | 675 424   | 714 551   |
| of which:                                                      |                    |                    |                    |                           |                               |                     |                      |           |           |
| Subsidy Component                                              | 82 536             | 86 038             | 108 008            | 134 593                   | 366 646                       | 366 646             | <b>408 146</b>       | 639 118   | 677 101   |
| Infrastructure Component                                       | 13 330             |                    | 16 349             | 20 460                    | 20 460                        | 20 460              | <b>34 217</b>        | 36 306    | 37 450    |
| <b>Vote 6: Health and Wellness</b>                             | 7 454 790          | 7 091 824          | 7 502 301          | 7 721 921                 | 7 906 680                     | 7 906 680           | <b>8 281 932</b>     | 8 678 460 | 8 916 897 |
| National Tertiary Services Grant                               | 3 401 057          | 3 332 007          | 3 526 935          | 3 667 255                 | 3 707 255                     | 3 707 255           | <b>3 867 846</b>     | 4 032 411 | 4 164 286 |
| Health Facility Revitalisation Grant                           | 838 636            | 843 165            | 867 807            | 894 445                   | 948 282                       | 948 282             | <b>1 118 925</b>     | 1 219 452 | 1 213 224 |
| Human Resources and Training Grant                             | 899 442            | 887 123            | 928 678            | 951 596                   | 951 596                       | 951 596             | <b>995 246</b>       | 1 039 877 | 1 075 352 |
| of which:                                                      |                    |                    |                    |                           |                               |                     |                      |           |           |
| Statutory Human Resources Component                            | 356 963            | 369 008            | 375 295            | 384 725                   | 384 725                       | 384 725             | 402 383              | 420 429   | 434 767   |
| Training Component                                             | 542 479            | 518 115            | 553 383            | 566 871                   | 566 871                       | 566 871             | 592 863              | 619 448   | 640 585   |
| National Health Insurance Grant                                | 34 964             | 36 225             | 36 899             | 37 893                    | 37 893                        | 37 893              | <b>38 724</b>        | 40 435    | 41 799    |
| District Health Programmes Grant                               | 2 268 294          | 1 982 629          | 2 132 386          | 2 159 495                 | 2 250 417                     | 2 250 417           | <b>2 251 705</b>     | 2 346 285 | 2 422 236 |
| of which:                                                      |                    |                    |                    |                           |                               |                     |                      |           |           |
| District Health Component                                      | 415 431            | 217 764            | 240 577            | 251 479                   | 251 479                       | 251 479             | 261 705              | 272 149   | 280 607   |
| Comprehensive HIV/AIDS Component                               | 1 852 863          | 1 764 865          | 1 891 809          | 1 908 016                 | 1 998 938                     | 1 998 938           | 1 990 000            | 2 074 136 | 2 141 629 |
| Social Sector EPWP Incentive Grant for Provinces               | 10 291             | 8 730              | 7 504              |                           |                               |                     |                      |           |           |
| Expanded Public Works Programme Integrated Grant for Provinces | 2 106              | 1 945              | 2 092              | 11 237                    | 11 237                        | 11 237              | <b>9 486</b>         |           |           |

**Table 3.7 Provincial conditional grant allocations, 2022/23 – 2028/29 (continued)**

| Vote and grant<br>R'000                                                               | Outcome            |                    |                    | Main<br>appro-<br>piation<br>2025/26 | Adjusted<br>appro-<br>piation<br>2025/26 | Revised<br>estimate<br>2025/26 | Medium-term estimate |                   |                   |
|---------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------------------------|------------------------------------------|--------------------------------|----------------------|-------------------|-------------------|
|                                                                                       | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 |                                      |                                          |                                | 2026/27              | 2027/28           | 2028/29           |
| <b>Vote 7: Social Development</b>                                                     | 4 920              | 4 052              | 2 871              | 3 761                                | 3 911                                    | 3 911                          | <b>3 290</b>         |                   |                   |
| Expanded Public Works Programme<br>Integrated Grant for Provinces                     | 4 920              | 4 052              | 2 871              | 3 761                                | 3 911                                    | 3 911                          | <b>3 290</b>         |                   |                   |
| <b>Vote 8: Mobility</b>                                                               | 1 127 813          | 1 177 519          | 1 232 068          | 1 287 602                            | 1 287 602                                | 1 287 602                      | <b>1 332 746</b>     | 1 385 932         | 1 429 006         |
| Public Transport Operations Grant                                                     | 1 127 813          | 1 177 519          | 1 230 401          | 1 285 523                            | 1 285 523                                | 1 285 523                      | <b>1 332 746</b>     | 1 385 932         | 1 429 006         |
| Expanded Public Works Programme<br>Integrated Grant for Provinces                     |                    |                    | 1 667              | 2 079                                | 2 079                                    | 2 079                          |                      |                   |                   |
| <b>Vote 9: Environmental Affairs and<br/>Development Planning</b>                     | 4 468              | 4 045              | 3 331              | 2 978                                | 2 978                                    | 2 978                          | <b>3 265</b>         |                   |                   |
| Expanded Public Works Programme<br>Integrated Grant for Provinces                     | 4 468              | 4 045              | 3 331              | 2 978                                | 2 978                                    | 2 978                          | <b>3 265</b>         |                   |                   |
| <b>Vote 10: Infrastructure</b>                                                        | 2 879 635          | 3 055 498          | 3 317 140          | 3 561 291                            | 4 198 527                                | 4 198 527                      | <b>3 581 678</b>     | 2 947 521         | 3 039 272         |
| Provincial Roads Maintenance Grant                                                    | 960 309            | 1 373 727          | 1 624 101          | 1 569 564                            | 2 206 800                                | 2 206 800                      | <b>1 790 502</b>     | 1 090 746         | 1 124 646         |
| Expanded Public Works Programme<br>Integrated Grant for Provinces (Public<br>Works)   | 13 373             | 3 037              |                    |                                      |                                          |                                |                      |                   |                   |
| Human Settlements Development Grant                                                   | 1 525 136          | 1 340 212          | 1 405 872          | 1 663 926                            | 1 663 926                                | 1 663 926                      | <b>1 559 136</b>     | 1 626 048         | 1 680 357         |
| Informal Settlements Upgrading<br>Partnership Grant for Provinces                     | 377 839            | 335 540            | 282 315            | 325 722                              | 325 722                                  | 325 722                        | <b>226 385</b>       | 230 727           | 234 269           |
| Expanded Public Works Programme<br>Integrated Grant for Provinces<br>(Infrastructure) | 2 978              | 2 982              | 4 852              | 2 079                                | 2 079                                    | 2 079                          | <b>5 655</b>         |                   |                   |
| <b>Vote 11: Agriculture</b>                                                           | 188 786            | 174 307            | 208 400            | 194 738                              | 465 237                                  | 465 237                        | <b>196 669</b>       | 211 393           | 215 006           |
| Land Care Programme Grant: Poverty<br>Relief and Infrastructure<br>Development        | 5 532              | 5 300              | 6 546              | 6 839                                | 6 839                                    | 6 839                          | <b>7 152</b>         | 7 475             | 7 630             |
| Comprehensive Agricultural<br>Support Programme (CASP) Grant                          | 122 087            | 107 846            | 156 001            | 119 669                              | 390 168                                  | 390 168                        | <b>186 861</b>       | 203 918           | 207 376           |
| Ilima/Letsema Projects Grant                                                          | 58 993             | 58 979             | 43 322             | 65 455                               | 65 455                                   | 65 455                         |                      |                   |                   |
| Expanded Public Works Programme<br>Integrated Grant for Provinces                     | 2 174              | 2 182              | 2 531              | 2 775                                | 2 775                                    | 2 775                          | <b>2 656</b>         |                   |                   |
| <b>Vote 13: Cultural Affairs and<br/>Sport</b>                                        | 288 755            | 258 615            | 268 432            | 270 877                              | 270 877                                  | 270 877                        | <b>282 988</b>       | 290 899           | 291 783           |
| Mass Participation and Sport<br>Development Grant                                     | 91 221             | 57 971             | 61 107             | 63 058                               | 63 058                                   | 63 058                         | <b>66 090</b>        | 71 362            | 73 535            |
| Community Library Services Grant                                                      | 190 102            | 193 331            | 201 168            | 202 279                              | 202 279                                  | 202 279                        | <b>211 662</b>       | 219 537           | 218 248           |
| Expanded Public Works Programme<br>Integrated Grant for Provinces                     | 3 099              | 2 956              | 2 992              | 5 540                                | 5 540                                    | 5 540                          | <b>5 236</b>         |                   |                   |
| Social Sector EPWP Incentive Grant for<br>Provinces                                   | 4 333              | 4 357              | 3 165              |                                      |                                          |                                |                      |                   |                   |
| <b>Total Conditional grants</b>                                                       | <b>13 966 682</b>  | <b>13 585 220</b>  | <b>14 922 077</b>  | <b>16 267 711</b>                    | <b>17 592 408</b>                        | <b>17 592 408</b>              | <b>17 430 865</b>    | <b>16 269 601</b> | <b>16 781 438</b> |

### Provincial own receipts

Provincial departments collect their own receipts through daily operations, providing an additional revenue source for service delivery. According to Sections 228 and 229 of the South African Constitution, departments may collect user charges and certain narrowly defined taxes as own receipts. However, this excludes broad-based taxes such as corporate income tax, personal income tax, and VAT, which are managed by the national government. While own receipts make up less than 7 per cent of the Western Cape's total provincial revenue, they are crucial for funding key provincial priorities. These receipts are expected to grow at an annual

average growth rate (AAGR) of 2.7 per cent, increasing from an estimated R4.728 billion in the 2025/26 revised estimate to R5.117 billion in 2028/29. Projected revenues are R4.738 billion in 2026/27, R4.968 billion in 2027/28, and R5.117 billion in 2028/29.

Motor Vehicle Licence fees are the largest source of provincial own-revenue tax income and are collected by municipalities on behalf of the Province. These fees are projected to grow from the 2025/26 revised estimate of R2.369 billion in 2025/26 to R2.767 billion in 2028/29. The increase is mainly due to the projected increase in the number of vehicles and the fee adjustment, effective across all tare weight categories.

### Departmental specific own receipts

Specific own receipts are collected by the Department of Health and Wellness, mainly from Hospital Patient Fees, and the Department of Infrastructure, mainly from revenue from leasing government buildings. Together, they account for 80.9 percent of the province's total own receipts. Their respective revenue budgets are R485.788 million for 2026/27, R507.509 million for 2027/28, R523.242 million for 2028/29, and R110.952 million (2026/27), R115.945 million (2027/28), R119.539 million (2028/29).

Hospital Patient Fees are regulated by the National Department of Health through the Uniform Patient Fee Schedule (UPFS). The Western Cape Provincial Treasury (WCPT) prepared a short research paper to oppose the current increase in the UPFS tariff, which would be based on headline inflation. Instead, the WCPT has proposed using medical inflation to adjust the UPFS tariff. This has been approved by the National Minister of Health and will take effect in the 2026/27 financial year. Hospital Patient Fees are expected to increase by an AAGR of 2.7 per cent from the 2025/26 revised estimate of R379.551 million to R411.134 million in the 2028/29.

**Table 3.8 Provincial own receipts by vote, 2022/23 – 2028/29**

| Vote<br>R'000                                                    | Outcome            |                    |                    | Main<br>appro-<br>priation<br>2025/26 | Adjusted<br>appro-<br>priation<br>2025/26 | Revised<br>estimate<br>2025/26 | Medium-term estimate<br>% Change<br>from<br>Revised<br>estimate |         |           |           |
|------------------------------------------------------------------|--------------------|--------------------|--------------------|---------------------------------------|-------------------------------------------|--------------------------------|-----------------------------------------------------------------|---------|-----------|-----------|
|                                                                  | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 |                                       |                                           |                                | 2026/27                                                         | 2025/26 | 2027/28   | 2028/29   |
| 1. Department of the Premier                                     | 2 586              | 2 889              | 1 725              | 953                                   | 953                                       | 2 060                          | <b>1 041</b>                                                    | (49.47) | 1 133     | 1 168     |
| 2. Provincial Parliament                                         | 2 021              | 828                | 1 198              | 90                                    | 90                                        | 563                            | <b>94</b>                                                       | (83.30) | 98        | 101       |
| 3. Provincial Treasury                                           | 3 530              | 17 857             | 4 591              | 92                                    | 92                                        | 21 162                         | <b>96</b>                                                       | (99.55) | 100       | 103       |
| 4. Police Oversight and Community Safety                         | 447                | 266                | 291                | 273                                   | 273                                       | 289                            | <b>290</b>                                                      | 0.35    | 308       | 318       |
| 5. Education                                                     | 25 832             | 62 595             | 57 923             | 29 311                                | 29 311                                    | 29 311                         | <b>30 630</b>                                                   | 4.50    | 32 008    | 33 000    |
| 6. Health and Wellness                                           | 449 539            | 500 689            | 519 114            | 452 210                               | 452 210                                   | 517 709                        | <b>485 788</b>                                                  | (6.17)  | 507 509   | 523 242   |
| 7. Social Development                                            | 1 984              | 2 212              | 2 730              | 1 436                                 | 1 436                                     | 2 004                          | <b>1 501</b>                                                    | (25.10) | 1 569     | 1 618     |
| 8. Mobility                                                      | 39 996             | 75 874             | 71 243             | 47 284                                | 61 284                                    | 64 112                         | <b>49 103</b>                                                   | (23.41) | 51 095    | 52 679    |
| 9. Environmental Affairs and Development Planning                | 5 820              | 4 151              | 5 623              | 3 328                                 | 3 328                                     | 6 128                          | <b>3 478</b>                                                    | (43.24) | 3 635     | 3 748     |
| 10. Infrastructure                                               | 97 732             | 258 460            | 233 461            | 106 174                               | 122 136                                   | 277 771                        | <b>110 952</b>                                                  | (60.06) | 115 945   | 119 539   |
| 11. Agriculture                                                  | 43 201             | 50 635             | 54 515             | 39 630                                | 42 630                                    | 42 630                         | <b>52 413</b>                                                   | 22.95   | 52 277    | 49 619    |
| 12. Economic Development and Tourism                             | 47 691             | 9 625              | 14 109             | 442                                   | 442                                       | 2 924                          | <b>462</b>                                                      | (84.20) | 483       | 498       |
| 13. Cultural Affairs and Sport                                   | 4 697              | 7 184              | 8 565              | 1 976                                 | 2 326                                     | 2 872                          | <b>2 066</b>                                                    | (28.06) | 2 159     | 2 226     |
| 14. Local Government                                             | 5 578              | 3 462              | 7 406              | 130                                   | 130                                       | 1 207                          | <b>135</b>                                                      | (88.82) | 141       | 145       |
| <b>Total provincial Vote own receipts (Vote Specific)</b>        | <b>730 654</b>     | <b>996 727</b>     | <b>982 494</b>     | <b>683 329</b>                        | <b>716 641</b>                            | <b>970 742</b>                 | <b>738 049</b>                                                  | (23.97) | 768 460   | 788 004   |
| Tax Receipts                                                     | 3 030 487          | 3 567 655          | 3 902 715          | 3 773 705                             | 3 773 705                                 | 3 756 877                      | <b>3 999 628</b>                                                | 6.46    | 4 199 156 | 4 329 330 |
| <b>Total provincial own receipts (Inclusive of Tax Receipts)</b> | <b>3 761 141</b>   | <b>4 564 382</b>   | <b>4 885 209</b>   | <b>4 457 034</b>                      | <b>4 490 346</b>                          | <b>4 727 619</b>               | <b>4 737 677</b>                                                | 0.21    | 4 967 616 | 5 117 334 |

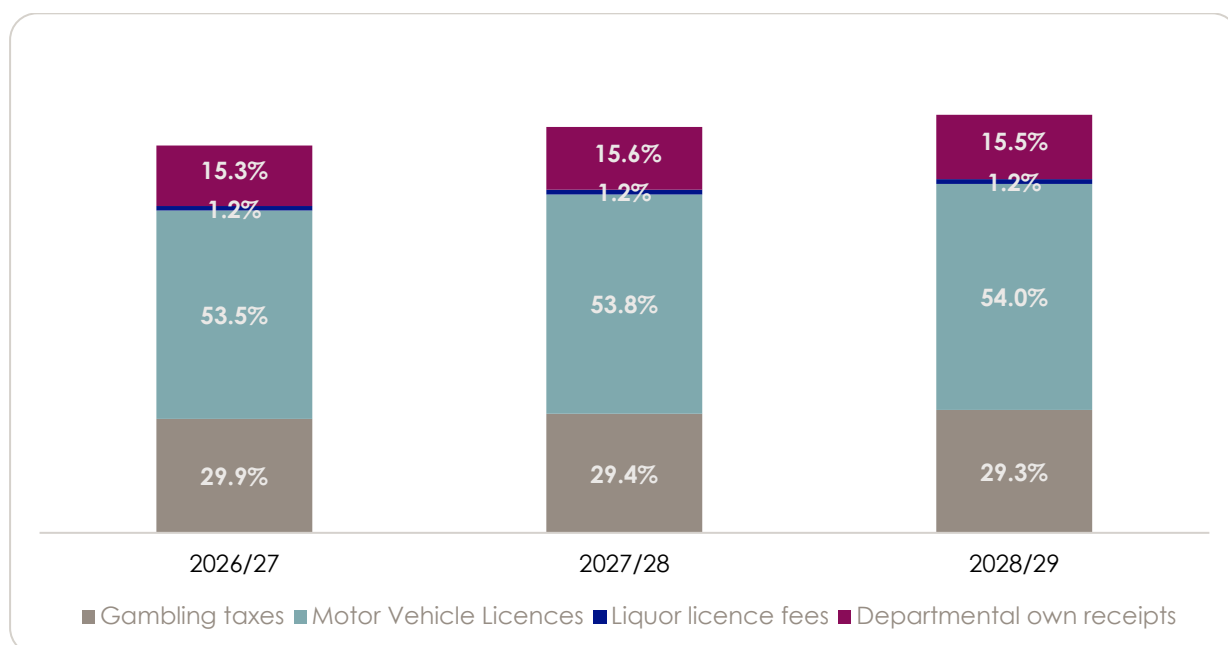
### Provincial tax receipts

Gambling taxes and liquor licence fees are collected by the Western Cape Gambling and Racing Board and the Western Cape Liquor Authority, respectively. On average, the receipts are projected to generate R1.451 billion and R58.315 million respectively per annum over the 2026 MTEF. The Western Cape Provincial Treasury and the Department of Police Oversight and Community Safety manage these funds before they are transferred to the Provincial Revenue Fund.

Gambling taxes are expected to grow by an AAGR of 4.0 per cent from R1.334 billion in the 2025/26 revised estimate to R1.502 billion in 2028/29, with Horse racing taxes and casino taxes increasing by an AAGR of 4.0 per cent over the same period.

Liquor Licence fees are projected to increase by an AAGR of 4.0 per cent from R53.616 million in the 2025/26 revised estimate to R60.365 million in 2028/29. This increase is supported by the inflationary adjustments and efforts to improve compliance and enforcement capacity.

**Figure 3.4 Western Cape Provincial Own Receipts, over 2026 MTEF**



### Financing and reserves

As the new budget cycle commences, the WCG acknowledges that reserves have been drawn down. This was a deliberate and strategic decision to address urgent priorities promptly, demonstrating prudence and responsiveness in meeting the Province's immediate needs. By using these buffers effectively, the WCG has been able to ensure continuity in essential services despite pressing demands.

Maintaining reserves remains a central part of WCG's financial strategy, providing a safeguard against unforeseen events, including operational challenges, economic shocks, and natural disasters. These reserves enable the WCG to continue delivering services even under external financial constraints, although long term fiscal pressures may still limit the ability to fully meet all operational requirements. A comprehensive review of revenue sources has been undertaken to minimise disruptions to core functions and sustain financial stability.

In line with long term planning, the Western Cape Provincial Treasury has approved the establishment of the Alternative and Blended Financing (ABF) reserve. Funded through the Motor increase in Vehicle Licence fee tariffs. This reserve is dedicated exclusively to servicing potential long term borrowing for roads and related projects. This initiative strengthens the Province's capacity to manage strategic development, reinforces fiscal resilience, and ensures that essential services remain protected in the face of national budgetary constraints. Table 3.9 below depicts the WCG provincial reserves over the 2026 MTEF.

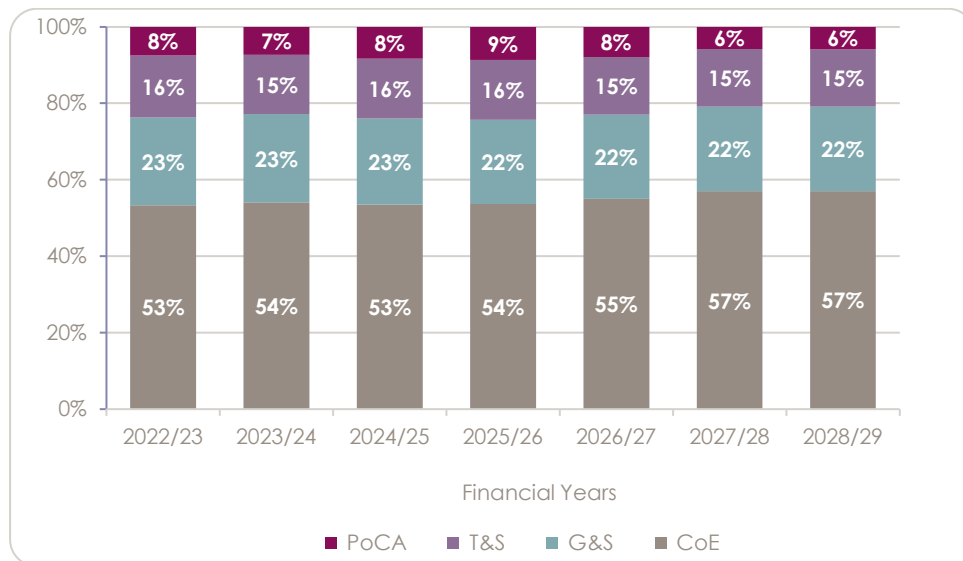
**Table 3.9 WCG provincial reserves over the 2026 MTEF**

| Description<br>R'000            | Reserves         |                  |                | Total<br>(MTEF)  |
|---------------------------------|------------------|------------------|----------------|------------------|
|                                 | 2026/27          | 2027/28          | 2028/29        |                  |
| Unforeseen and unavoidable      | 595 806          | 500 000          | 250 524        | 1 346 330        |
| Acquisition of Property Reserve | 121 606          | 72 661           | 74 913         | 269 180          |
| Stabilisation reserve           | 352 928          | 354 575          |                | 707 503          |
| ABF reserve                     | 130 612          | 156 034          | 232 168        | 518 814          |
| <b>Total</b>                    | <b>1 200 952</b> | <b>1 083 270</b> | <b>557 606</b> | <b>2 841 828</b> |

## ■ Provincial expenditure

Over the 2026 MTEF, the composition of expenditure reflects a balance between sustaining the workforce and managing non personnel expenditure. Compensation of Employees (CoE) remains the largest component, rising gradually from 53 per cent in 2022/23 to nearly 57 per cent by 2028/29, underscoring the importance of personnel in service delivery. Goods and Services (G&S) hold steady at around 22 per cent, while Transfers and Subsidies (T&S) remain contained between 15 and 16 per cent, reflecting disciplined operational and subsidy management. Payments for Capital Assets (PoCA) peaked at 8.7 per cent in 2025/26 before tapering to 6 per cent, largely reflecting the conclusion of capital infrastructure support through the Budget Facility for Infrastructure (BFI).

Taken together, the expenditure composition demonstrates stability in core areas and a strategic balance between personnel and non-personnel spending, positioning the Province to deliver effectively on its mandate while safeguarding fiscal resilience.

**Figure 3.5 Percentage share of economic classification to the total provincial budget, 2022/23 – 2028/29**

Note: CoE – Compensation of employees; G&S – Goods and services; T&S Transfers and subsidies; PoCA – Payments for capital assets

**Table 3.10 Provincial payments and estimates by economic classification, 2022/23 – 2028/29**

| Economic classification<br>R'000                        | Outcome            |                    |                    |                                       |                                           |                                | Medium-term estimate                       |         |            |            |
|---------------------------------------------------------|--------------------|--------------------|--------------------|---------------------------------------|-------------------------------------------|--------------------------------|--------------------------------------------|---------|------------|------------|
|                                                         | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 | Main<br>appro-<br>priation<br>2025/26 | Adjusted<br>appro-<br>priation<br>2025/26 | Revised<br>estimate<br>2025/26 | %<br>Change<br>from<br>Revised<br>estimate | 2026/27 | 2027/28    | 2028/29    |
|                                                         |                    |                    |                    |                                       |                                           |                                |                                            |         |            |            |
| Current payments                                        | 59 007 103         | 62 506 959         | 63 959 981         | 67 511 965                            | 67 789 839                                | 67 852 199                     | 72 019 796                                 | 6.14    | 74 954 705 | 77 072 770 |
| Compensation of employees                               | 41 258 897         | 43 755 033         | 44 994 411         | 48 438 106                            | 48 053 910                                | 48 112 566                     | 51 415 412                                 | 6.86    | 53 953 172 | 55 551 141 |
| Goods and services                                      | 17 748 126         | 18 751 822         | 18 965 472         | 19 073 709                            | 19 735 779                                | 19 739 472                     | 20 604 118                                 | 4.38    | 21 001 290 | 21 521 381 |
| Interest and rent on land                               | 80                 | 104                | 98                 | 150                                   | 150                                       | 161                            | 266                                        | 65.22   | 243        | 248        |
| Transfers and subsidies to                              | 12 581 250         | 12 551 395         | 13 179 870         | 13 409 980                            | 14 069 369                                | 14 024 689                     | 14 105 349                                 | 0.58    | 14 243 729 | 14 656 967 |
| Provinces and municipalities                            | 2 555 109          | 2 569 530          | 2 620 066          | 2 629 020                             | 2 673 817                                 | 2 673 620                      | 2 639 925                                  | 1       | 2 695 760  | 2 756 468  |
| Departmental agencies and accounts                      | 520 150            | 528 115            | 554 931            | 579 594                               | 579 278                                   | 579 282                        | 647 625                                    | 11.80   | 655 801    | 681 542    |
| Higher education institutions                           | 10                 | 100                | 1 939              | 310                                   | 968                                       | 968                            | 310                                        | 68      | 310        | 310        |
| Foreign governments and international organisations     | 145                | 918                | 545                | 615                                   | 386                                       | 386                            | 642                                        | 66.32   | 668        | 668        |
| Public corporations and private enterprises             | 1 416 010          | 1 390 585          | 1 476 145          | 1 521 422                             | 1 667 884                                 | 1 667 629                      | 1 611 631                                  | 3       | 1 637 257  | 1 686 239  |
| Non-profit institutions                                 | 5 700 259          | 5 919 524          | 6 314 267          | 6 136 977                             | 6 572 406                                 | 6 531 237                      | 6 600 885                                  | 1.07    | 6 838 386  | 7 029 305  |
| Households                                              | 2 389 567          | 2 142 623          | 2 211 977          | 2 542 042                             | 2 574 630                                 | 2 571 567                      | 2 604 331                                  | 1.27    | 2 415 547  | 2 502 435  |
| Payments for capital assets                             | 5 814 247          | 5 958 214          | 7 016 177          | 7 057 444                             | 7 824 408                                 | 7 803 975                      | 7 405 497                                  | 5       | 5 564 165  | 5 768 072  |
| Buildings and other fixed structures                    | 4 400 677          | 4 739 480          | 5 565 019          | 5 786 604                             | 6 426 143                                 | 6 403 207                      | 5 876 942                                  | 8       | 3 976 422  | 4 119 630  |
| Machinery and equipment                                 | 1 339 437          | 1 172 348          | 1 334 769          | 1 091 289                             | 1 273 519                                 | 1 274 584                      | 1 303 799                                  | 2.29    | 1 447 903  | 1 523 708  |
| Biological assets                                       |                    |                    |                    | 1 103                                 | 1 078                                     | 1 078                          | 2 000                                      | 85.53   |            |            |
| Land and subsoil assets                                 | 5 618              |                    | 734                | 105 000                               | 42 000                                    | 42 000                         | 118 000                                    | 180.95  | 30 713     | 11 575     |
| Software and other intangible assets                    | 68 515             | 46 386             | 115 655            | 73 448                                | 81 668                                    | 83 106                         | 104 756                                    | 26.05   | 109 127    | 113 159    |
| Payments for financial assets                           | 21 353             | 20 703             | 28 287             | 6 989                                 | 41 970                                    | 44 066                         | 7 242                                      | 84      | 7 481      | 7 713      |
| Total economic classification                           | 77 423 953         | 81 037 271         | 84 184 315         | 87 986 378                            | 89 725 586                                | 89 724 929                     | 93 537 884                                 | 4.25    | 94 770 080 | 97 505 522 |
| Direct charge                                           | 43 396             | 44 875             | 53 152             | 57 386                                | 57 386                                    | 57 386                         | 59 968                                     | 4.50    | 62 667     | 64 610     |
| Total economic classification (including direct charge) | 77 467 349         | 81 082 146         | 84 237 467         | 88 043 764                            | 89 782 972                                | 89 782 315                     | 93 597 852                                 | 4.25    | 94 832 747 | 97 570 132 |
| Of Which:                                               |                    |                    |                    |                                       |                                           |                                |                                            |         |            |            |
| Transfers to Municipalities                             | 2 548 140          | 2 563 403          | 2 613 070          | 2 624 992                             | 2 664 167                                 | 2 664 155                      | 2 635 719                                  |         | 2 691 388  | 2 751 924  |
| % of total transfers and subsidies                      | 20.25              | 20.42              | 19.83              | 19.57                                 | 18.94                                     | 19.00                          | 18.69                                      |         | 18.90      | 18.78      |

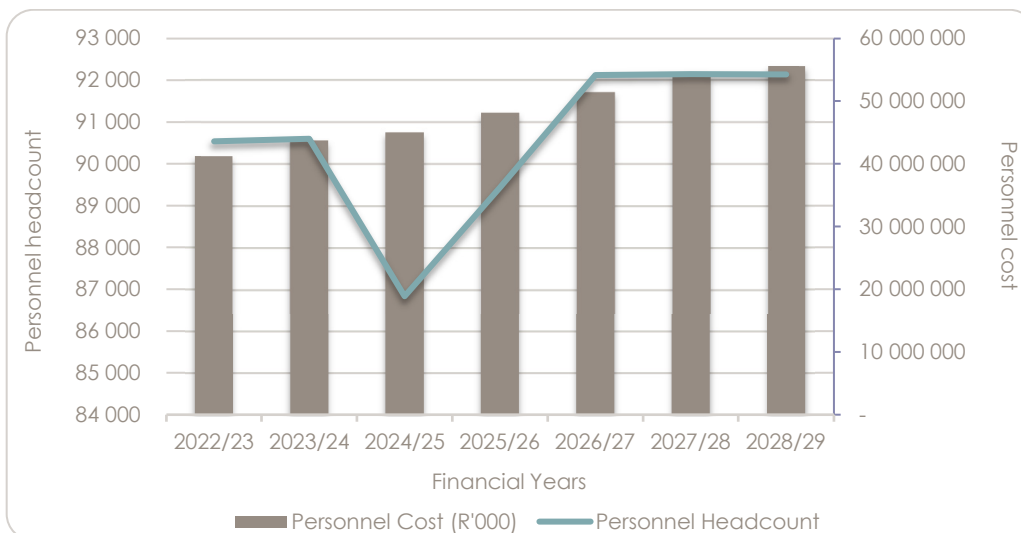
Note: The economic classifications as taken up in this Budget are in accordance with Version 4 of the Standard Chart of Accounts (SCOA), which became fully effective from 1 April 2014.

### Compensation of Employees

The WCG will continue to embed fiscal discipline and credibility into the management of CoE by aligning personnel planning to address workforce capacity and capability with budget sustainability. Through measures such as bespoke CoE plans, the Early Retirement and Voluntary Exit Programmes, and the capped wage agreement that runs until 2027/28, followed by an inflationary adjustment of 3.1 per cent in 2028/29, departments are required to integrate staffing decisions into credible fiscal frameworks.

As the largest expenditure item in the provincial budget, CoE averages 57 per cent of total spending and is projected to grow by 7 per cent, from a revised estimate of R48.113 billion in 2025/26 to R51.415 billion in 2026/28. This increase reflects the capped 4 per cent wage adjustments in 2026/27 and 2027/28 under the 2025 wage agreement, followed by an inflationary adjustment of 3.1 per cent in 2028/29. Growth also incorporates headcount increases, particularly in frontline service departments.

**Figure 3.6 WCG personnel data, 2022/23 – 2028/29**



Personnel numbers remain broadly stable over the period 2022/23 to 2028/29, fluctuating between 86 806 and 92 135 employees. A temporary dip in 2024/25, driven mainly by the Western Cape Education Department (WCED), is followed by recovery and stabilisation, underscoring the Province's commitment to balancing workforce capability with fiscal sustainability.

Over the 2026 MTEF, headcount rises from 89 432 in 2025/26 to 92 125 in 2026/27, before holding steady at approximately 92 149 in 2027/28 and 92 135 in 2028/29. The increase of 2 693 employees in 2026/27 is mainly concentrated in Departments of Education, Health and Wellness, and Infrastructure, reflecting targeted workforce strengthening in critical service areas.

In terms of Education, the headcount grows by 733 posts in 2026/27, of which 701 are educators, supported partially by additional funding received from the sector. Headcount growth moderates to 150 posts in 2027/28, remaining constant in 2028/29. This expansion responds to ongoing learner growth and aims to minimise the impact of rising learner-teacher ratios and overcrowded classrooms.

The Department of Health and Wellness adds 825 posts in 2026/27, restoring staff levels across support staff, medical personnel, and nursing staff to sustain operational capacity and meet service delivery commitments. This restoration responds to the abnormal attrition pressures experienced since 2023.

Moreover, the Department of Infrastructure (DoI) expands by 620 posts in 2026/27, spanning over public service personnel and the infrastructure environment. This aims to strengthen institutional capacity, ensuring both administrative support and technical expertise are in place to drive infrastructure delivery. DoI will be absorbing additional staff in 2026/27 from the District Municipalities to facilitate improved service delivery regarding transport infrastructure management. By bolstering its workforce, the Department positions itself to accelerate project implementation and reinforce its role as a key enabler of economic growth.

**Table 3.11 Personnel numbers and cost by department, 2022/23 – 2028/29**

| Cost in R million                                 | Actual                         |                   |                                |                   |                                |                   | Revised estimate |                  |                                |                   | Medium-term expenditure estimate |                   |                                |                   |                                |                   | Average annual growth over MTEF |             |               |
|---------------------------------------------------|--------------------------------|-------------------|--------------------------------|-------------------|--------------------------------|-------------------|------------------|------------------|--------------------------------|-------------------|----------------------------------|-------------------|--------------------------------|-------------------|--------------------------------|-------------------|---------------------------------|-------------|---------------|
|                                                   | 2022/23                        |                   | 2022/23                        |                   | 2023/24                        |                   | 2025/26          |                  |                                |                   | 2026/27                          |                   | 2027/28                        |                   | 2028/29                        |                   | 2025/26 to 2028/29              |             |               |
|                                                   | Personnel numbers <sup>1</sup> | Costs             | Personnel numbers <sup>1</sup> | Costs             | Personnel numbers <sup>1</sup> | Costs             | Filled posts     | Additional posts | Personnel numbers <sup>1</sup> | Costs             | Personnel numbers <sup>1</sup>   | Costs             | Personnel numbers <sup>1</sup> | Costs             | Personnel numbers <sup>1</sup> | Costs             | Personnel numbers <sup>1</sup>  | Costs       | growth rate % |
| <b>Votes</b>                                      |                                |                   |                                |                   |                                |                   |                  |                  |                                |                   |                                  |                   |                                |                   |                                |                   |                                 |             |               |
| Department of the Premier                         | 1 038                          | 616 286           | 1 002                          | 639 513           | 917                            | 647 060           | 1 001            |                  | 1 001                          | 695 766           | 1 161                            | 767 575           | 1 161                          | 799 595           | 1 161                          | 824 202           | (0.9%)                          | 5.8%        | 1.5%          |
| Provincial Parliament                             | 114                            | 85 167            | 105                            | 89 433            | 107                            | 93 376            | 107              |                  | 107                            | 101 450           | 117                              | 110 353           | 117                            | 116 362           | 117                            | 123 591           | 2.4%                            | 5.0%        | 0.2%          |
| Provincial Treasury                               | 339                            | 198 965           | 300                            | 199 089           | 264                            | 193 590           | 287              | 47               | 334                            | 213 895           | 380                              | 266 212           | 372                            | 278 530           | 354                            | 287 164           | (100.0%)                        | (100.0%)    | 0.5%          |
| Police Oversight and Community Safety             | 371                            | 155 133           | 317                            | 161 086           | 292                            | 157 883           | 301              |                  | 301                            | 166 189           | 328                              | 186 456           | 328                            | 199 110           | 328                            | 207 197           | 2.9%                            | 7.6%        | 0.4%          |
| Education                                         | 45 334                         | 19 878 969        | 46 563                         | 21 745 601        | 44 575                         | 22 412 853        | 45 158           | 603              | 45 761                         | 23 635 565        | 46 494                           | 25 197 975        | 46 644                         | 26 487 342        | 46 644                         | 27 126 097        | 0.6%                            | 4.7%        | 49.0%         |
| Health and Wellness                               | 34 847                         | 16 720 431        | 33 985                         | 17 204 010        | 32 439                         | 17 626 069        | 33 209           |                  | 33 209                         | 19 088 214        | 34 034                           | 20 145 045        | 33 897                         | 21 021 640        | 33 897                         | 21 768 116        | 0.7%                            | 4.5%        | 39.2%         |
| Social Development                                | 2 478                          | 1 025 068         | 2 462                          | 1 064 732         | 2 495                          | 1 112 967         | 2 549            |                  | 2 549                          | 1 204 703         | 2 568                            | 1 295 246         | 2 609                          | 1 384 504         | 2 624                          | 1 434 420         | 1.0%                            | 6.0%        | 2.5%          |
| Mobility                                          | 1 227                          | 473 955           | 1 126                          | 469 211           | 1 114                          | 529 235           | 1 118            | 142              | 1 260                          | 625 103           | 1 260                            | 672 225           | 1 260                          | 702 475           | 1 260                          | 724 252           |                                 | 5.0%        | 1.3%          |
| Environmental Affairs and Development Planning    | 354                            | 241 650           | 333                            | 246 581           | 334                            | 252 897           | 312              | 30               | 342                            | 265 997           | 396                              | 297 061           | 395                            | 315 507           | 395                            | 325 248           | 4.9%                            | 6.9%        | 0.6%          |
| Infrastructure                                    | 2 166                          | 890 213           | 2 133                          | 940 783           | 2 123                          | 936 985           | 1 916            | 401              | 2 317                          | 1 012 547         | 2 937                            | 1 251 962         | 2 937                          | 1 317 333         | 2 937                          | 1 358 170         | 8.2%                            | 10.3%       | 2.4%          |
| Agriculture                                       | 1 113                          | 426 777           | 1 141                          | 434 670           | 1 056                          | 456 048           | 1 008            | 57               | 1 065                          | 485 016           | 1 121                            | 548 622           | 1 121                          | 570 567           | 1 121                          | 588 254           | 1.7%                            | 6.6%        | 1.0%          |
| Economic Development and Tourism                  | 204                            | 127 336           | 210                            | 131 403           | 186                            | 130 494           | 223              | 51               | 274                            | 139 669           | 309                              | 156 381           | 288                            | 196 097           | 277                            | 197 037           | 0.4%                            | 12.2%       | 0.3%          |
| Cultural Affairs and Sport                        | 538                            | 223 088           | 521                            | 227 749           | 512                            | 240 250           | 511              |                  | 511                            | 257 184           | 597                              | 274 130           | 597                            | 299 867           | 597                            | 314 885           | 5.3%                            | 7.0%        | 0.5%          |
| Local Government                                  | 411                            | 195 859           | 400                            | 201 172           | 392                            | 204 704           | 401              |                  | 401                            | 221 268           | 423                              | 246 169           | 423                            | 264 243           | 423                            | 272 508           | 1.8%                            | 7.2%        | 0.5%          |
| <b>Total<sup>2</sup></b>                          | <b>90 534</b>                  | <b>41 258 897</b> | <b>90 598</b>                  | <b>43 755 033</b> | <b>86 806</b>                  | <b>44 994 411</b> | <b>88 101</b>    | <b>1 331</b>     | <b>89 432</b>                  | <b>48 112 566</b> | <b>92 125</b>                    | <b>51 415 412</b> | <b>92 149</b>                  | <b>53 953 172</b> | <b>92 135</b>                  | <b>55 551 141</b> | <b>1.0%</b>                     | <b>4.9%</b> | <b>100.0%</b> |
| Direct charge against the Provincial Revenue Fund | 31                             | 41 312            | 31                             | 43 306            | 31                             | 44 783            | 31               |                  | 31                             | 51 635            | <b>31</b>                        | <b>48 345</b>     | 31                             | 51 768            | 31                             | 53 839            |                                 |             | 1.4%          |

<sup>1</sup> Personnel numbers include all filled posts together with those posts additional to the approved establishment

<sup>2</sup> Total excludes direct charge

## Goods and services

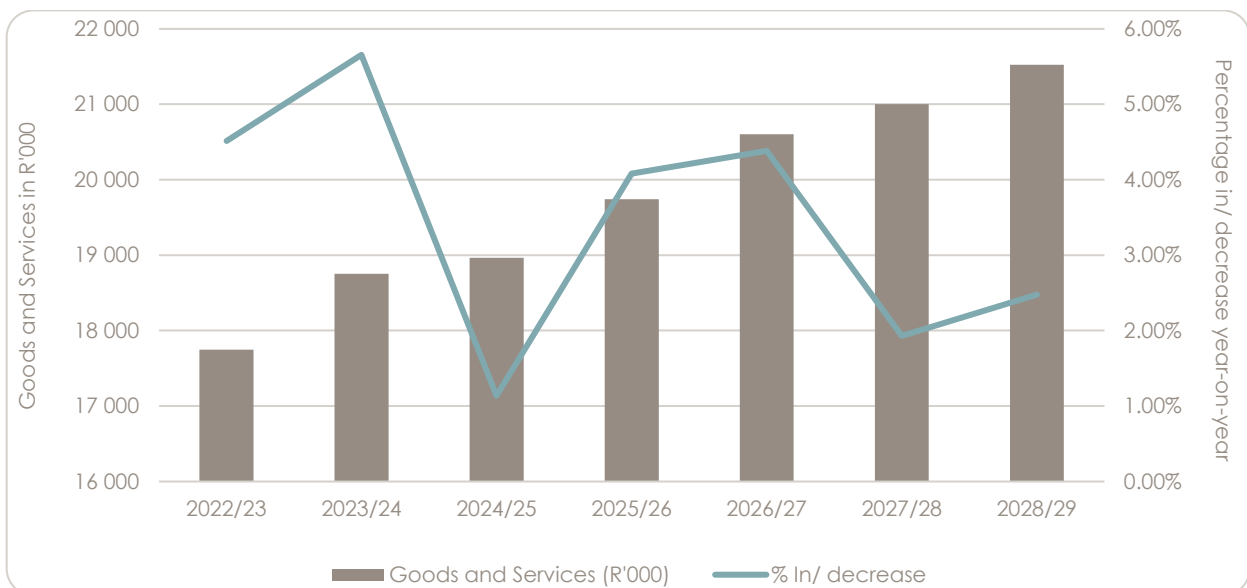
Goods and services (G&S) budgets are primarily directed toward the operational requirements of core social and economic services, including health service delivery inputs, learner support materials, pharmaceuticals, medical supplies, transport operations, security services, maintenance, information and communication technology, and municipal service costs. Core G & S cost drivers include population growth, service demand pressures, energy and utility costs, contractual escalations, and inflationary pressures on specialised inputs that are above general inflation trends.

Many G&S costs continue to rise above inflation, driven by growing service demand, higher fuel, electricity, and food prices, and sector-specific cost pressures. The Department of Health and Wellness (DHW) entered the 2025/26 financial year under significant fiscal strain, characterised by underfunded G&S and rising service demand, driven by population growth and an increasing burden of disease. Sustained underfunding over several years eroded service delivery capacity, placing growing pressure on access, quality, waiting times, and overall service continuity.

The G&S budget is projected to increase by 4.38 per cent or R864.646 million in 2026/27 to R20.604 billion compared to the 2025/26 revised estimate of R19.739 billion, primarily due to additional national sectoral funding allocated in 2025/26 and over the 2026 MTEF to the DHW to address pressures on the service platform. Total additional national allocations to DHW amount to R2.225 billion over the 2026 MTEF, including R717.206 million in 2026/27, R740.976 million in 2027/28 and R766.358 million in 2028/29, with 85 per cent of this funding going towards G&S in 2026/27.

Over the 2026 MTEF, these additional national sectoral allocations have strengthened the baseline of the DHW, enabling a real increase in G&S funding, stabilising their operational budget for key inputs such as pharmaceuticals, medical supplies, laboratory services, utilities, and contracted services. Moreover, the strengthened baseline alleviates fundamental G&S pressures, supports workforce recovery in critical clinical areas, and in part reduces risks to service delivery.

**Figure 3.7 Provincial expenditure and budget for Goods and Services, 2022/23 – 2028/29**

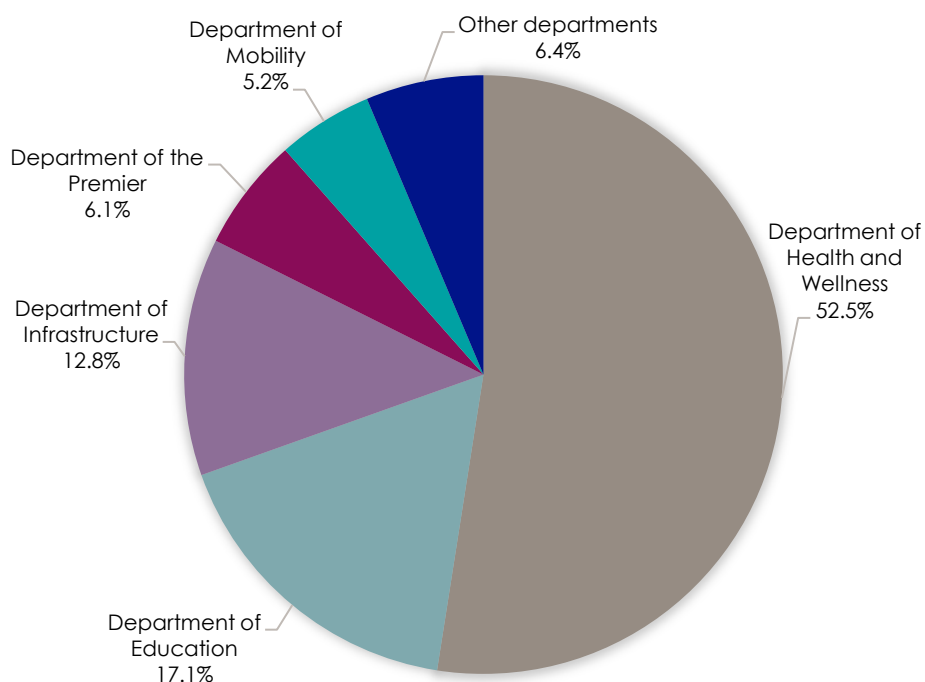


In total, R20.604 billion has been allocated for G&S across provincial departments in 2026/27, representing 22 per cent of the total provincial budget of R93.538 billion. The G&S budget share is set to stabilise over the 2026 MTEF to an estimated average of 22 per cent, primarily due to the carry through of national sectoral allocations to DHW.

G&S expenditure remains concentrated in five departments, which together account for 93.6 per cent of the 2026/27 G&S budget. These include:

- Department Health & Wellness (DHW) - 52.5 per cent,
- Western Cape Education Department (WCED) - 17.1 per cent,
- Department of Infrastructure (DoI) - 12.8 per cent,
- Department of the Premier (DotP) - 6.1 per cent, and
- Western Cape Mobility Department (WCMD) - 5.2 per cent.

**Figure 3.8 Percentage share of Goods and Services by department, 2026/27**



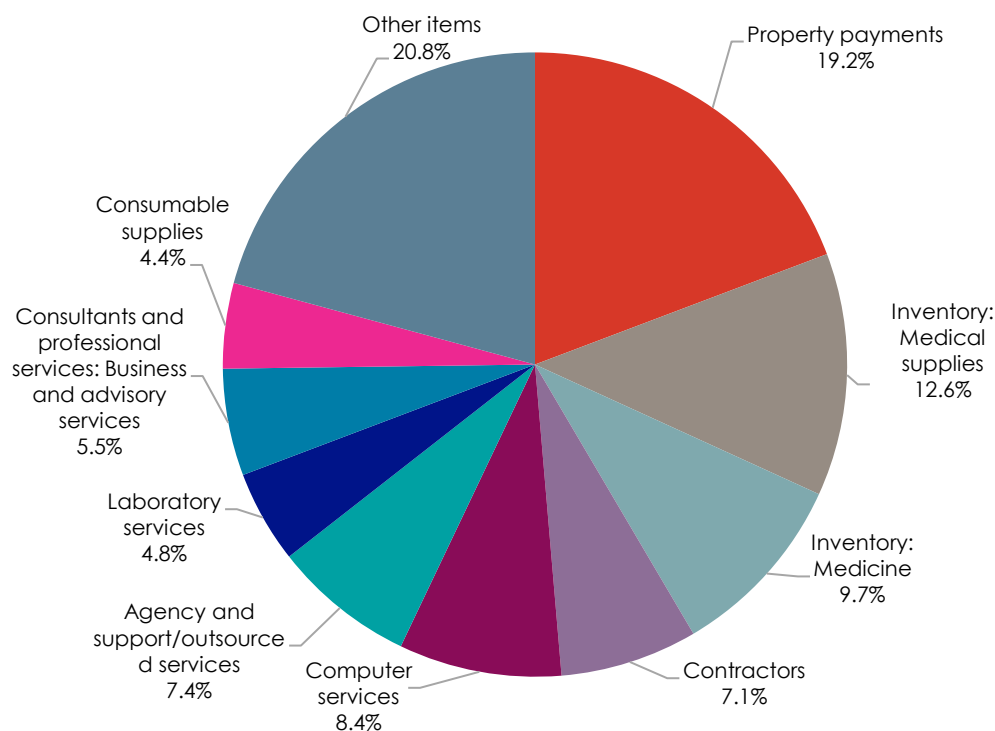
The following items account for 79.2 per cent or R16.321 billion of the total 2026/27 G&S budget of R20.604 billion:

- Property payments: R3.964 billion primarily allocated for security services, municipal services (including electricity) and property maintenance, with the largest share going to DHW, followed by WCED.
- Inventory: Medical Supplies (R2.592 billion) and Medicine (R2.003 billion).
- Computer Services: R1.736 billion allocated mainly to the Department of the Premier's Centre for e-Innovation for provision of computer services.
- Agency and Outsourced Services: R1.518 billion mainly covers school nutrition services and medical/ nursing agency staff services.

- Contractors: R1.466 billion mainly for contracting medical services (DHW) and road and general building infrastructure maintenance (DOI).
- Consultants and professional services: R1.143 billion which includes contract management for infrastructure projects.
- Laboratory services: R987.592 million primarily allocated to DHW.
- Consumable supplies: R910.529 million, mainly fuel and food supplies in DHW, as well as building and construction supplies in DOI.

G&S budgets across departments will continue to prioritise frontline service delivery, system stability, and value-for-money interventions. Departments will implement expenditure controls, procurement reforms, and demand management measures, including transversal contracting, improved asset and fleet utilisation, and strengthened monitoring of cost drivers. Where additional funding has been allocated, priority has been given to addressing structurally underfunded operational areas that pose risks to service continuity and system resilience.

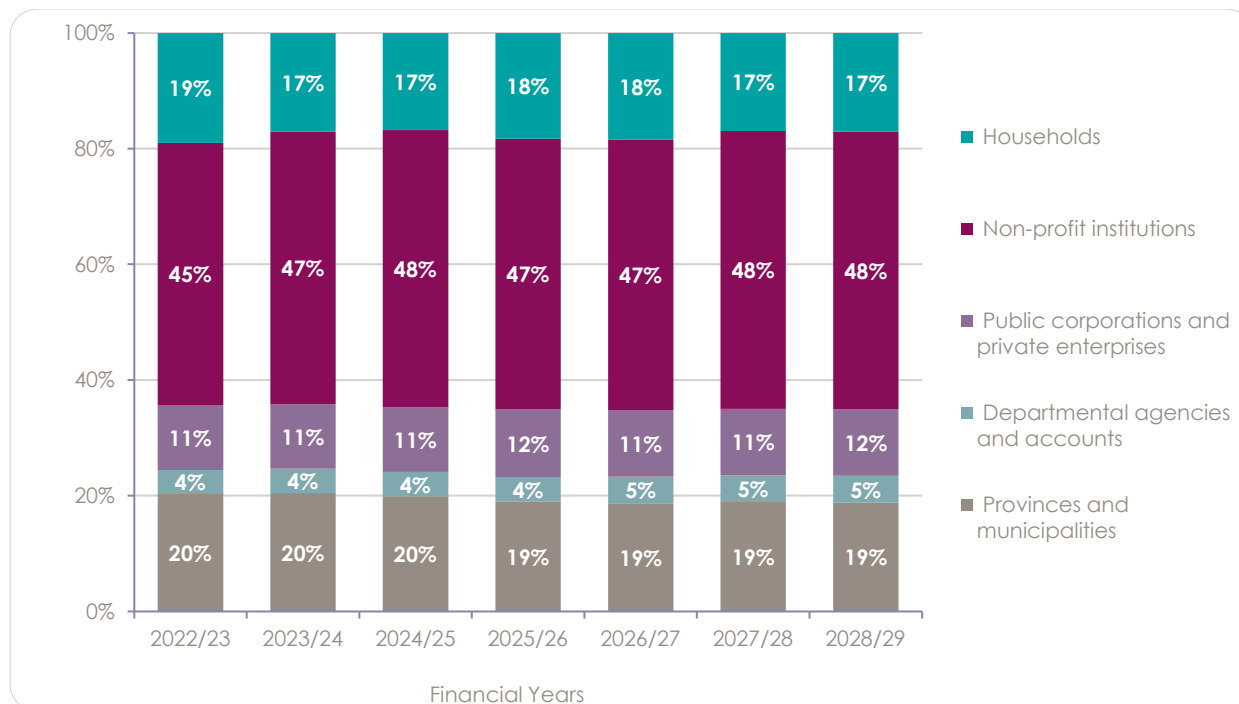
**Figure 3.9 Percentage share of major Goods and Services items, 2026/27**



### Transfers and subsidies

A total amount of R14.105 billion will be transferred by Provincial Departments in 2026/27, with an increase of R80.660 million (0.58 per cent) from the 2025/26 revised estimate.

The largest of these transfers, R6.601 billion (46.8 per cent), is allocated to non-profit institutions (NPIs).

**Figure 3.10 Percentage share of provincial transfers and subsidies by item, 2022/23 – 2028/29**

Transfers to NPIs amount to R6.601 billion (46.8 per cent of the total), with the WCED receiving the largest share (R4.180 billion, 63.3 per cent), followed by the Department of Social Development (R1.191 billion, 18.0 per cent).

These transfers primarily support schools' operational functions, including maintenance, textbooks, and municipal fees, as mandated by the South African Schools Act. Additionally, it includes subsidies for Early Childhood Development (ECD) centres and special schools, including learners with profound intellectual disabilities.

Beyond education, this category also covers social interventions, including funding for old age homes, residential care for persons with disabilities, childcare and protection services, social crime prevention and support and victim empowerment services in the Department of Social Development (DSD).

The DSD plans to allocate R1.191 billion in 2026/27, representing a year in year increase of 4.6 per cent, mainly in subsidies to support safety, dignity, and support of Older Persons, including non-frail destitute older persons. There is an Inflationary increase for Designated Child Protection Organisations (DCPOs) and non-DCPOs NPOs, an additional allocation for Child and Youth Care Centres (CYCCs), including the CYCC for differently abled children at risk. Furthermore, humanitarian and disaster relief responses to enable the Department to continue to support the communities facing urgent and unforeseen vulnerabilities. Transfers to support the homeless in the Homeless Family Shelter and Homeless Shelters for adults, responding to gender-based violence (GBV) by supporting victims of GBV through the extension of GBV networks with GBV Ambassador Programmes and poverty alleviation.

Transfers to Provinces and Municipalities (18.7 per cent) are the second-largest portion of transfers and subsidies. Transfers to Municipalities primarily fund financial support for municipal services, including road infrastructure projects and library services.

Transfers to Households<sup>1</sup> (18.5 per cent of total transfers) constitute the third largest share of transfers and subsidies. The Human Settlements Development Grant and the Informal Settlements Upgrading Partnership Grant are the primary contributors to Transfers to Households, funding housing developments in the Province. Transfers to Households also cover social benefits, including retirement and post-retirement benefits for government employees.

### Transfers to public entities

Transfers to public entities and government business enterprises account for R889.856 million (6.3 per cent) of total provincial transfers in 2026/27, reflecting a decrease of 6.0 per cent from 2025/26 revised estimate. The decline is primarily due to a rollover of the National Conditional Grant for the Comprehensive Agricultural Support Programme (CASP) relating to the Disaster relief funding received in 2024/25. An amount of R270.499 million was rolled over to 2025/26, and part of this funding was transferred to Casidra. This funding was provided to assist the Western Cape agricultural sector in recovering from severe storm damage in 2024. As a result, Casidra's allocation decrease from R302.506 million in 2025/26 revised estimate to R169.350 million in 2026/27.

The Western Cape Gambling and Racing Board (WCGRB) is allocated an amount of R60.267 million in 2026/27 with an increase of R30.404 million (101.8 per cent) in 2026/27. The increase is attributable to a R18.943 million transfer for the refurbishment and fit-out of the office accommodation and an additional allocation of R4.4779 million to meet WCGRB requirements to enhance revenue collection.

The allocation made to Freeport Saldanha amounts to R33.275 million, an increase of R9.275 million (38.6 per cent) in 2026/27 from a revised estimate of R24.000 million in 2025/26. This includes R31.800 million for operational and sustainability support as well as R1.475 million for the establishment of the Green Hydrogen project management unit.

The Western Cape Nature Conservation Board allocation increases by R26.243 million (7.9 per cent) from a revised budget of R331.562 million in 2025/26 to R357.805 million in 2026/27, mainly due to new transfers received in 2026/27. An amount of R6 million for disaster prevention measures relating to fire preparedness and active firefighting, and R4 million transferred for water resilience through clearing of invasive alien vegetation. Furthermore, an additional R2.349 million is allocated for Compensation of Employees and R750 000 for water resilience for the Ecological Infrastructure Budget Facility for Infrastructure (BFI) Programme Preparation.

The Western Cape Liquor Authority 2026/27 allocation increases by R4.378 million (7.2 per cent) from a revised estimate of R60.816 million in 2025/26 to R65.194 million, attributable to a R2.768 million new transfer for ICT infrastructure upgrades.

<sup>1</sup> Transfers to households refer to financial support provided through provincial programmes that benefit individuals and families, typically via subsidies to organisations delivering service.

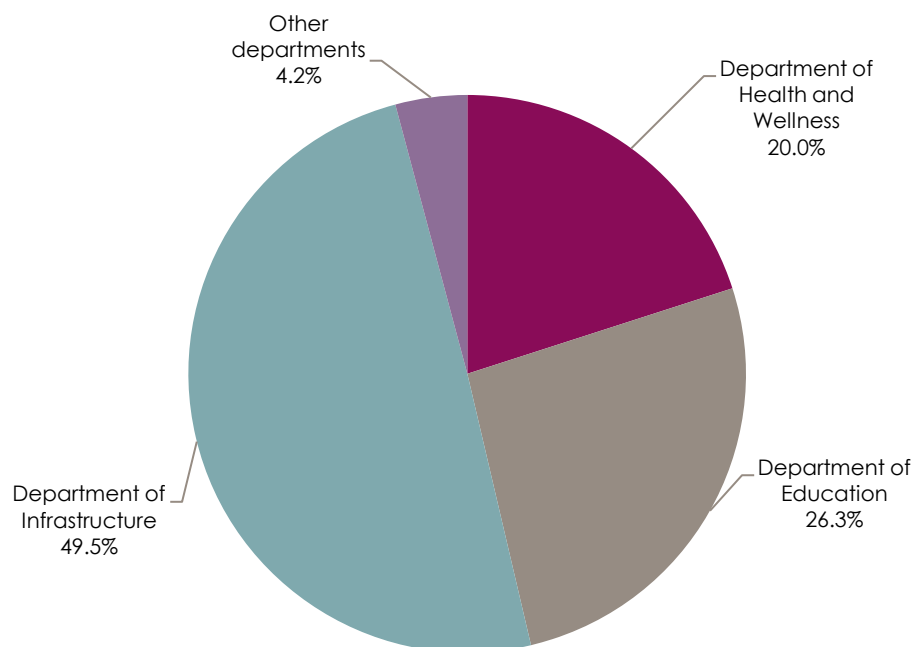
**Table 3.128 Departmental transfers to public entities and business enterprises by transferring department, 2022/23 - 2028/29**

| Public entities<br>(transferring vote)                                                             | Outcome            |                    |                    | Main<br>appro-<br>priation | Adjusted<br>appro-<br>priation | Revised<br>estimate | Medium-term estimate |                |                |
|----------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|----------------------------|--------------------------------|---------------------|----------------------|----------------|----------------|
|                                                                                                    | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 |                            |                                |                     | 2026/27              | 2027/28        | 2028/29        |
| <b>R'000</b>                                                                                       |                    |                    |                    |                            |                                |                     |                      |                |                |
| <b>National Public Entities</b>                                                                    |                    |                    |                    |                            |                                |                     |                      |                |                |
| SETA                                                                                               | 21 157             | 22 308             | 23 305             | 24 259                     | 24 260                         | 24 260              | 25 171               | 26 002         | 26 808         |
| Vote 5: Education                                                                                  | 11 295             | 11 871             | 12 453             | 13 013                     | 13 013                         | 13 013              | 13 481               | 13 926         | 14 358         |
| Vote 6: Health and Wellness                                                                        | 6 873              | 7 241              | 7 418              | 7 572                      | 7 572                          | 7 572               | 7 845                | 8 104          | 8 355          |
| Vote 7: Social Development                                                                         | 2 989              | 3 196              | 3 434              | 3 674                      | 3 675                          | 3 675               | 3 845                | 3 972          | 4 095          |
| South African Revenue Services                                                                     |                    |                    |                    |                            |                                |                     |                      |                |                |
| Vote 11: Agriculture                                                                               | 13                 | 26                 | 59                 | 18                         | 86                             | 86                  | 102                  | 123            | 127            |
| Artscape                                                                                           |                    |                    |                    |                            |                                |                     |                      |                |                |
| Vote 13: Cultural Affairs and Sport                                                                | 254                | 213                | 294                | 225                        | 225                            | 225                 | 1 331                | 240            | 240            |
| <b>Provincial Government Business Enterprises</b>                                                  |                    |                    |                    |                            |                                |                     |                      |                |                |
| Casidra SOC Ltd                                                                                    |                    |                    |                    |                            |                                |                     |                      |                |                |
| Vote 11: Agriculture                                                                               | 202 021            | 146 049            | 148 220            | 155 703                    | 302 506                        | 302 506             | 169 350              | 175 782        | 180 432        |
| Saldanha Bay IDZ Licencing Company (SOC) Ltd (Trading as Freeport Saldanha)                        |                    |                    |                    |                            |                                |                     |                      |                |                |
| Vote 12: Economic Development and Tourism                                                          | 41 977             | 12 700             | 49 700             | 24 000                     | 24 000                         | 24 000              | 33 275               | 1 000          |                |
| Atlantis Special Economic Zone Company                                                             |                    |                    |                    |                            |                                |                     |                      |                |                |
| Vote 12: Economic Development and Tourism                                                          | 39 182             | 39 127             | 39 324             | 40 246                     | 40 246                         | 40 246              | 41 534               | 43 278         | 44 620         |
| <b>Western Cape Public Entities</b>                                                                |                    |                    |                    |                            |                                |                     |                      |                |                |
| Western Cape Cultural Commission                                                                   |                    |                    |                    |                            |                                |                     |                      |                |                |
| Vote 13: Cultural Affairs and Sport                                                                | 627                | 2 155              | 3 745              | 679                        | 679                            | 679                 | 698                  | 726            | 726            |
| Western Cape Gambling and Racing Board                                                             |                    |                    |                    |                            |                                |                     |                      |                |                |
| Vote 3: Provincial Treasury                                                                        | 25 076             | 21 178             | 24 586             | 29 863                     | 29 863                         | 29 863              | 60 267               | 46 497         | 47 938         |
| Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro)                               | 127 686            | 129 055            | 125 498            | 129 070                    | 129 070                        | 129 070             | 134 355              | 139 704        | 143 818        |
| Vote 5: Education                                                                                  |                    | 5 000              | 5 000              | 5 000                      | 5 000                          | 5 000               | 5 000                | 5 000          | 5 000          |
| Vote 11: Agriculture                                                                               | 2 000              | 2 000              | 2 000              | 2 000                      | 2 000                          | 2 000               | 2 000                | 2 000          | 2 000          |
| Vote 12: Economic Development and Tourism                                                          | 125 686            | 122 055            | 118 498            | 122 070                    | 122 070                        | 122 070             | 127 355              | 132 704        | 136 818        |
| Western Cape Language Committee                                                                    |                    |                    |                    |                            |                                |                     |                      |                |                |
| Vote 13: Cultural Affairs and Sport                                                                | 439                | 303                | 313                | 324                        | 324                            | 324                 | 324                  | 337            | 337            |
| Western Cape Liquor Authority                                                                      | 47 915             | 55 015             | 64 395             | 60 816                     | 60 816                         | 60 816              | 65 194               | 65 048         | 67 064         |
| Vote 4: Police Oversight and Community Safety                                                      | 45 688             | 55 015             | 64 395             | 60 816                     | 60 816                         | 60 816              | 65 194               | 65 048         | 67 064         |
| Vote 12: Economic Development and Tourism                                                          | 2 227              |                    |                    |                            |                                |                     |                      |                |                |
| Western Cape Nature Conservation Board                                                             |                    |                    |                    |                            |                                |                     |                      |                |                |
| Vote 9: Environmental Affairs and Development Planning                                             | 292 090            | 293 156            | 308 309            | 331 562                    | 331 562                        | 331 562             | 357 805              | 374 649        | 391 939        |
| <b>Not listed in PFMA, but indicated as a public entity in Estimates of Provincial Expenditure</b> |                    |                    |                    |                            |                                |                     |                      |                |                |
| Heritage Western Cape                                                                              |                    |                    |                    |                            |                                |                     |                      |                |                |
| Vote 13: Cultural Affairs and Sport                                                                | 1 537              | 1 893              | 2 500              | 870                        | 435                            | 435                 | 450                  | 468            | 468            |
| <b>Total</b>                                                                                       | <b>799 974</b>     | <b>723 178</b>     | <b>790 248</b>     | <b>797 635</b>             | <b>944 072</b>                 | <b>944 072</b>      | <b>889 856</b>       | <b>873 854</b> | <b>904 517</b> |

### Payments for capital assets

Provincial departments have allocated R7.405 billion for Payments for Capital Assets in 2026/27, reflecting a 5.11 per cent decrease from the 2025/26 revised estimate of R7.804 billion. Of this total allocation, 93.5 per cent is concentrated in three departments: DoI (R3.358 billion), Education (R1.926 billion), and DHW (R1.642 billion).

**Figure 3.11 Percentage share of Payments for capital assets by department, 2026/27**



### Nature of infrastructure investment

The summary of infrastructure payments and estimates by Nature of Investment reflects a total infrastructure budget of R31.129 billion over the 2026 MTEF. Existing infrastructure (Maintenance and Repairs; Upgrading and Additions; and Rehabilitation, Renovations and Refurbishment (R/R/R)) continues to account for the bulk of the total infrastructure investment, with an allocation of R19.267 billion (62 per cent) over the 2026 MTEF. This reflects the Province's continued emphasis on preserving and optimising the existing asset base.

New infrastructure amounts to R4.520 billion (15 per cent) of the total infrastructure budget, while Infrastructure Transfers account for R5.632 billion (18 per cent) and Non-infrastructure allocations total R1.710 billion (5 per cent) over the 2026 MTEF. In the 2026/27 financial year, total infrastructure expenditure amounts to R11.411 billion, decreasing to R9.719 billion in 2027/28 and increasing slightly to R9.999 billion in 2028/29.

The composition of Infrastructure expenditure over the 2026 MTEF underscores the Province's strategic focus on asset preservation and lifecycle management, while continuing to provide for targeted new infrastructure investment. For more details on Infrastructure investment in the Western Cape, see the *2026 Overview of Provincial and Municipal Infrastructure Investment*.

**Table 3.13 Summary of provincial infrastructure payments and estimates by nature of investment, 2022/23 – 2028/29**

| Category<br>R'000                                                         | Outcome            |                    |                    | Main<br>appro-<br>priation<br>2025/26 | Adjusted<br>appro-<br>priation<br>2025/26 | Revised<br>estimate<br>2025/26 | Medium-term estimate<br>% Change<br>from<br>Revised<br>estimate |         |            |            |
|---------------------------------------------------------------------------|--------------------|--------------------|--------------------|---------------------------------------|-------------------------------------------|--------------------------------|-----------------------------------------------------------------|---------|------------|------------|
|                                                                           | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 |                                       |                                           |                                | 2026/27                                                         | 2025/26 | 2027/28    | 2028/29    |
| <b>Existing infrastructure assets</b>                                     | 6 520 247          | 6 814 689          | 7 688 934          | 6 956 485                             | 7 131 846                                 | 7 234 148                      | <b>7 341 233</b>                                                | 1.48    | 5 942 258  | 5 983 517  |
| Maintenance and repair                                                    | 2 727 909          | 3 074 671          | 3 231 606          | 3 060 599                             | 2 706 928                                 | 2 767 410                      | <b>3 237 524</b>                                                | 16.99   | 3 219 037  | 3 253 259  |
| Upgrades and additions                                                    | 1 527 087          | 1 414 494          | 1 456 187          | 1 202 762                             | 988 572                                   | 1 031 343                      | <b>1 424 493</b>                                                | 38.12   | 577 155    | 507 880    |
| Refurbishment and rehabilitation                                          | 2 265 251          | 2 325 524          | 3 001 141          | 2 693 124                             | 3 436 346                                 | 3 435 395                      | <b>2 679 216</b>                                                | (22.01) | 2 146 066  | 2 222 378  |
| <b>New infrastructure assets</b>                                          | 612 254            | 969 400            | 1 123 658          | 2 017 848                             | 2 066 424                                 | 1 995 721                      | <b>1 876 255</b>                                                | (5.99)  | 1 264 336  | 1 379 646  |
| <b>Infrastructure transfers</b>                                           | 2 199 991          | 2 012 607          | 1 864 502          | 2 078 368                             | 2 515 258                                 | 2 480 258                      | <b>1 840 021</b>                                                | (25.81) | 1 860 175  | 1 931 526  |
| Current                                                                   | 4 740              | 103 802            | 42 218             | 42 415                                | 67 907                                    | 100 201                        | <b>71 185</b>                                                   | (28.96) | 68 885     | 78 000     |
| Capital                                                                   | 2 195 251          | 1 908 805          | 1 822 284          | 2 035 953                             | 2 447 351                                 | 2 380 057                      | <b>1 768 836</b>                                                | (25.68) | 1 791 290  | 1 853 526  |
| <b>Infrastructure: Payments for financial assets</b>                      |                    |                    |                    |                                       |                                           |                                |                                                                 |         |            |            |
| <b>Infrastructure leases</b>                                              |                    |                    |                    |                                       |                                           |                                |                                                                 |         |            |            |
| <b>Non Infrastructure</b>                                                 | 668 489            | 503 691            | 436 488            | 297 168                               | 341 502                                   | 340 171                        | <b>353 555</b>                                                  | 3.93    | 652 108    | 704 178    |
| <b>Total provincial infrastructure payments and estimates by category</b> | 10 000 981         | 10 300 387         | 11 113 582         | 11 349 869                            | 12 055 030                                | 12 050 298                     | <b>11 411 064</b>                                               | (5.30)  | 9 718 877  | 9 998 867  |
| Virtual, Catalytic and Agricultural Investment Infrastructure             | 609 059            | 666 901            | 697 757            | 661 680                               | 961 030                                   | 961 030                        | <b>735 798</b>                                                  | (23.44) | 683 234    | 711 712    |
| <b>Total provincial infrastructure investment</b>                         | 10 610 040         | 10 967 288         | 11 811 339         | 12 011 549                            | 13 016 060                                | 13 011 328                     | <b>12 146 862</b>                                               | (6.64)  | 10 402 111 | 10 710 579 |

## Summary of the Social Wage

Prioritising the social wage is particularly important in a society characterised by high levels of poverty, unemployment, crime, and unequal income distribution. Public investment in services such as healthcare, education, social development, and community safety helps to reduce vulnerability, expand opportunities, and strengthen social stability. By ensuring that residents have access to essential services and support, government spending on the social wage plays a key role in addressing inequality, promoting social mobility, and laying the foundation for more inclusive and sustainable economic growth.

A core element of the WCG's budget is the "social wage," which refers to the range of public services and goods provided to improve the living conditions and well-being of residents. This component of the budget supports the Province's priority of safeguarding essential frontline services over the 2026 MTEF. The majority of this spending is directed toward critical sectors such as healthcare and education, reflecting their importance in supporting social upliftment and improving quality of life. See Table 3.14 below for the provincial social wage package.

**Table 3.14 Provincial social wage package, 2026 MTEF**

| Policy Area<br>R'000                               | Medium-term estimate |                   |                   |
|----------------------------------------------------|----------------------|-------------------|-------------------|
|                                                    | 2026/27              | 2027/28           | 2028/29           |
| General public services                            | 3 279 795            | 3 311 785         | 3 400 220         |
| Public order and safety                            | 806 932              | 827 943           | 853 554           |
| Housing and community amenities                    | 2 026 807            | 2 095 899         | 2 161 162         |
| Health                                             | 34 470 319           | 35 647 020        | 36 730 308        |
| Recreation culture and religion                    | 1 103 036            | 1 127 412         | 1 117 156         |
| Education                                          | 35 108 173           | 35 716 880        | 36 718 492        |
| Social protection                                  | 2 897 367            | 3 001 502         | 3 068 484         |
| <b>Total payments and estimates by policy area</b> | <b>79 692 429</b>    | <b>81 728 441</b> | <b>84 049 376</b> |

Note: Policy area expenditure estimates are aligned to the Government Financial Statistics (GFS) categories

The provincial budget strongly aligns with the WCG's Provincial Strategic Plan (PSP) 2025 - 2030, particularly the priority of building an Educated, Healthy and Caring Society, by prioritising spending on essential frontline services that support residents' wellbeing. The social wage accounts for approximately 86 per cent of total provincial expenditure over the 2026 MTEF, reflecting a strategic focus on healthcare, education, social protection, housing, and community safety. These investments support the PSP's resident-centric and life-course approach, ensuring that residents have access to services that improve quality of life, reduce vulnerability, and strengthen human development outcomes across different stages of life. By addressing key socio-economic challenges such as poverty, inequality, and limited access to opportunities, the budget not only enhances social stability but also supports the PSP's broader objective of enabling inclusive economic growth and equipping residents to participate meaningfully in the economy. Further details on the provincial budget and WCG policy areas are outlined in Chapter 4: Budget Policy Priorities.

## ■ Conclusion

The 2026 MTEF reflects the WCG's commitment to "a budget that delivers growth with discipline and care," balancing fiscal sustainability with strategic investment in priority services. In a constrained and uncertain economic environment, the Province protects frontline services, advances infrastructure delivery, and drives efficiency reforms to maximise public value. Through responsible compensation management, expenditure reviews, alternative and blended financing, and the rebuilding of reserves, the 2026 MTEF strengthens fiscal resilience while supporting economic expansion. The WCG's Fiscal Strategy positions the Western Cape to enhance service delivery, expand opportunity, and build a more inclusive and resilient future.

# BUDGET POLICY PRIORITIES AND SPENDING PLANS

## PROVINCIAL RESPONSE 2025 - 2030

### PROVINCIAL STRATEGIC PLAN



#### VISION:

'A government that people trust'



#### APEX PRIORITY:

'Helping businesses grow and create jobs. Equipping you to get those jobs'



### GLOBAL RISKS

- Geopolitical Fragmentation and Trade Disruption
- Global Financial and Debt Instability
- Technological and Cyber Disruption
- Climate and Environmental Shocks



### NATIONAL RISKS

- Fiscal Pressure and Rising Debt Costs
- Energy Insecurity
- Logistics and Network Inefficiencies
- Low Economic Growth and Investment Constraints



### PROVINCIAL RISKS

- Economic & socioeconomic pressures
- Water Insecurity and Climate Variability
- Safety Concerns
- Service Delivery and Social System Pressures



R36.651 BILLION



R8.595 BILLION



R208.643 BILLION



R31.924 BILLION

Energy and Water Resilience | Investment and Export Promotion | Skills and Employability Pathways | Freeport Saldanha & Atlantis SEZ Investment and Expansion | Tourism Growth Initiatives | Drones/ UAV Regulatory Sandbox | Transport and Mobility Infrastructure | Export Competitiveness and Accelerator Programmes | Municipal Investment Readiness | Ease of Doing Business and Regulatory Improvements

Integrated Violence Prevention | Safe and secure tourism environments | Safe, reliable, and accessible public transport | The Law Enforcement Advancement Plan (LEAP) | Chrysalis Programme: focusing on Youth at Risk | Community-level Safety Communications Programme | Gender-based violence support | Mobile Diagnostic Scanners - enhance road-level detection and enforcement capacity | Reducing alcohol-related harms | Family Strengthening Responsive Parenting Programme

Early Grade Literacy and Numeracy programme | Improving Quality of Teaching and Teacher Development | Health Services | Social infrastructure | Care for the vulnerable | Food security | Mental and physical health | Child Protection Services | Climate-related Disaster management | Youth Development

Broadband and Digital Transformation, including Cybersecurity | e-Kiosks for Digital Services and Mobile e-Centres | Artificial Intelligence and Data Governance | Municipal Governance and Oversight | WCG Culture Journey | Futures thinking and evidence-informed decision-making | Integrated Provincial Governance | Strategic Supply Chain Management, including e-Procurement | Alternative and Blended Finance Programme | Collaborative Integrated Planning, Budgeting and Development

### INNOVATION, CULTURE AND GOVERNANCE

### EDUCATED, HEALTHY AND CARING SOCIETY

### SAFETY

### GROWTH FOR JOBS

**R285.813 BILLION**  
WILL BE SPENT  
OVER THE 2026  
MTEF ON...



**Western Cape  
Government**  
**FOR YOU**

# 4

## Budget Policy Priorities and Spending Plans

### In brief

- The 2026 Medium Term Expenditure Framework (MTEF) Budget gives effect to the theme of “A budget that delivers growth with discipline and care” by directing resources toward the Province’s key policy priorities, as set out in the 2025 - 2030 Provincial Strategic Plan: R36.651 billion is allocated to Growth for Jobs, R8.595 billion to Safety, R208.643 billion to Educated, Healthy and Caring Society, and R31.924 billion to Innovation, Culture, and Governance.
- The 2026 MTEF reflects the Western Cape Government’s (WCG) continued commitment to prudent fiscal management and strategic spending that responds to prevailing economic and social pressures.
- The WCG’s vision remains to be ‘a Government that people trust’, supported by its Apex priority of enabling businesses to grow and create jobs and helping residents to get those jobs.
- To advance this vision, the WCG focuses on four core portfolio areas that support job creation, enhances safety, improves education and health outcomes, and strengthens governance and innovation.
- The 2026 MTEF provides for projected spending of R93.538 billion in 2026/27, R94.770 billion in 2027/28 and R97.506 billion in 2028/29 to sustain growth and improve service delivery across the Province.

### Introduction

The 2026 Medium Term Expenditure Framework (MTEF) underscores the Western Cape Government’s commitment to prudent fiscal management and focused investment in strategic priority areas, aligned to the theme of “A budget that delivers growth with discipline and care”. This chapter presents a comprehensive overview of the Provincial budget across the medium term, outlining how resources are distributed to address the needs of residents within a changing socio-economic context. It also emphasises the WCG’s prioritisation of four key Portfolio Areas, namely Growth for Jobs (G4J); Safety; an Educated, Healthy and Caring Society (EHACS); and Innovation, Culture and Governance (IC&G), by setting out the associated budget priorities, strategic objectives, and expected outcomes.

## Summary of spending by priority area

The 2026 MTEF proposes spending of R93.538 billion in 2026/27 and R285.813 billion over the full 2026 MTEF period ending in 2028/29.

- Spending on the Education policy priority area increases from R32.738 billion in 2025/26 to R35.108 billion in 2026/27, a growth of 7 per cent.
- Spending on the Health policy priority area increases from R32.649 billion in 2025/26 to R34.470 billion in 2026/27, a growth of 6 per cent.
- Spending on the Housing and Community Amenities policy priority area decreases from R2.444 billion in 2025/26 to R2.027 billion in 2026/27, a decline of 17 per cent, largely due to reductions in the Human Settlements Development and Informal Settlements Upgrading Partnership Grants.
- Spending on the Social Protection policy priority area increases from R2.760 billion in 2025/26 to R2.897 billion in 2026/27, a growth of 5 per cent.

Table 4.1 provides a summary of WCG Provincial payments and estimates by policy priority area.

**Table 4.1 Summary of Provincial payments and estimates by policy priority area**

| Outcome                                            |                    |                    |                    |                            |                                |                     | Medium-term estimate                    |         |            |            |
|----------------------------------------------------|--------------------|--------------------|--------------------|----------------------------|--------------------------------|---------------------|-----------------------------------------|---------|------------|------------|
|                                                    |                    |                    |                    | Main<br>appro-<br>priation | Adjusted<br>appro-<br>priation | Revised<br>estimate | % Change<br>from<br>Revised<br>estimate |         |            |            |
| Policy Area<br>R'000                               | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 | 2025/26                    | 2025/26                        | 2025/26             | 2026/27                                 | 2025/26 | 2027/28    | 2028/29    |
| General public services                            | 2 667 160          | 2 909 359          | 2 976 502          | 3 024 364                  | 3 102 045                      | 3 101 388           | <b>3 279 795</b>                        | 5.75    | 3 311 785  | 3 400 220  |
| Public order and safety                            | 767 395            | 711 242            | 755 537            | 753 478                    | 770 668                        | 770 668             | <b>806 932</b>                          | 4.71    | 827 943    | 853 554    |
| Economic affairs                                   | 11 007 741         | 11 506 039         | 12 532 995         | 12 344 182                 | 13 649 610                     | 13 644 785          | <b>13 114 855</b>                       | (3.88)  | 12 288 175 | 12 673 983 |
| Environmental protection                           | 570 667            | 583 948            | 615 582            | 669 944                    | 648 168                        | 648 168             | <b>746 153</b>                          | 15.12   | 769 055    | 798 236    |
| Housing and community amenities                    | 2 121 664          | 1 989 691          | 2 010 358          | 2 243 404                  | 2 439 092                      | 2 443 917           | <b>2 011 254</b>                        | (17.70) | 2 080 308  | 2 145 089  |
| Health                                             | 28 887 110         | 29 643 707         | 30 552 618         | 32 007 601                 | 32 649 293                     | 32 649 293          | <b>34 470 319</b>                       | 5.58    | 35 647 020 | 36 730 308 |
| Recreation, culture and religion                   | 916 787            | 874 202            | 906 356            | 958 692                    | 968 699                        | 968 699             | <b>1 103 036</b>                        | 13.87   | 1 127 412  | 1 117 156  |
| Education                                          | 28 128 931         | 30 344 121         | 31 344 704         | 33 259 103                 | 32 738 181                     | 32 738 181          | <b>35 108 173</b>                       | 7.24    | 35 716 880 | 36 718 492 |
| Social protection                                  | 2 356 498          | 2 474 962          | 2 489 663          | 2 725 610                  | 2 759 830                      | 2 759 830           | <b>2 897 367</b>                        | 4.98    | 3 001 502  | 3 068 484  |
| <b>Total payments and estimates by policy area</b> | 77 423 953         | 81 037 271         | 84 184 315         | 87 986 378                 | 89 725 586                     | 89 724 929          | <b>93 537 884</b>                       | 4.25    | 94 770 080 | 97 505 522 |

## Managing Risks

Global and national developments continue to shape the Province's fiscal and economic outlook through their impact on trade, investment, inflation, and infrastructure resilience. Identifying and managing risks emerging from both global and national environments remains essential to sustaining economic resilience and supporting medium to long term development outcomes.

### Global and National Risks

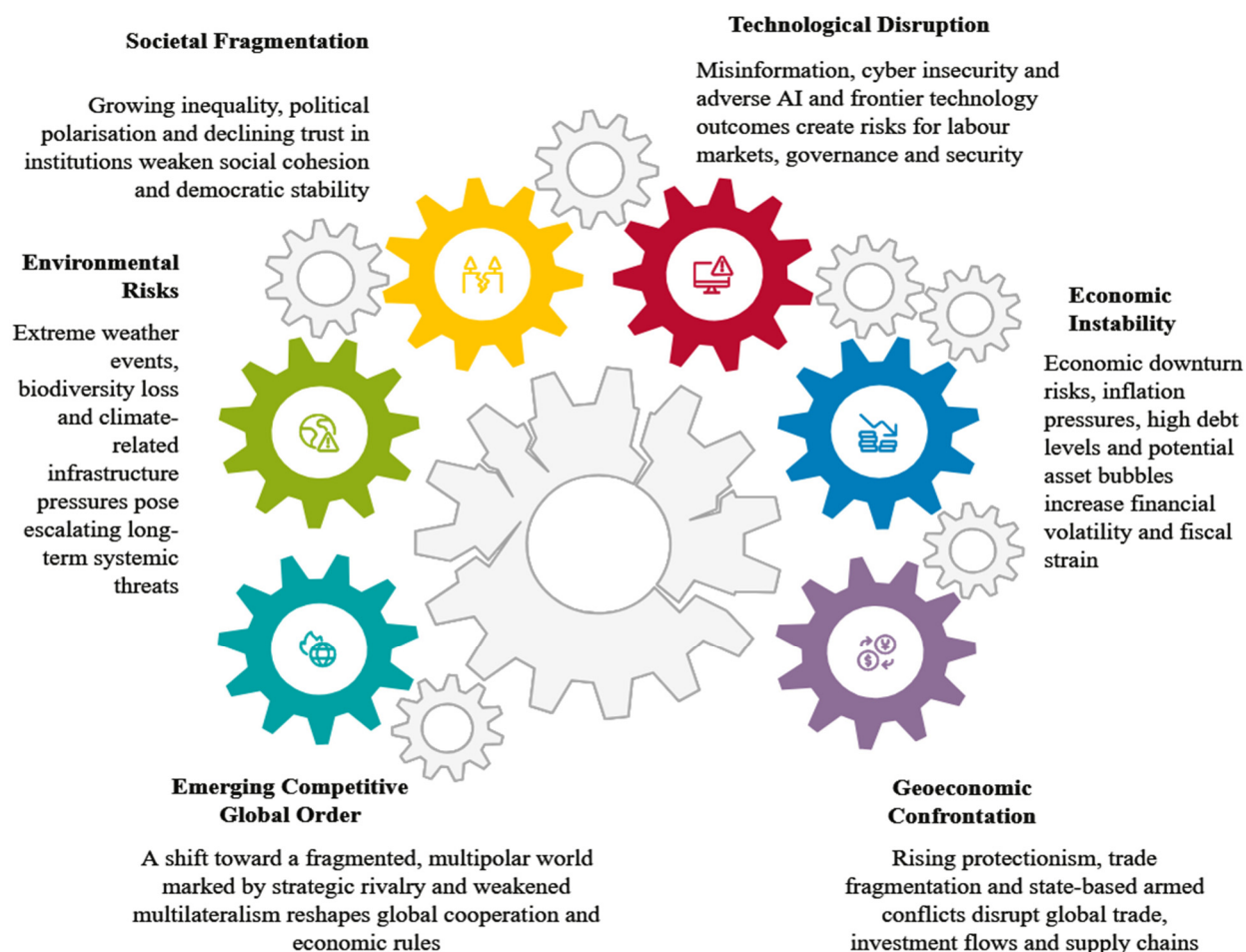
The World Economic Forum's (WEF) Global Risks Report 2026 highlights several interconnected threats that could affect emerging markets, including South Africa. Rising protectionism, trade tensions and state-based conflict may disrupt trade, investment and supply chains, while inflation, high debt and financial market volatility continue to strain public finances and fiscal sustainability.

New technologies add further risks. Cyber insecurity, misinformation and unintended consequences from frontier technologies such as artificial intelligence may affect jobs, governance and institutional stability. At the same time, inequality, political polarisation and declining trust in public institutions can weaken social cohesion and democratic stability.

Climate and environmental risks remain significant. More frequent extreme weather events, biodiversity loss and pressure on climate-sensitive infrastructure pose long-term threats, especially for infrastructure-dependent sectors. A more competitive and fragmented global order, with weaker multilateral cooperation, may also make it harder to agree on and implement shared solutions.

In South Africa, the 2025 Medium Term Budget Policy Statement flags persistent risks to growth and fiscal stability. These include tight public finances due to rising debt-service costs, unreliable energy supply, and inefficiencies in key network industries such as rail and ports, all of which continue to weigh on economic performance and investment. Reliable energy and efficient logistics therefore remain critical to sustaining output and improving productivity over the medium term.

**Figure 4.1 WEF Global Risks 2026**



## Provincial risks

The Western Cape economy and socio-economic environment continue to face a range of interconnected risks at the local and national level that have direct implications for service delivery and fiscal sustainability. Persistent drought conditions and increasing climate variability continue to place pressure on municipal water security and bulk infrastructure systems, while the growing incidence of wildfires poses risks to environmental assets, agricultural production, and critical infrastructure.

In addition, recent outbreaks of foot-and-mouth disease (FMD) present material threats to the Province's agricultural sector by disrupting livestock production, export potential, and rural livelihoods. Ongoing challenges related to inadequate policing capacity, fragmented transport infrastructure, and funding constraints further compound these risks, while healthcare and education systems remain under pressure from rising demand, food insecurity, and overcrowding. In response, the 2026 MTEF prioritises strengthened disaster preparedness, drought response, water resilience, and coordinated emergency response mechanisms to enhance climate adaptability, reduce systemic vulnerability, and support long term economic stability.

Figure 4.2 illustrates the key provincial budget policy risks across the four Portfolio Areas as identified through the WCG integrated budget engagements.

**Figure 4.2 Provincial budget policy risks**

| Growth for Jobs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Insufficient investment in mobility systems and public transport reform may constrain economic participation and productivity.</li> <li>• Infrastructure deterioration across transport, water and municipal bulk systems poses risks to economic continuity and investor confidence.</li> <li>• Heightened global geopolitical tensions may disrupt international trade flows, dampen investor and business confidence, and reduce tourism demand, thereby constraining export performance and provincial economic growth.</li> <li>• Agricultural support, veterinary capacity and research constraints may increase disease outbreak risks and reduce sector competitiveness and export potential.</li> <li>• Climate-related water pressures may disrupt agricultural production, constrain local economic activity and increase fiscal reliance on the Province.</li> <li>• Ecological risks such as floods, drought and wildfires.</li> <li>• Financial sustainability risks within catalytic initiatives may weaken long term investment outcomes.</li> <li>• Weak regulatory enforcement in environmental compliance and land use may enable unlawful development and environmental degradation.</li> </ul> |

### Safety

- Limited provincial influence over policing resource allocation may constrain safety outcomes.
- Funding pressures may limit the sustainability and expansion of priority violence prevention and community safety interventions.
- Workforce pressures and CoE constraints may increase burnout risks and reduce safety programme performance.
- Reduced NPO subsidies may weaken service delivery to vulnerable populations, including youth at risk and GBV survivors.
- Closure risks affecting shelters, CYCCs and designated child protection organisations may increase demand on provincial capacity.
- Reduced programme reach may undermine preventative interventions aimed at reducing street-based vulnerability and social harm.

### Educated, Healthy, and Caring Society

- Growth in learner numbers may create fiscal and workforce risks within the education system.
- Infrastructure funding uncertainty and deferred maintenance may disrupt learning environments and service continuity.
- Health system exposure to unfunded demand, compensation cost pressures and expiring time-limited funding may crowd out strategic reform investments.
- Uncertainty in capital financing for health and social infrastructure may delay the development and maintenance of facilities required for integrated service delivery, thereby disrupting continuity of care.
- Housing grant reductions and operational funding gaps may constrain delivery of shelter and public infrastructure.
- Land invasions and unlawful occupation may delay project implementation and increase security costs.
- Cultural facility sustainability risks and grant funding shifts may affect long term service continuity in libraries, museums and heritage institutions.

### Innovation, Culture, and Governance

- Sustained CoE pressures may weaken critical institutional capability across governance and enabling functions.
- Exposure to exchange rate volatility may increase ICT licensing and infrastructure costs.
- Operational and organisational constraints, including recruitment delays and redesign processes, may undermine departmental delivery capability.
- Persistent cybersecurity threats may increase the risk of system disruption, data breaches and reputational damage.
- Municipal governance instability and structural revenue weaknesses may generate systemic service delivery risks.
- Erosion of specialist financial and governance capability may have system-wide implications for fiscal sustainability and oversight.

## Provincial Policy Response

The 2025 - 2030 Provincial Strategic Plan (PSP) sets out a long term vision of building a government that people trust and a Province where every resident can progress and thrive. In support of this vision, the 2026 Budget serves as the primary fiscal instrument for implementing the PSP by aligning policy priorities and resource allocation to deliver integrated, resident-centred outcomes across government. In simple terms, this means the budget is organised around the services residents use at different stages of their lives, rather than around individual departments.

The PSP introduces an Integrated Change Strategy grounded in a life-course and systems approach, which shifts the focus away from departmental silos towards coordinated service delivery that responds to the lived realities of residents at each stage of life. This approach recognises that residents experience government through the services that impact their wellbeing and therefore seeks to improve how programmes interact to address vulnerabilities, reduce service delivery gaps, and strengthen long term development outcomes.

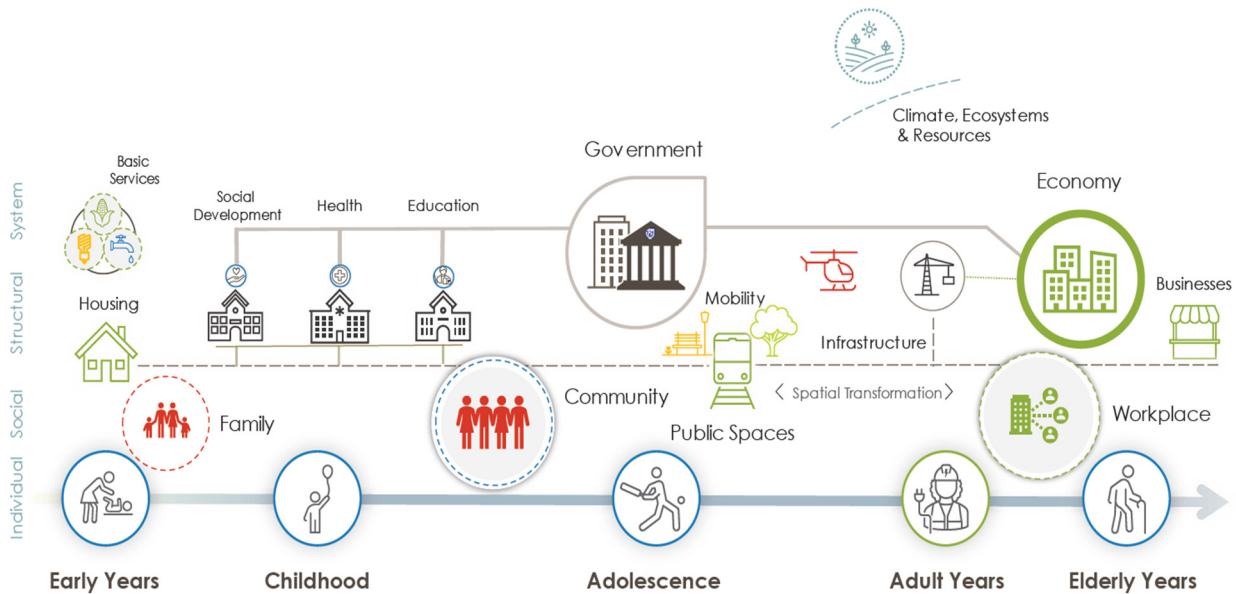
To give effect to this, the PSP establishes four transversal policy portfolios that provide the strategic architecture for integrated action across the WCG:

|                                                      |                                                                         |
|------------------------------------------------------|-------------------------------------------------------------------------|
| <b>Growth for Jobs (G4J)</b>                         | Aims to enable economic growth and job creation.                        |
| <b>Safety</b>                                        | Focuses on building resilient communities and reducing violence.        |
| <b>Educated, Healthy and Caring Society (EHACS)</b>  | Seeks to improve education, health and social wellbeing outcomes.       |
| <b>Innovation, Culture and Governance (IC&amp;G)</b> | Promotes innovation, institutional capability and effective governance. |

Together, these portfolios are aligned to the apex priority of helping businesses grow and create jobs, while equipping residents to get those jobs. The 2026 MTEF supports this framework by directing resources toward interventions that stimulate inclusive growth, improve social outcomes and enhance public sector capability.

In addition, the Budget responds to the Province's evolving disaster context by strengthening preparedness, rapid response and recovery capacity in the face of climate-related risks and socio-economic shocks, including the declared disaster of Gender-Based Violence (GBV). Explicit provision is made for both Drought Response and Water Resilience interventions over the medium term. Targeted drought response funding supports immediate risk mitigation measures such as emergency water supply, demand management and technical support to municipalities, while water resilience allocations focus on medium to longer term structural interventions, including bulk infrastructure upgrades, augmentation planning, ecological infrastructure restoration and strengthened institutional capability within the water governance system.

These investments represent a deliberate shift from reactive crisis management towards a more integrated, risk-informed and preventative model of governance that enhances climate adaptability and safeguards economic stability. This coordinated and evidence-informed approach ensures that fiscal decisions remain aligned with the objectives of the 2025 - 2030 PSP, advancing the vision of a resilient, inclusive and thriving Western Cape where every resident has the opportunity to live a dignified, safe and productive life.

**Figure 4.3 The Life course and Systems approach underpinning the 2025 - 2030 PSP**

Source: 2025 - 2030 WCG Provincial Strategic Plan

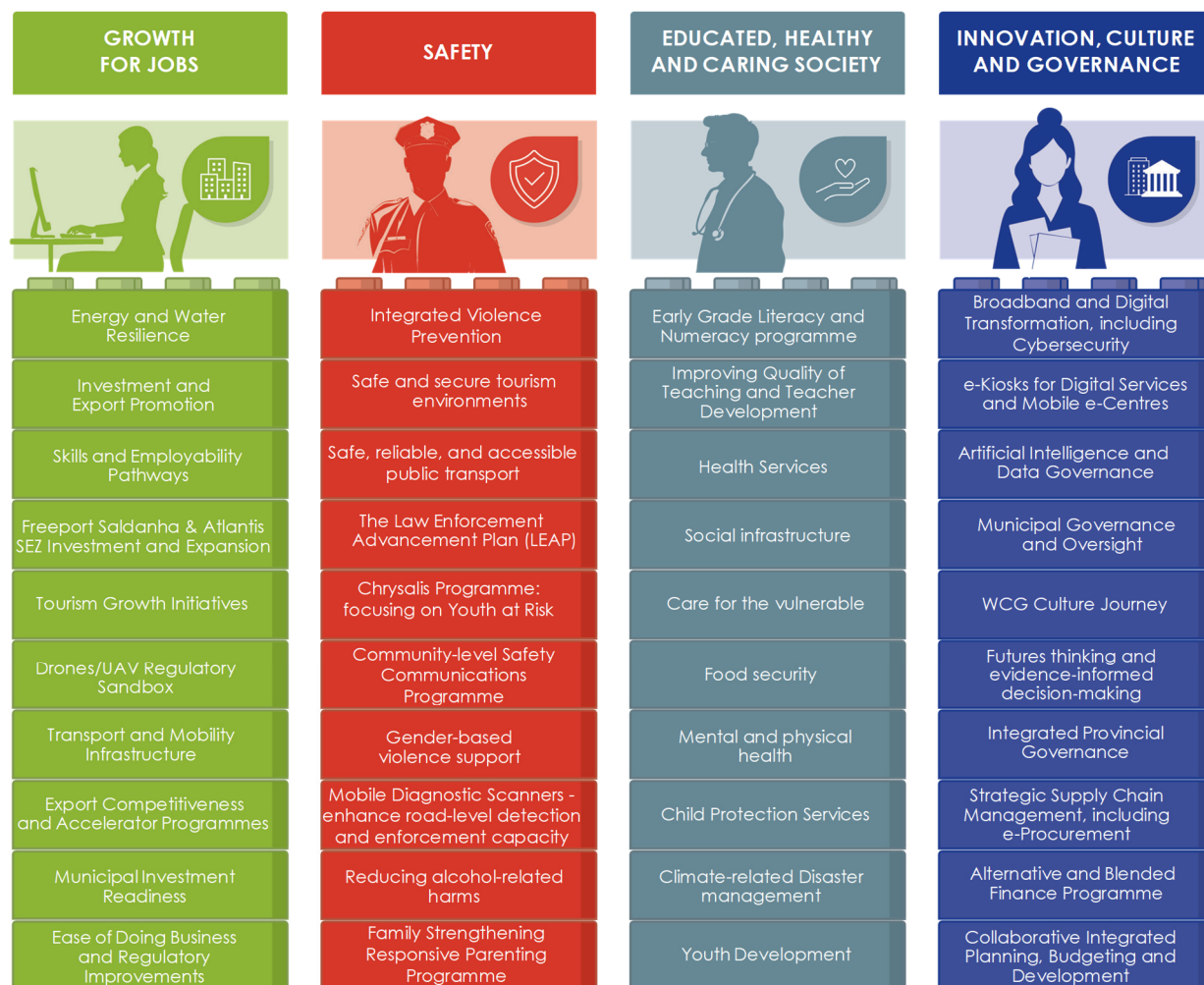
### Medium term budget policy priorities

Aligned to the theme of “a budget that delivers growth with discipline and care”, the medium term budget policy priorities seek to channel available resources towards initiatives that promote inclusive economic growth, enhance social outcomes, and strengthen public sector capability. Over the medium term, the Western Cape Government continues to balance fiscal sustainability with the need to safeguard frontline services, while investing in the drivers of long term economic development. The WCG will prioritise:

- Enhancing economic growth and resilience through the **G4J** portfolio by enabling investment, supporting innovation, and developing sustainable infrastructure that advances employment and employability.
- Improving social wellbeing through the **EHACS** portfolio by strengthening education, healthcare, and social protection systems.
- Building safe and cohesive communities through the **Safety** portfolio by deepening violence prevention initiatives, strengthening partnerships, and improving community infrastructure.
- Fostering innovation and good governance through the **IC&G** portfolio by promoting transparency, digital transformation, and accountability across government.

This integrated and evidence-based approach reflects the dual commitment to growth and fiscal discipline, ensuring that resources are deployed responsibly and with care to protect vulnerable residents, build resilience, and sustain long term prosperity.

A summary of the 2026 MTEF Budget Policy Priorities is outlined in Figure 4.4 and further detail is provided below.

**Figure 4.4 2026 MTEF Budget Policy Priorities**

## Growth for Jobs

The G4J Portfolio is the WCG's primary mechanism for advancing sustained, inclusive economic growth that enables businesses to expand and create employment opportunities. Positioned as the central driver of the Province's apex priority, the Portfolio seeks to empower residents to become economically active by improving employability, strengthening productivity, and removing structural constraints to growth. The WCG has allocated R36.651 billion over the 2026 MTEF to give effect to the G4J Strategy.

Guided by the G4J Strategy 2035 and its five-year implementation plan, the Portfolio coordinates cross-government interventions to attract investment, expand export markets, advance energy transition, strengthen water and infrastructure resilience, support innovation, and improve access to economic opportunities. This integrated and systems-based approach ensures that economic growth translates into improved social outcomes, safer communities, and a more resilient provincial economy.

## Driving Growth Opportunities through Investment

This focus area aims to boost fixed investment, improve investor confidence, and unlock catalytic opportunities that support long term economic expansion. In 2024/25, the Department of Economic Development and Tourism (DEDAT) advanced the Municipal Investment Readiness Programme across all district municipalities. This included refining the municipal investment readiness scorecard, developing district investment pipelines, and assessing systems and processes to support investment facilitation. In 2026/27, DEDAT will continue the development of the Programme, and the scorecard and Provincial guidelines will be utilised by the Department and Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro) to support the municipalities as it relates to their investment maturity and their state of readiness to attract investment into their region.

DEDAT and Wesgro will continue to support direct investment. In 2024/25, fourteen investment projects were facilitated with a combined value of approximately R14 billion, expected to generate more than 11 000 jobs over the next five years. Investment promotion activities were supported through trade missions, delegations, engagements with investors, and specialised networking events. Wesgro's trade and investment work also contributed to securing over 200 export declarations with a combined estimated value of more than R5 billion. Over the 2026 MTEF Wesgro will focus on specific and targeted measures to attract, facilitate and prioritise new investment in identified export-priority areas such as the green economy, life sciences and health, logistics, green manufacturing, food and beverages, and other services. In addition, Wesgro will target new markets, including China, India, ASEAN, and the Middle East, as Western Cape businesses expand their global footprint. Wesgro remains a key partner in helping companies navigate international markets and supporting their growth strategies. DEDAT is allocated R396.877 million over the MTEF for Wesgro to promote investment, tourism, export growth and trade within the Province.

Catalytic infrastructure projects remain a key enabler of investment. Freeport Saldanha (FPS), designated under the Special Economic Zones (SEZ) Act, continues to progress as a green hydrogen hub through feasibility work with multiple developers and the initiation of an infrastructure master plan to support large-scale production and export. In addition to advancing a strong investor pipeline, FPS plays a critical role in industrial land development, bulk infrastructure provision and facilitating streamlined regulatory processes for investors within the SEZ. Over the 2026 MTEF, FPS will broaden its maritime and energy focus by diversifying into port-related manufacturing and logistics services, strengthening income-generating activities, supporting local supplier development and enabling private sector participation in energy and freight infrastructure. FPS will also continue to lead provincial coordination efforts aligned with national green hydrogen commercialisation priorities.

The Atlantis Special Economic Zone (ASEZ) also demonstrated sustained growth, completing civil works in Zone 1 and securing eight site reservations. Several greentech innovations were piloted within the zone, including recycled plastic road surfacing, solar paving, vertical wind turbines and hydrogen-powered energy systems. Over the 2026 MTEF, ASEZ will build on the completed Zone 1 infrastructure by deepening its role as a hub for clean manufacturing and greentech innovation. It will focus on attracting and supporting green technology investors while working with national government to enhance the policy environment and advance the Province's transition to a low-carbon, climate-resilient economy.

R31.8 million is allocated to DEDAT in 2026/27 for FPS to support the sustainability of the entity. The Atlantis SEZ, key to green tech manufacturing, is allocated R129.432 million over the 2026 MTEF.

The WCG continues to build on the success of the Western Cape Investment Summit by strengthening ongoing investor engagement through the Western Cape Investment Summit Continuum. This initiative supports the coordination and promotion of investment-ready projects by connecting local and international investors with opportunities across priority sectors such as green energy, agri-processing and manufacturing. By improving alignment between stakeholders and streamlining the matching of investors with high-impact projects, the platform aims to unlock private sector investment, support business growth, and accelerate job creation across the Province. The 2025 Summit secured six major investment commitments valued at R50 billion which is expected to generate 45 000 job opportunities over the next two decades. With more than 520 delegates in attendance, the event positioned the Western Cape as a leading investment destination and highlighted the Province's progress in key sectors such as green energy, agri-business, manufacturing, mechatronics, and boatbuilding. Projects showcased at the Summit formed part of a R400 billion investment pipeline aligned with the Province's growth priorities. An additional allocation of R6.196 million over the 2026 MTEF is provided to DEDAT to support the continuation of this initiative.

DEDAT will support the implementation of Growth Opportunity Coalitions across priority sectors such as food and beverage, clothing and textiles, and manufacturing. These coalitions bring together government and private sector partners to identify constraints, coordinate action, and unlock sector-specific growth opportunities that support business expansion and job creation. By strengthening collaboration and improving project readiness through formal partnership agreements, the initiative aims to accelerate investment and improve competitiveness within key industries. DEDAT's Sector Development sub-programme receives R134.853 million over the 2026 MTEF. Included is an additional allocation of R3.098 million over the 2026 MTEF to support the implementation of the Growth Opportunity Coalitions initiative.

The Department of Environmental Affairs and Development Planning's (DEA&DP) Green Economy Ecosystem Support (GEES) project strengthens provincial businesses and municipalities by helping them adopt green technologies and tap into renewable energy and water efficient markets. In 2024/25, GEES worked directly with more than 330 firms, trained and advised municipalities on topics such as rooftop solar, storage and tariff design, and produced targeted market intelligence and public awareness content, thereby improving investment readiness and reinforcing the Western Cape's position in South Africa's green economy. The project is allocated R20.628 million over the 2026 MTEF.

Through a strategic shift to the Commodity Approach, the Department of Agriculture (DoA) is improving land reform outcomes by directing support along specific commodity value chains. This model enhances resilience and opens sustainable economic pathways for new entrants, particularly land reform beneficiaries. In 2024/25, 4 001 farmers were assisted through these tailored services, and the Department plans to support about 3 800 farmers annually over the 2026 MTEF as part of its continued focus on inclusive growth and sector development.

To strengthen support for emerging and land reform farmers, an additional allocation to the Agricultural Producer Support and Development Programme will help maintain existing levels of support so that land reform and smallholder farmers can continue to access technical advice, on-farm infrastructure and market support to commercialise and create jobs. The Programme receives an additional R15.531 million over the 2026 MTEF to address rising service delivery pressures, keeping its total budget at R1.034 billion over the period.

The Western Cape Mobility Department (WCMD) advanced the Western Cape Freight Strategy and the continued development of the Integrated Transport Hub (ITH), the digital backbone linking regulatory, enforcement, fare and freight systems to improve operational efficiency and outcomes. Looking ahead, the WCMD will prioritise bottleneck removal, development of new intermodal facilities, branch-line revival, and expanding private participation in ports and rail. These initiatives are supported by the Freight Demand Model and a linked enforcement system, alongside weighbridge efficiency improvements being pursued with the Department of Infrastructure (DoI). The Integrated Transport System receives R366.653 million over the 2026 MTEF.

### **Stimulating Market Growth through Exports and Domestic Markets**

This priority aims to accelerate export growth and expand market access for Western Cape businesses. In 2025/26, the Export Competitiveness Enhancement Programme (ECEP) supported 20 companies with export readiness, packaging and labelling compliance, trademark assistance and alignment with international standards. DEDAT expanded export training through its online Export Training Platform, which provides accessible modules on export fundamentals and technical requirements.

To strengthen market participation, district export seminars were delivered across all districts in partnership with Wesgro, DoA, the Department of Trade, Industry and Competition (the dtic), development finance institutions (DFIs), business chambers, and municipalities, reaching 220 businesses. These initiatives contribute to building a more export-ready provincial economy and supporting firms to navigate regulatory processes and enter new markets.

In support of export growth, the DoA is targeting priority African markets. Africa Market Activations is a demand-led market promotion initiative in priority African markets so Western Cape producers and agri-processors can secure and grow export orders with major buyers and retailers. These activities are allocated R16.500 million over the 2026 MTEF.

DEDAT completed a needs assessment with 30 companies to identify opportunities for new or expanded exports. Recommendations from this process were implemented through the Export Accelerator Programme in 2025/26. The focus will be on identifying a specific country and commodities that will be targeted to increase export opportunities and diversification of products that will be exported. This intervention has been identified in response to the product complexity mapping tool, which identified product space and potential export opportunities. The aim is to develop targeted export development capability and capacity-building initiatives that can be implemented to access new export opportunities and markets. This programme will provide support, over three years, to firms in specific sectors and respective commodity value-chains to unlock new export opportunities. An additional allocation of R17.843 million was made over the 2026 MTEF to the Export Accelerator Programme to expand market access and increase exports.

Tourism market growth was supported through the G4J Tourism Challenge Fund, which funded restoration and development projects at ATKV (Afrikaanse Taal- en Kultuurvereniging)) Hartenbos, Leeu Dassenberg Estates, the Elgin Valley cycling trails and the expansion of bike tourism offerings in the Cape Winelands. These projects leveraged R5 million in extra-fiscal co-funding through using this alternative funding approach. Additional funding was also committed to the Hessequa Municipality to develop visitor infrastructure within its nature reserves and to upgrade facilities at the Point Discovery Centre in Mossel Bay.

The Tourism Growth Initiatives project is a high-urgency catalytic intervention currently in the implementation phase, aimed at reversing the slow recovery in international tourist arrivals and addressing key supply-side constraints such as ageing infrastructure and declining product

quality. By scaling the Tourism Growth Initiative to provide co-funded grants for tourism infrastructure and product development, the initiative seeks to unlock private investment, enhance destination competitiveness, and support the objective of doubling international arrivals by 2030. An additional allocation of R12.392 million over the 2026 MTEF is provided to the Tourism Growth Initiatives to unlock catalytic investment and improve the competitiveness of the Western Cape tourism offering.

DEDAT will continue to implement the Tourism Safety Programme to improve visitor safety and strengthen confidence in the Western Cape as a travel destination. The programme supports targeted community awareness and inclusivity training, promotes risk reduction practices for tourism businesses, and strengthens coordination through partnerships with public and private stakeholders, including the deployment of a dedicated Tourist and Visitor Safety Unit at high-volume attractions in the Cape Town CBD. In 2025/26, six Tourism Safety Law Enforcement Officers were deployed on overtime and over 300 beneficiaries were supported through tourism safety services. An additional allocation of R3 million in 2026/27 is provided to support the Tourism Safety Programme aimed at enhancing global consumer confidence.

DEDAT will continue to implement the Port and Logistics Performance Support initiative to address congestion and improve operational efficiency at the Port of Cape Town through coordinated engagement with Transnet and private-sector partners. While the recent agreement has reduced partnership risks with Transnet, the initiative retains a high-risk, high-reward profile that will require ongoing oversight and sustained executive support, particularly in managing intergovernmental and institutional relationships. An additional allocation of R9.708 million over the 2026 MTEF is provided to improve port and logistics performance and support export-led growth in the Western Cape.

The Department of Cultural Affairs and Sport (DCAS) continues to advance its Events Strategy as a key driver of tourism growth and local economic development. By leveraging major events to attract visitors, increase local spending and create opportunities for small businesses, the Strategy complements broader tourism promotion efforts and strengthens the Province's tourism value chain. DCAS supports 22 major events annually, generating an estimated 60 000 to 90 000 direct and indirect jobs and work opportunities. These include flagship events such as the Cape Town Cycle Tour, Cape Town Marathon, Cape Town Sevens and the Cape Town International Jazz Festival, among others hosted across the Province.

An additional allocation of R31.326 million over the 2026 MTEF will support Hallmark and Incubator Events, particularly in non-metro areas, to further stimulate tourism, SMME participation and regional economic activity. In addition, R15 million over the 2026 MTEF is allocated for legacy infrastructure upgrades at Newlands Cricket Ground and Boland Park to meet safety, compliance and operational requirements ahead of the 2027 ICC Cricket World Cup. These upgrades will not only ensure readiness for the tournament but also leave a lasting legacy that enhances the Province's ability to host future international events and attract visitors over the long term.

Animal health and biosecurity remain central to the DoA's mandate. The Veterinary Service programme boosts veterinary capacity, surveillance and emergency response for Foot-and-Mouth Disease to protect livestock health, safeguard trade and prevent economically damaging outbreaks. Included in the Programme's total budget of R452.485 million over the 2026 MTEF is an additional R39.661 million to address increased service delivery pressures.

The DoA is also advancing local market access in the informal livestock economy through an innovative solution. Shared mobile abattoirs will be deployed so informal and smallholder livestock

farmers can slaughter legally and safely, access better-paying formal markets, and reduce illegal informal slaughter. These activities are allocated R15.490 million over the 2026 MTEF.

The WCG has set aside R100 million in 2026/27 to procure Foot-and-Mouth Disease vaccines and implement its 21-point response plan. State veterinary services will lead the vaccination campaign, with private veterinarians assisting under government coordination and using government-procured vaccines.

### Energy Resilience and Transition to Net Zero Carbon

The WCG has prioritised supporting energy efficiency and resilience and acknowledges that this is crucial for economic growth and job creation. Investments in energy efficiency reduce operational costs for businesses, freeing up capital for expansion and innovation. This, in turn, stimulates economic activity and generates employment opportunities across various sectors. This focus area aims to ensure that businesses and people have access to reliable, low-carbon and cost-effective sources of energy. The textbox below showcases the key WCG energy projects, with detailed funding allocations for energy projects reflected in the Annexure1 of this chapter.

#### Western Cape Government Energy Projects

The Western Cape Energy Resilience Programme (WCERP) has been revised to respond to changes in both the global and domestic energy landscape. While there has been a relative respite in the frequency and severity of load shedding over the past two years, the reliability and affordability of electricity supply in South Africa remains uncertain. This uncertainty is compounded by subdued electricity demand linked to lower economic growth, the rapid uptake of private rooftop solar PV, ongoing reforms within Eskom including the potential unbundling of its transmission and distribution functions, severe grid constraints, rising electricity tariffs, imminent launch of the South African Wholesale Electricity Market (SAWEM) and growing export pressures associated with carbon border adjustment mechanisms.

In line with the 2026 MTEF Budget theme of “A budget that delivers growth with discipline and care”, allocations across the G4J portfolio are provided to support targeted energy security and decarbonisation interventions that enhance resilience while enabling sustainable economic growth. The WCERP is allocated R452.529 million over the 2026 MTEF. Funding allocations for these energy projects over the 2026 MTEF can be found in the Annexure. Below is a list of the projects that the Western Cape Government will fund over the MTEF, grouped by implementing department:

#### Department of the Premier

|   |                                                                                                                                                                                                                                                    |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | <b>Demand Side Management Project:</b> Initiatives aimed at assisting municipalities in improving electricity efficiency through load management systems and energy efficiency retrofits.                                                          |
| 2 | <b>Additional Energy Capacity:</b> Support for the coordination and implementation of Energy Resilience Programme projects including Project Management Office and event coordination.                                                             |
| 3 | <b>Affordable Energy Solutions:</b> The project aims to improve access to affordable energy for indigent households and communities.                                                                                                               |
| 4 | <b>Opportunities in the Energy Sector:</b> This project is about providing a suitable mechanism to facilitate realisation of investment targets through market mechanisms.                                                                         |
| 5 | <b>Alternative Energy Procurement Mechanisms and Platforms:</b> This project looks at developing a Municipal Distribution Utility Business Capability Model to provide a basis for Electricity Distribution Industry reform for WC Municipalities. |

**Western Cape Education Department**

|   |                                                                                                                                     |
|---|-------------------------------------------------------------------------------------------------------------------------------------|
| 6 | <b>LED Lighting:</b> Retrofitting of selected school buildings with energy efficient lighting systems to reduce electricity demand. |
| 7 | <b>Solar PV:</b> Installation of solar photovoltaic and battery systems at selected WCED Schools.                                   |

**Department of Health and Wellness**

|    |                                                                                                                                                                |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8  | <b>PV Systems in Provincial Health Buildings:</b> Deployment of PV systems in healthcare facilities to ensure continuity of services during power disruptions. |
| 9  | <b>PV Thermal Pilot:</b> Pilot installation of solar thermal technologies to reduce reliance on grid based electricity for heating.                            |
| 10 | <b>Solar Wheeling:</b> Potential Power Purchase Agreement and/or wheeling for provincial operations.                                                           |
| 11 | <b>Solar PV in EMS/FPS:</b> Installation of solar PV systems at Emergency Medical Services and Forensic Pathology Services facilities.                         |
| 12 | <b>Solar PV in Rural Clinics:</b> Expansion of solar installations in rural health facilities to improve service reliability.                                  |

**Department of Environmental Affairs and Development Planning**

|    |                                                                                                                                                                 |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 13 | <b>Green Economy Ecosystem Support:</b> Support for enterprises and initiatives within the green economy to stimulate job creation and innovation.              |
| 14 | <b>Industrial Decarbonisation:</b> Technical and programme support to assist industry in reducing emissions and transitioning to low carbon production methods. |
| 15 | <b>Sectoral Emissions Targets:</b> Development of emissions reduction benchmarks aligned with national climate commitments.                                     |

**Department of Infrastructure**

|    |                                                                                                                                                                                                                               |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 17 | <b>Municipal IPP Procurement (Stellenbosch):</b> Technical support to municipalities such as Stellenbosch Local Municipality to procure energy from independent power producers.                                              |
| 18 | <b>Grid and Transmission Infrastructure Upgrade Planning:</b> Planning to unlock additional renewable energy generation capacity and enable private sector participation, including feasibility of flexibility opportunities. |
| 19 | <b>Additional Capacity to Support Implementation:</b> Institutional support for the coordination and implementation of the WERP interventions.                                                                                |

**Department of Agriculture**

|    |                                                                                                                           |
|----|---------------------------------------------------------------------------------------------------------------------------|
| 21 | <b>Solar PV – Farmworker Houses:</b> Provision of small scale embedded generation solutions for farmworker housing units. |
|----|---------------------------------------------------------------------------------------------------------------------------|

**Department of Economic Development and Tourism**

|    |                                                                                                                                                       |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| 22 | <b>Green Hydrogen (3 Capes MOU):</b> Support for green hydrogen development under the 3 Cape Hydrogen Corridor partnership.                           |
| 23 | <b>Just Energy Transition Plan (JET IP):</b> Provincial alignment with South Africa's investment planning under the Just Energy Transition framework. |

**Department of Local Government**

|    |                                                                                                                                                           |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 24 | <b>Specialist Service Providers:</b> Technical advisory support for energy planning and implementation.                                                   |
| 25 | <b>Additional Capacity Water and Wastewater Load Shedding Impacts:</b> Strengthen municipal capacity through technical support and engineering expertise. |
| 26 | <b>Municipal Electricity Master Plans (EMPs):</b> Development and update of municipal electricity master plans to support long term energy security.      |

**Opportunities**

- Strengthening municipal energy procurement and grid readiness to support decentralised generation.
- Enabling industrial transition toward low carbon production to maintain export competitiveness.
- Expanding renewable energy deployment across public infrastructure to enhance service continuity.
- Unlocking private sector investment to facilitate the clean energy transition at scale.
- Identifying market mechanisms to better balance regional supply and demand.

*Source: Western Cape Department of the Premier (coordinating the energy initiatives being implemented by multiple WCG departments)*

**Water Security and Resilience**

The Water Resilience Programme, led by the Department of Local Government (DLG), gives effect to the Western Cape Water Resilience Strategy (2025 – 2035) and is anchored in the 2025 – 2030 Provincial Strategic Plan. The programme is designed to strengthen existing municipal systems and explore innovative responses to deepen water resilience interventions in the face of increasing climate change volatility. Through the 2024/25 Water Resilience Grant, funding was transferred to relevant municipalities to support targeted infrastructure interventions aimed at enhancing system reliability, diversifying water sources, improving monitoring capability and strengthening drought response capacity.

Since the 2024/25 financial year, implementation of the Western Cape Water Resilience Strategy advanced across its core pillars of augmentation, water conservation and demand management, infrastructure development, and management strengthening. Progress was made in groundwater exploration and development to enhance water supply security across municipalities. Projects implemented included groundwater and water demand management initiatives, groundwater resource potential studies, the development of groundwater development plans, submission of Water Use License Applications (WULAs), provision of technical assistance, wellfield development supported by numerical modelling, and conditional assessments. These interventions collectively strengthened municipal water planning, improved supply diversification, towards enhanced long term water security in the Western Cape.

Building on this progress, DLG receives additional allocations of R127.328 million over the 2026 MTEF period for Water Resilience and Drought Response to address persistent drought conditions and structural water security risks facing municipalities across the Province. Over the medium term, the programme will continue to prioritise resilient infrastructure investment, strengthened water conservation and demand management, enhanced monitoring systems and improved risk-informed governance. These measures aim to close municipal water demand–supply gaps, improve long term sustainability and ensure reliable, equitable access to water for communities and local economies across the Province. The Water Resilience Strategy (WRS) is summarised in the textbox below, with detailed funding allocations for water projects reflected in Annexure 1 of this chapter.

The Western Cape estuary management programme prioritises implementing the Breede Estuarine Management Plan, advancing existing estuary plans and completing new plans for the Groot Brak, Kleinbrak, Gouritz, Maalgate and Hartenbos systems. This work is backed by pollution monitoring at 42 sites in 2024/25, with a planned increase to 52 monitored sites per year over the 2026 MTEF to better protect river and estuarine ecosystems.

The DoA is allocated R490.395 million over the 2026 MTEF towards the Sustainable Resource Management Programme which will promote sustainable natural resource use through engineering and LandCare services, including water and irrigation support, mechanical and structural interventions, and farm and landscape level planning.

A key function of the Programme includes the clearing of alien vegetation which enhances water security, biodiversity and land productivity. In 2024/25, 23 074 hectares of invasive plants were cleared, increasing water availability across the Province. Over the 2026 MTEF the DoA allocated R157.330 million toward this initiative which includes an additional R20.000 million for hand removal of alien plant species.

For longer-term planning, the DoA is enhancing evidence on water resources. An allocation towards the Water resource study, commissions a detailed water resource study to clarify available water, climate and demand impacts and guide future allocation, licensing and infrastructure decisions in key agricultural catchments. The study is allocated R4.800 million over the 2026 MTEF.

CapeNature plays a pivotal role in strengthening provincial water resilience. The entity plans to clear 6 872 hectares of invasive alien vegetation with an allocated budget of R1.865 million in 2025/26. Over the 2026 MTEF, CapeNature will significantly scale up these activities through an additional allocation, enabling expanded clearing in strategic water catchments. This expanded clearing of invasive alien plants in key catchments will improve streamflows, reduce wildfire risk and create employment opportunities, supported by an additional R24.000 million over the 2026 MTEF.

## Western Cape Government – Water Resilience Programme

### Western Cape Water Resilience Strategy

In October 2025, the WCG adopted the Western Cape Water Resilience Strategy 2025 – 2035 (WRS), a decisive step to secure long term water resilience for all water users within the Province through a coordinated and sustainable approach to water management. Anchored in the Growth for Jobs Strategy, the WRS recognises the need to build a more resilient economy that is both water secure, ensuring access to safe, affordable, clean water, and supported by resilient water systems able to withstand a range of shocks without compromising their ability to support key environmental, social and economic functions.

The WRS focuses on accelerating water augmentation initiatives, strengthening water demand management, investing in critical water infrastructure development and maintenance, and enhancing water governance across municipalities. It directly advances the Growth for Jobs goal of doubling the amount of water available to secondary and tertiary economic sectors, primarily from non-productive use, by 2035, while honouring existing allocations to agriculture. It also responds to ministerial priorities to secure and manage water resources in a manner that safeguards communities, the economy and the environment. Water Resilience and Drought Response projects are allocated R177.942 million over the 2026 MTEF.

The strategy outlines a four-pillar approach to achieving water resilience:

- **Water Conservation and Demand Management**

Implementing smart water systems, reducing non-revenue water losses, and improving agricultural irrigation efficiency.

- **Water Augmentation**

Diversifying water sources through treated wastewater reuse, groundwater extraction, desalination, and ecological infrastructure investments.

- **Infrastructure Development**

Upgrading bulk water supply systems, rehabilitating reservoirs, and implementing stormwater and flood management projects.

- **Governance and Policy Integration**

Strengthening municipal planning, leveraging public-private partnerships, and securing alternative funding sources for long term sustainability.

Enhancing infrastructure capacity through targeted investments in water augmentation, pipeline rehabilitation, and decentralized water systems

Recognising the growing provincial transversal water risk, funding for strategic water resilience projects must be prioritised. The WRS indicates that by 2035, the Western Cape needs to increase water supply by 350 million cubic meters by 2035 through various augmentation, conservation, and infrastructure development interventions. The Water Resilience Grant serves as a crucial funding mechanism to address immediate and medium term water security challenges by:-

- Supporting municipal water resilience projects that reduce dependency on conventional supply sources and mitigate the impact of future droughts.
- Investigating water infrastructure conditions and provide feasible solutions.
- Implement water conservation and demand management measures to ensure sustainable water supply and protection of available water sources.

Earmarked allocations align with the Water Resilience Strategy to accelerate implementation and safeguard the Province's water future.

The WRS has now moved into its implementation phase, with a key priority being the development of town-based Water Resilience Plans and Ecological Infrastructure Management Programmes for municipalities across the Province. These plans identify priority municipal water projects, provide implementation frameworks tailored to local conditions, support long term infrastructure sustainability, and strengthen municipal water governance. Investing in our provincial ecological infrastructure through nature-based solutions to improve water quality in priority areas, together with clearing invasive alien species clearing in regional strategic water source areas, will bolster efforts to augment supply.

Beyond securing water supply, the plans are designed to attract investment into towns across the Western Cape, support economic growth, and stimulate job creation, reinforcing the principle that water security is foundational to economic expansion and sustainable employment.

### **Drought Response**

Addressing drought is not only an environmental necessity; it is also an economic and social imperative. In the Western Cape, water security underpins agriculture, tourism, business confidence, public health, and community stability. When our dam levels decline, the impact extends beyond water supply to livelihoods, food security, and economic growth.

Climate change is intensifying rainfall variability across our Province. We are experiencing longer dry spells, higher temperatures, increased evaporation, and unpredictable seasonal patterns. In some regions, communities have shifted from flood response to water restrictions within months. This volatility demands a new way of planning and responding. The WRS recognises that drought is no longer an occasional crisis; It is a structural risk that requires structural solutions.

### **A Proactive Response Imbedded in our Western Cape Water Resilience Strategy**

Our approach to drought response in the Western Cape is guided by three pillars:

#### **1. Immediate Stabilisation and Demand Management**

The Province continues to strengthen:

- Water conservation and demand management programmes
- Leak detection and infrastructure maintenance
- Pressure management in municipal systems
- Public awareness campaigns to reduce household and business consumption
- Every litre saved today extends our buffer tomorrow

#### **2. Diversification and Water Augmentation**

Traditional surface water sources alone are no longer sufficient. The Province is accelerating investment in:

- Groundwater development and responsible abstraction
- Reuse of treated wastewater for non-potable and industrial purposes
- Desalination where feasible and cost-effective
- Clearing invasive alien vegetation to restore natural catchments and improve runoff
- Water resilience requires diversified supply sources to reduce exposure to a single failed rainy season

#### **3. Long Term Climate Resilience Planning**

Collaboration between provincial government, municipalities, agriculture, and the private sector is being strengthened to:

- Improve hydrological modelling and early warning systems
- Align infrastructure investment with long term climate projections
- Support farmers with water-efficient technologies
- Enhance catchment management and ecological restoration
- Resilience is built long before dams reach critical levels

### The Future of Water Security

The Western Cape has faced severe drought before and emerged stronger through decisive, innovative, and coordinated action. That same urgency and determination continue to guide the Province's approach. The commitment remains clear:

- Reduce vulnerability to climate shocks;
- Diversify and strengthen supply sources;
- Protect and rehabilitate critical infrastructure;
- Support economic stability; and
- Ensure that every community in the Western Cape has access to reliable and sustainable water resources.

Source: Department of Local Government

## Technology and Innovation

This priority focuses on building a stronger technology ecosystem and boosting innovation capacity. Work is under way through DEDAT to establish a Drones/Unmanned Aerial Vehicles Regulatory Sandbox, with an additional R9.294 million over the 2026 MTEF allocated toward the practical establishment and operationalisation of the sandbox. This includes the development of regulatory frameworks and operating protocols, the establishment of a multi-stakeholder task team, procurement of technical advisory and compliance support, implementation of a Sandbox Experimental Test Flight Authority, and the deployment of systems required to safely manage, monitor and evaluate test flights. The next phase will put in place the institutional, regulatory and operational foundations, including a structured management framework for test flights. Over time, the sandbox will also develop pathways for integrating successful use cases into the wider market, helping drone technologies move from testing to commercial deployment and supporting long term economic and innovation benefits for the Province.

To support trade facilitation and export integrity, the DoA is modernising certification systems. The Export Certification Online System (ECOS) will implement the ECOS online platform so exporters and veterinarians can manage export certificates electronically, improving traceability, speeding up approvals and reducing fraud risk. This technology upgrade is allocated R12 million over the 2026 MTEF.

Innovative nature-based water quality solutions are being scaled up by DEA&DP. Wetlands, river restoration and other nature-based interventions will be implemented to improve water quality and reduce treatment costs. These activities are allocated R10 million over the 2026 MTEF.

Through its Research and Technology Development Services programme, the DoA aims to improve agricultural production by conducting, coordinating and sharing research and technology, and by managing research farms and laboratories. The programme supports sector-driven research on climate change, agro-processing and product quality, thereby bolstering innovation and climate-smart practices. An additional R15.400 million over the 2026 MTEF increases the Programme's total allocation to R533.354 million, strengthening research capacity, trials and technology transfer so that farmers can adopt climate-smart, more productive practices and new cultivars faster, and enabling the Department to respond to rising service delivery pressures.

Guided by the SmartAgri Plan and partnerships with institutions such as Stellenbosch University and the Mediterranean Climate Action Partnership, the programme produced 19 scientific papers in 2024/25 and is targeting 20 publications per year over the 2026 MTEF.

## Infrastructure and the Connected Economy

To advance the WCG's long term sustainability objectives, the DoI has formulated a comprehensive infrastructure agenda comprising the Western Cape Infrastructure Framework 2050 (WCIF), the Western Cape Infrastructure Strategy 2050 (WCIS), and the Western Cape Infrastructure Implementation Plan 2050 (WCIIIP). The WCIF 2050 articulates a forward-looking vision for infrastructure-led growth and investment, aimed at strengthening the Province's competitiveness, inclusivity and environmental sustainability. This vision is anchored in five strategic pillars: directing infrastructure investment for optimal impact, reinforcing municipal infrastructure capacity, enabling private sector collaboration, promoting innovation and future-focused planning, and addressing the risks and impacts associated with climate change. Building on this foundation, the WCIS 2050 and WCIIIP 2050 operationalise the long term vision through practical and adaptive strategies. These frameworks guide infrastructure planning and delivery in response to shifting demographic patterns, technological advancements and environmental pressures, ensuring that infrastructure investment remains resilient, responsive and future-ready.

The DoI will maintain a strong focus on infrastructure construction and maintenance over the 2026 MTEF, recognising its central role in sustaining service delivery, supporting economic growth and preserving public assets. The Department's aggregate allocation amounts to R6.909 billion in 2026/27, R6.125 billion in 2027/28 and R6.322 billion in 2028/29, providing the fiscal framework within which core infrastructure programmes will be delivered. Over the 2026 MTEF, a significant portion of this funding is directed toward roads (R11.109 billion), public works (R2.691 billion) and human settlements infrastructure (R5.557 billion), reinforcing both capital expansion and asset preservation priorities. Within the Public Works portfolio, earmarked allocations prioritise both new construction and the safeguarding of existing facilities. Funding of R134.549 million in 2026/27, R88.1 million in 2027/28 and R90.831 million in 2028/29 is allocated for the construction of Child and Youth Care Centres (CYCCs), including the Lindelani and Siyakhatala projects, while R69.443 million in 2026/27, R34.743 million in 2027/28 and R35.820 million in 2028/29 is earmarked for urgent maintenance at CYCC facilities. Additional allocations support occupational health and safety interventions, including the accelerated fire portfolio, with R19.260 million in 2026/27, increasing over the 2026 MTEF, to mitigate infrastructure-related risks. Furthermore, an additional R20 million in 2026/27, escalating over the MTEF, is specifically allocated for operational costs related to housing stock maintenance and municipal services. Together, these allocations enable the Department to expand access to housing opportunities, upgrade informal settlements, and maintain the integrity of existing housing assets.

The WCMD is advancing several initiatives in this area. Commuter rail restoration remains a central focus, with a draft information-sharing agreement prepared with PRASA and park-and-ride opportunities identified to help shift demand back to rail. Golden Arrow Bus Services continue to anchor Cape Town's bus network, operating about 230 000 weekday passenger trips on roughly 1 618 routes despite cost and subsidy pressures.

The George Integrated Public Transport Network (GIPTN), delivered through the Go George bus service, is a key example of an integrated, high-quality public transport system. In 2024/25, Go George moved 6.1 million passengers, with an average of more than 21 100 weekday trips, supported by a fleet of 133 buses and satisfaction levels above 90 per cent. Forward-looking plans include completing routes in Thembaletu, extending services to Victoria Bay, Wilderness, Herold's Bay and George Airport, and preparing for a new operator contract by December 2026. Overall, the system significantly improves economic access and inclusion for residents of George and delivers measurable social benefits.

## Transport and Mobility Infrastructure

High-quality road infrastructure delivered by the DoI remains critical for a safe, efficient transport system and for economic and social development in the Western Cape. In 2024/25, major milestones were achieved, including the completion of the 13 km George Western Bypass, which improves connectivity between the N2 and Outeniqua Pass and eases congestion in George; the start of Phase 1 of the Northern Growth Corridor Scheme to upgrade the N7 between Potsdam and Melkbosstrand interchanges; and ongoing construction of the Malmesbury Bypass to complete the R45 corridor and divert freight from the town while improving links between the Saldanha Bay Industrial Development Zone and the N1 and N2. In line with the Western Cape Infrastructure Framework 2050, the Department is also pursuing partnership-based delivery through cost-sharing agreements with Drakenstein Municipality (MR201 upgrade) and Witzenberg Properties (a 4 km road link). Road infrastructure, in terms of construction and maintenance, receives R11.109 billion over the 2026 MTEF.

WCMD will continue implementing the GIPTN, with R329.197 million allocated over the 2026 MTEF for this collaboration between the Western Cape Government, George Municipality and the National Department of Transport. The network enhances public transport through the Go George bus service. Phases 1, 2, 3 and 4B are fully operational, providing scheduled, reliable and affordable services to around 14 000 passengers a day. Under Phase 4A, new routes (18A and 18B) have been introduced, and over the MTEF the Department plans to implement phases 5 and 6 to expand connectivity to Wilderness and George Airport. A specific focus will be improving transport for persons with disabilities by enhancing Go George and Dial-a-Ride services with wheelchair-friendly access and priority seating.

To support freight, R9.093 million is earmarked over the 2026 MTEF for the Freight Rail Revitalisation Framework. This aims to address key bottlenecks, enhance rail services and improve port efficiency through better coordination, thereby supporting trade and economic growth.

## Improved Access to Employability and Economic Opportunities

DEDAT will continue to strengthen employability and expand pathways to economic participation by aligning education and training programmes with labour market needs through partnerships with schools, post-school institutions, industry and training providers. In 2024/25, six training modalities were refined to better respond to industry demand, including improvements to Life Orientation, ICT and technical subject delivery, while collaboration with TVET and CET colleges expanded access to market-aligned skills programmes in rural areas. An additional allocation of R3.098 million over the 2026 MTEF will support Employment and Enterprise Development Outcomes, including the design of an outcomes-based fund that leverages public, private and donor capital to finance youth employment and enterprise development initiatives, with funding linked directly to verified job creation results.

DEDAT continues to strengthen international collaboration through a partnership with Bildungswerk der Bayerischen Wirtschaft (BBW), which supported lecturer training in digital literacy and teaching methodologies. This partnership also secured opportunities for Western Cape graduates to gain work exposure in Germany from 2025. More than 2 900 unemployed youth received workplace experience and accredited training in sectors such as Business Process Outsourcing (BPO), hospitality, clothing and textiles, last mile delivery, and technology. These interventions support high absorption rates, with most participants expected to transition into contract or permanent employment. Skills Development in BPO and technology sectors receives R122.294 million over the 2026 MTEF.

Over the 2026 MTEF, DEDAT will shift toward a more systemic and ecosystem-strengthening agenda, focusing on improving employability and entrepreneurship through coordinated public and private sector partnerships. It will lead and facilitate key engagement structures including the Premier's Council on Skills, SETA forums, and partnerships with TVETs, higher education institutions, industry, and municipalities to refine training modalities, address skills gaps, and align education pathways with labour market demand. This forward-looking work aims to co-design curricula, expand work-integrated learning, introduce innovative models such as micro certification, enhance digital and entrepreneurial competencies, and strengthen the post-schooling ecosystem to improve access, throughput, and readiness for employment. A demand analysis during 2025/26 will inform scalable new training models and alternative post-schooling pathways, ensuring that skills development interventions over the MTEF are responsive to industry needs and aligned with the themes of G4J strategy. DEDAT's Skills Development Programme is allocated R250.567 million over the 2026 MTEF.

Within DEA&DP, the Impact Management sub-programme is allocated R158.352 million over the 2026 MTEF. It uses Environmental Impact Assessments (EIAs) to evaluate the likely environmental effects of proposed developments before they proceed, ensuring that negative impacts are identified, reduced and managed in line with environmental law. The Department has consistently finalised close to 100 per cent of applications within the 107-day statutory period and plans to appoint additional staff over the 2026 MTEF to handle more applications in even shorter timeframes, supported by an additional R7.576 million to boost internal capacity.

The Pollution and Waste Management sub-programme is allocated R142.572 million over the 2026 MTEF. The Organic Waste Diversion programme has already increased municipal diversion rates from 28.9 per cent in 2022/23 to a projected 35.3 per cent in 2025/26, and over the 2026 MTEF aims to achieve full diversion of municipal organic waste from landfill by 2027 by supporting large composting and processing facilities in at least ten municipalities and providing technical support to track progress through annual diversion plans.

The Higher Education and Training sub-programme is allocated R211.032 million over the 2026 MTEF. Within this sub-programme, the Elsenburg Agricultural Training Institute, founded in 1898 as the country's oldest agricultural training institution, offers accredited qualifications and short courses in animal and plant production, agribusiness, cellar technology, equine studies and extension, combining hands-on farm training with academic tuition. 137 students graduated in 2024/25, and the Department is targeting 80 graduates per year over the 2026 MTEF to help build a skilled agricultural workforce.

Human capital development in agriculture is being prioritised by the DoA. An allocation to the Agricultural Education and Training Programme enhances the agricultural training capacity so more youth and farm workers can gain accredited agricultural qualifications and practical skills. The Programme receives an additional R18.5 million over the 2026 MTEF to deal with increased service delivery pressures.

The Masakh'iSizwe Bursary and Contractor Development Programmes in DoI are central to developing skilled professionals and emerging contractors in the engineering and built environment sectors. In 2026/27, about 140 students will be supported through the Masakh'iSizwe Bursary Programme, while the Professional Development Programme will give around 40 graduates and technical staff the practical experience and mentorship they need for professional registration. The Innovation and Empowerment sub-programme further supports emerging contractors through the Contractor Development Programme, which offers a

Construction Information Expo, structured and advanced training, mentoring and customised support, reaching 100 contractors through the Expo and about 40 through each of the other interventions. In 2024/25, 49 Masakh'iSizwe bursars completed their studies, and 120 beneficiaries took part in the Contractor Development Programme, with a further 64 contractors supported via the National Contractor Development Programme. Over the 2026 MTEF, community-based programmes delivered by Dol receives R255.232 million.

The Western Cape Education Department (WCED) will strengthen career guidance services aimed at improving learner decision-making, alignment between schooling and post-school opportunities, and successful transitions beyond Grade 12. Activities include structured career guidance curricula, educator training, learner exposure to post-school options, and partnerships with higher education institutions, TVET colleges and industry. During 2024/25, Career Clubs were launched within 133 schools and will be increasing to 350 schools across the Province over the 2026 MTEF. The budget allocation towards this intervention is R5.225 million in 2026/27, R5.444 million in 2027/28, and R5.613 million 2028/29.

The Department of Police Oversight and Community Safety (DPOCS) strengthens economic confidence by equipping vulnerable youth with life and workplace skills through the Chrysalis Academy and EPWP. In 2024/25, the DPCOS created 837 youth work opportunities and enabled 682 Chrysalis graduates, with 186 subsequently trained as Peace Officers. R76.791 million is within the baseline and allocated to Chrysalis Academy over the 2026 MTEF to provide empowerment opportunities to 5 800 individuals, with specific 2026/27 targets to train 690 youth via Chrysalis and create 870 work opportunities.

The WCMD will continue to implement and expand the Jobseeker Travel Voucher Programme in response to persistently high levels of unemployment. The programme provides eligible work-seekers with free travel vouchers for use on services operated by Golden Arrow Bus Services, reducing the cost barrier associated with attending interviews and searching for employment. Following the extension of the programme to March 2026, Phase 2 has introduced a revised model that allows jobseekers to enroll directly, subject to verification, thereby reducing administrative barriers and improving access for vulnerable residents. The initiative is continuously monitored and evaluated to strengthen its impact and ensure value for money. An additional allocation of R5.08 million over the 2026 MTEF will support the expansion of the programme in Cape Town and George, improving mobility and access to economic opportunities for jobseekers.

The YearBeyond programme, creating over 3 000 opportunities for Not in Employment, Education or Training (NEET) youth under 25 will be sustained over the 2026 MTEF, aiming to serve and create a pathway into the economy. An additional allocation of R9 million is allocated towards the YearBeyond 1 000 Stories Libraries Programme over the 2026 MTEF to meet the growing demand from libraries. This initiative places young individuals in libraries across the Western Cape as reading champions, fostering a culture of reading, sparking imagination, and bridging the literacy gap for children. An additional allocation of R15.764 million is allocated over the 2026 MTEF to augment the expansion of the YearBeyond Programme to support youth development and improved education outcomes.

## Safety

The Safety Portfolio supports the WCG's commitment to building safe, stable and resilient communities that are able to support economic participation and social wellbeing. The Safety priority receives an allocation of R8.595 billion over the 2026 MTEF. Persistent challenges such as violence, substance abuse, social fragmentation and mental health pressures continue to undermine both community stability and investor confidence. Recognising safety as a prerequisite for development, the Portfolio integrates law enforcement with violence prevention, community support and collaborative governance to address both the immediate drivers and underlying causes of crime. Through data-driven decision making, strengthened partnerships and coordinated interventions, the Portfolio seeks to improve public safety, protect infrastructure, and foster social cohesion, thereby creating an enabling environment for inclusive growth and job creation.

### Integrated Violence Prevention

Strong family units are central to improving individual life outcomes and reducing vulnerability to violence. In support of the PSP Safety Portfolio Outcome of "Improving family relations to protect against victimisation and perpetration of violence", the Department of Social Development (DSD) implements the WCG Family Strengthening Strategy, supported by evidence-informed parenting programmes tailored to the provincial context. Services focus on strengthening parenting capacity, promoting emotional wellbeing, and encouraging positive social behaviour, including targeted interventions for men and boys. Delivery is enabled through partnerships with non-profit organisations (NPOs) operating in high-need urban and rural areas across the metro and districts. The Department's budget allocation towards Care and Services to Families is R121.805 million in 2026/27; R126.359 million in 2027/28; and R125.583 million in 2028/29.

During 2024/25, the Family Strengthening Responsive Parenting Programme supported 1 200 families through parenting support, family therapy, reunification services, and violence prevention interventions. Complementary services included shelter and reunification support for homeless adults, delivered through 36 funded shelters providing 2 392 bed spaces and supported by 63 social service professionals. Over the 2026 MTEF, the Department plans to support 19 200 families through family preservation and support services, ensuring continuity of care.

DSD delivers a continuum of substance use disorder (SUD) services, including prevention, early intervention, treatment, and aftercare, to support recovery and reintegration into communities. Targeted initiatives also address the impacts of Foetal Alcohol Spectrum Disorder (FASD). Services are delivered through registered inpatient facilities, halfway houses, community-based treatment (CBT) sites, and CYCCs. In 2024/25, the Department registered 26 inpatient treatment centres, three halfway houses, and 58 CBT sites. Prevention efforts included the Ke-Moja programme, which reached 2 247 learners across multiple communities, equipping young people with knowledge and skills to make healthy lifestyle choices. Over the 2026 MTEF, early intervention services for SUD are projected to reach 3 980 service users in 2026/27, 4 078 in 2027/28, and 4 122 in 2028/29. A total of R396.093 million is being allocated over the medium term towards Substance Abuse, Prevention and Rehabilitation.

Social crime prevention programmes address the underlying social drivers of crime by strengthening families and communities and reducing key risk factors. Over the 2026/27 financial year, the Department plans to ensure that at least 6 487 adults and 820 children in conflict with the law complete diversion programmes. Crime prevention programmes are allocated R1.223 billion over the medium term.

The Department of Health and Wellness (DHW) prioritises Integrated Violence Prevention through key interventions such as the Planet Youth project. By employing a public health approach to mitigate the impact of trauma, the DHW co-leads violence prevention efforts through the Violence Prevention Unit (VPU). A significant milestone was achieved in 2024/25 with the completion of the Planet Youth Survey, which captured data from nearly 49 000 learners to inform evidence-based social programmes. R106.443 million is earmarked over the 2026 MTEF, towards the VPU, which will scale Planet Youth as its primary flagship, utilising Area-Based Teams (ABTs) and the Cardiff Public Health Model to reduce the trauma burden on the healthcare system.

#### **Gender-Based Violence: A Whole-of-Society Response**

Gender-Based Violence and Femicide (GBVF) has been declared a national disaster by the President of South Africa, recognising the scale, severity and societal impact of violence against women, children and other vulnerable groups. This declaration underscores the urgent need for coordinated, sustained and systemic interventions across all spheres of government and society.

In alignment with the National Strategic Plan on GBVF (2020) and the WCG GBV Implementation Plan, a strengthened, community-focused response will be prioritised over the 2026 MTEF.

Key interventions over the medium term include:

- **Expansion and strengthening of shelter services:** Building on the recent expansion of the provincial shelter network, including the opening of a shelter in the Overberg and the Province's first LGBTQIA+ and men's shelter, DSD will continue to enhance access to safe accommodation. Three shelters have also been co-accredited to provide services to victims of human trafficking, strengthening integrated victim support. Skills development programmes and second-stage accommodation for shelter residents will continue to be provided, thereby promoting the economic empowerment of predominantly female victims and their children.
- **Scaling up the GBV Ambassador Programme:** Currently comprising 860 trained Ambassadors active in communities, the programme will be expanded to deepen prevention efforts, raise awareness, and promote early identification and referral of victims.
- **Therapeutic and psychosocial support services:** The Department will continue prioritising trauma-informed counselling, victim empowerment services, and coordinated case management to support survivors in rebuilding their lives with dignity.
- **Prevention and community education:** Targeted training and community-based prevention programmes will focus on addressing the root causes of violence, promoting positive social norms, and strengthening protective factors within families and communities.
- **Coordination of GBV services:** The Department will continue to co-ordinate GBV and Victim Empowerment Services with stakeholders through leading and facilitating the provincial VEP Forum.
- **Strengthening GBV service capacity:** The capacity of frontline Social Workers and practitioners in both the NGO and government sector will continue to be strengthened with the latest methodologies and policy developments in the sector.

A total of R47.139 million is allocated over the 2026 MTEF to strengthen GBV support services, including the expansion of shelters and the scaling up of the GBV Ambassador programme. Through these interventions, the WCG reaffirms its commitment to reducing violence, restoring dignity to survivors, and building safer, more resilient communities across the Western Cape.

*Source: Western Cape Department of Social Development Annual Performance Plan*

## Safe and Secure Communities and Infrastructure

Strengthening the "Whole-of-Society Approach," the DPOCS formalises and resources local safety structures to build community resilience. In 2024/25, the DPOCS accredited 259 Neighbourhood Watch (NHW) structures and funded 81 Community Policing Forums (CPFs) to enhance grassroots safety. The 2026/27 plan sets a target to approve or renew 200 NHW accreditations annually toward a long term goal of 1 000 accredited structures, while assessing 25 CPFs for functionality. An amount of R106.962 million is provided for 2026/27 towards NHW and CPFs in this regard. In addition, to help young people navigate complex social and physical environments that often reinforce cycles of risk that include harmful behaviour, an additional R20.961 million is allocated over the 2026 MTEF towards Street Coaches and Safety Observatory. Moreover, an additional allocation of R18.588 million is allocated over the 2026 MTEF towards the Community resilience programme to establish multi-sectoral forums to serve as the community leadership structure, co-create a community-level Growth and Resilience Plan, and implement Programmes prioritised by communities.

Through the Western Cape Liquor Authority (WCLA), DPOCS balances economic opportunity with public health by reducing alcohol-related harms. In 2024/25, the WCLA achieved full inspection coverage of licensed premises and recorded a 53 per cent decline in fines, indicating improved compliance. R245.307 million is provided over the 2026 MTEF to continue the implementation of a Differentiated Pricing Model for financial sustainability; amending the Liquor Act to strengthen public health outcomes; launch an e-portal to enhance regulatory accessibility and efficiency; and continue enforcing compliance through inspections while promoting responsible liquor trading and public education to balance economic activity with social harm reduction.

As part of the Province's efforts to improve safety through strengthening the social protective factors against violence, DCAS will focus on preventing youth from engaging in criminal activities by engaging them in After School Programmes (reaching approximately 60 000 learners), with a particular focus on reducing the risks of: falling behind academically through the YearBeyond literacy and mathematics catch-up programme targeting grades 3 and 4; absenteeism and anti-social behaviour through walking buses, parental workshops, active afterschool activities, sport and arts clubs and connections to positive peer groupings; by creating opportunities for marginalised youth to be part of programming; providing opportunities for building young people's skills in alternative ways of engaging and dealing with conflict and anger via Shukuma and YearBeyond; and utilising schools and community-based centres as safe spaces for communities during and after school hours (i.e., Recreation, MOD Programme and Neighbouring School Centres, as well as shared facilities). The Youth Programme is allocated R189.004 million over the 2026 MTEF.

An additional allocation of R6.468 million over the 2026 MTEF is provided to DCAS to strengthen oversight and safety within Customary Initiation Practices. This funding will enable the deployment of accredited traditional clinicians, trained workshop facilitators and dedicated monitoring teams during initiation seasons to improve compliance with health and safety standards. Enhanced training, structured monitoring and coordinated community engagement will support the early identification and management of health risks, reducing preventable injuries, complications and avoidable loss of life among initiates. By formalising oversight mechanisms and strengthening collaboration with traditional leaders and community structures, this intervention promotes safer cultural practices while reinforcing community trust and social cohesion.

An additional allocation of R80 million in 2026/27 is provided to the WCMD for the procurement of two heavy-duty mobile Diagnostic Scanners to significantly enhance road-level detection and enforcement capacity. The absence of advanced scanning technology at strategic road points has enabled the movement of illicit goods, narcotics, firearms, stolen vehicles and trafficked persons, while existing manual inspection methods are time-consuming, intrusive and expose officers to safety risks. The new mobile non-intrusive scanning systems will be deployed at weighbridges, ports, provincial borders, freight corridors and major event checkpoints to strengthen detection capabilities without requiring physical offloading of cargo or drivers exiting vehicles. The scanners will feature high-energy digital X-ray imaging with material discrimination capability, integrated radiation shielding compliant with safety standards, self-contained power supply, and the ability to operate in both stationary and mobile modes. By improving intelligence gathering, enabling better integration with enforcement systems and enhancing real-time information sharing, the investment will strengthen law enforcement operations, disrupt criminal syndicates and contribute to safer communities and a more secure economic environment.

### Effective and Responsive Law Enforcement

DPOCS continues to focus on reducing murders through the Law Enforcement Advancement Plan (LEAP) programme. In late 2022/23, LEAP contributed to a 14.1 per cent decrease in murders in targeted areas, and in 2024/25 it maintained a deployment of more than 1 000 trained officers in high-crime precincts, helping to reduce murder rates faster than the provincial average. In September 2024, deployment was streamlined from 13 to 6 priority zones (Delft, Gugulethu, Khayelitsha, Mitchells Plain, Nyanga and Philippi East), where homicides then declined by 1.5 per cent compared with a provincial reduction of 0.8 per cent. Operational effectiveness has been strengthened through digital systems such as ShotSpotter and the Emergency Policing Incident Command platform, supported by the Safer City Cooperation Agreement. Over the 2026 MTEF, R1.140 billion is earmarked to the LEAP programme as it evolves into a sustained provincial law-enforcement capacity, with targets to maintain at least 850 Learner Law Enforcement Officers and extend support to 25 municipalities. In addition, to establish a central, strategic hub to coordinate, advise, monitor, and scale gang prevention and intervention initiatives across the Western Cape, ensuring evidence-based, province-wide impact with a specific focus on identified gang hotspot areas, an additional allocation of R6 million over the 2026 MTEF towards the Western Cape Anti-Gang Hub and pilot SAPS detective services.

DPOCS drives accountability within the criminal justice system through independent monitoring and reporting. In 2024/25, the Western Cape Police Ombudsman (WCPO) processed 366 complaints, and the DPOCS sustained its Court Watching Brief (CWB) programme to monitor murder and GBV cases. R54.231 million is within the baseline over the 2026 MTEF to develop and implement the Capability Maturity Matrix (CMM) to assess station-level performance and has targeted 45 court visits annually via the CWB.

### ■ Educated, Healthy & Caring Society

The EHACS Portfolio plays a central role in supporting residents across the life course by delivering core services in education, healthcare, social development and agriculture through an integrated, people-centred approach. The Portfolio responds to the interconnected factors that shape wellbeing, including early childhood development, youth development, mental and physical health, social protection and spatial inequality. Within a constrained fiscal environment and rising service demand, the Portfolio prioritises collaboration and innovation to sustain frontline services while strengthening human capital and social infrastructure. By improving health, education and resilience to climate and disaster-related risks, the Portfolio contributes to a more capable workforce and supports long term economic growth and social stability. An amount of R208.643 billion is allocated to the EHACS policy priority area over the 2026 MTEF.

## Improved Child Wellbeing

DSD continues to strengthen child protection services through evidence-based interventions and partnerships. At the end of December 2025, 43 317 children were in foster care, highlighting sustained demand for services. In 2026/27, foster care supervision will be intensified through additional oversight by senior social work staff. Reunification services will be strengthened through standardised programmes and improved delivery. Child Care and Protection services are allocated R878.709 million over the 2026 MTEF.

Secure care capacity increased to 443 beds in 2024/25 following the addition of 55 beds, alongside infrastructure upgrades at Horizon, Outeniekwa, and Clanwilliam CYCCs. Therapeutic programmes include skills development and work readiness initiatives to support reintegration. The opening of the Fountain of Hope Intermediate CYCC in September 2025 introduced a new care model for children transitioning from secure care. A further CYCC will open in Murraysburg in April 2026 to improve access in the Great Karoo. The dual registration of the Kensington Youth Treatment Centre as a CYCC for girls further expands integrated care options. Within the DSD, an amount of R475.419 million is allocated over the MTEF to support CYCCs.

Youth leaving alternative care is a new focus area for DSD. The focus has primarily been on statutory care of children in alternative care, with substantive resources directed to foster care and children in CYCCs. However, once the child matures into adulthood and leaves residential care, very few services are rendered. Therefore, DSD launched a pilot in January 2026 for youth leaving alternative care, focusing on those leaving cluster foster care and NPO CYCCs. During the pilot phase, industry standards for independent living were developed in addition to the funding of three organisations to care for 40 young adults leaving alternative care. An additional allocation of R9.5 million is made available over the 2026 MTEF to provide independent living for vulnerable young adults leaving alternative care, as well as an additional R6 million to improve adolescent mental health. Caregivers of children with disabilities face significant economic and social pressures. In 2024/25, 12 398 children at risk, including 86 children with disabilities, accessed developmental support through funded Risiha sites and Drop-in Centres. Over the 2026 MTEF, the Department will prioritise supporting at least 100 persons with disabilities to access DSD residential facilities. Additional funding of R15.5 million is to make provision for bedspace enhancement for children with disabilities placed at CYCCs.

The Social Work Integrated Management System (SWIMS) modernises case management and administrative processes, improving efficiency and service quality. Since rollout began in April 2024, SWIMS has enabled automated data capture and significantly reduced administrative time. To date, the Department has 1 199 active users on the system, 74 social workers from the WCED, as well as social workers from Non-Government Organisations: StellCare (38) and Valley Development Projects (17). The Department will continue to roll out the app so that other social workers can benefit. On the 1<sup>st</sup> of April 2026, 200 ACVV (Afrikaanse Christelike Vrouevereniging) social workers will go live on the system, as well as 37 social workers from DHW, covering the Cape Winelands, Overberg, West Coast and Eastern Khayelitsha regions. Over the 2026 MTEF, the focus will be on system enhancement, hardware modernisation, and workforce stability. By reducing administrative time per case, SWIMS saves approximately 312 900 minutes per month, equivalent to 652 workdays, across the social work workforce. Funding amounting to R6 million over the MTEF will support system upgrades and digital enablement.

Child health remains a core priority that drives Improved Child Wellbeing and supports the “Start Well” phase of the life-course approach. In 2024/25, DHW achieved an infant first PCR HIV-positive rate at birth of 0.70 per cent, better than the 0.94 per cent target, deployed six new mobile units for integrated school health services, launched the Province’s first Paediatric Palliative Care Framework, and recorded a facility neonatal death rate of 8.7, which was below target.

Over the 2026 MTEF, R63.691 billion is provided to continue implementing child health services, such as immunisation services, and to implement an integrated digital child health record so that key indicators can be tracked from birth through adolescence and used to guide more responsive interventions. The focus will also remain on strengthening primary health care, expanding the role of Community Health Workers to reach vulnerable children in unregistered crèches and on farms, as well as scaling the Planet Youth flagship to reduce the long-term impact of substance use and violence. In 2026/27, key targets include reaching 72.7 per cent immunisation coverage for children under one year and screening 5 252 Grade R learners so that they enter school healthy and ready to learn.

### **Increase Youth Resilience, Civic, Educational, and Economic Participation**

Public Ordinary School Education remains the core delivery vehicle for basic education in the Province, providing education from Grade R to 12 in accordance with the South African Schools Act and White Paper 6 on Inclusive Education. Over the 2026 MTEF, the WCED will continue to prioritise improved learning outcomes across all grades, enhanced professional development of educators, and strengthened governance and accountability. Public Ordinary School Education is allocated a total budget of R25.504 billion in 2026/27; R26.555 billion in 2027/28; and R27.199 billion in 2028/29, underscoring its central role in stabilising schools, accommodating learner growth, and driving systemic improvements in the Province’s schooling environment.

The Early Grade Literacy and Numeracy programme will continue to be a cornerstone of the WCED’s strategy to address learning poverty and place learners on a strong developmental trajectory from the foundation phase. The annual systemic test results for 2024 demonstrated the good progress made in getting the Province’s learning back on track, with selected scores surpassing pre-Covid-19 levels. The pass rates for Grade 3 Language are now higher (45.4 per cent) than they were in 2019 (44.9 per cent). Over the 2026 MTEF, the Department will continue to invest in evidence-based interventions aimed at ensuring that learners acquire foundational reading and perform basic numeracy skills by the end of Grade 3. Planned activities include the provision of structured learning programmes, learner and teacher support materials, and classroom-based assessments.

The programme also emphasises the use of learner performance data to inform differentiated support and instructional improvement. By strengthening early learning outcomes, the Department seeks to reduce later-grade repetition, improve progression rates, and enhance overall system efficiency. Over the 2026 MTEF, R96 million is allocated in 2026/27; R100 million in 2027/28; R104 million in 2028/29.

Improving the quality of teaching remains one of the most significant levers for increasing learner achievement. Quality of Teaching and Teacher Development forms part of the Department’s flagship programme: Strengthening School Performance.

Over the medium term, the WCED will prioritise continuous professional development for educators, with a strong focus on pedagogical content knowledge, curriculum coverage, modelling effective lessons, and applying practical strategies for differentiated teaching in classrooms. During 2024/25, comprehensive teacher development achievements included: 359 Afrikaans Home Language teachers trained in synthetic phonics; 1 931 isiXhosa Language of Learning and Teaching (LoLT) teachers completing structured Funda Wandu programmes; and 2 568 English LoLT teachers certified in Science of Reading methodology.

The Cape Teaching and Leadership Institute (CTLI) will implement a provincial Continuing Professional Teacher Development (CPTD) Plan to address the national and strategic priorities of the WCED and WCG. The plan aims to raise efficiency strengthening teacher capacity, enhancing leadership development, and improving instructional practice across all districts. Key priorities include delivering high-quality professional development programmes, supporting curriculum implementation through targeted training, and advancing digital teaching competencies. The CTLI will also drive innovation in teaching methodologies, supporting professional learning communities, and providing specialised coaching to improve learner outcomes. As part of the Department's commitment to improve the quality of teaching, teacher development and upskilling, R159.375 million is allocated in 2026/27; R166.547 million in 2027/28; and R174.042 million in 2028/29.

Strong leadership is central to sustained school improvement. The WCED will prioritise incentivising, recruiting, selecting and developing high-performance principals and School Management Teams (SMTs). Interventions will include incentivising performance where it matters; reform recruitment and selection; building a leadership development pipeline by introducing a "Future Principals Programme"; and developing principals and SMTs as instructional teams. Improved leadership capacity is expected to translate into better school culture, improved learner outcomes, and more resilient school communities. The Department is allocating R85 million in 2026/27 and 2027/28; and R80 million in 2028/29 towards strengthening school performance.

The WCED is committed to increasing quality passes in Mathematics and Physical Science and deepening support for learners. Through the Back on Track programme the department aims to increase the proportion of learners achieving quality NSC passes (60 per cent and above) and to improve retention in Mathematics and Physical Sciences in FET (Grades 10 - 12) over the medium term. To give effect to this, R31.350 million is allocated in 2026/27; R32.761 million is allocated in 2027/28; and R34.235 million is allocated in 2028/29.

DCAS collaborates with local stakeholders to facilitate district-based youth camps through the Recreation and MOD Programme, ensuring equitable access to life-changing opportunities for young people across the Western Cape. These camps, strategically designed to reach rural and underserved areas, combine sports, arts, and life skills activities to foster personal growth, resilience, and social cohesion. Led by trained professionals and community leaders, the camps provide a safe and inclusive environment where youth can explore their talents, build meaningful connections, and gain critical skills for personal and community development. By integrating the camps into the MOD Programme's delivery model, DCAS ensures that structured pathways for progression are established, linking these experiences to ongoing development opportunities within Sport Development programmes. These district-based camps reiterate DCAS's commitment to empowering youth and strengthening communities throughout the Province.

Over the next five years, the MOD Strategy sets out clear performance targets to strengthen the reach and impact of these camps. Programme delivery will be anchored by 315 fully operational MOD centres, with a strong emphasis on expanding access in rural communities. To ensure consistent participation across the system, the programme aims to reach 9.5 million learner engagements annually, supported by digital attendance and monitoring through the Teampact system. The two annual District youth camps targeting Grade 9 learners from 43 MOD centres and broader MOD activities was delivered by 496 youth coaches on structured three-year contracts, all of whom will receive accredited induction training and ongoing professional development. The MOD Programme is allocated R243.804 million over the 2026 MTEF. Included is an additional allocation of R15.8 million over the 2026 MTEF to support the expansion of the MOD Programme.

### **Increase the Wellbeing and Agency of Adults and Older Persons**

Gender-based violence (GBV) remains a significant social challenge in the Province. During 2024/25, 24 464 victims accessed psychosocial services, while 2 042 women and children were accommodated in GBV shelters. The GBV Ambassador Programme, launched in December 2024, mobilises trained community volunteers to provide first-line support, raise awareness, and facilitate access to services. In 2024/25, 207 ambassadors were trained across 14 locations. This initiative has since expanded substantially across urban and rural areas, with 860 ambassadors currently active province-wide.

Victim support was further strengthened through the appointment of 24 specialised GBV social workers at regional offices, ongoing funding of shelters, and the operation of nine Thuthuzela Care Centres (TCCs) in partnership with the NPA and the DHW. Capacity building included specialised RISE training for social workers to enhance therapeutic responses and case management. Over the 2026 MTEF, DSD aims to increase access to psychosocial services to 24 120 victims in 2026/27, 25 620 in 2027/28, and 26 120 in 2028/29. Increased funding of R12.6 million over the MTEF will support shelter expansion and GBV Ambassador scale-up. This further supplement the R34.539 million budget already allocated specifically for GBV support services.

In 2024/25, 36 shelters provided 2 392 bed spaces for homeless adults, supported by social workers and auxiliary staff to promote stability, dignity, and reintegration. Additional 2026 MTEF allocations amounting to R9.9 million will strengthen shelter capacity and psychosocial support. For Older Persons, services include independent and assisted living, frail care, and community-based interventions. Increased allocations of R36 million will enhance protection, dignity, and quality of care for older persons.

The DHW prioritises the wellbeing of adults and older persons through the “Live Well” and “Age Well” phases of its life-course approach, anchored in the Emerging 2050 Strategic Framework. These system reforms are designed to transition the provincial health system from a curative paradigm to a *wellness-focused* ecosystem that integrates human and environmental health to support the Province’s rising elderly demographic. In 2024/25, the DHW achieved demonstrable progress in service delivery reform by rolling out Community-Oriented Primary Care (COPC) and subsidising 4 661 residential care beds and 8 619 community-based care services to decentralise support and reduce facility pressure.

Additional achievements included completing situational analyses for wellness pilot sites and providing specialised chronic care services, such as wound management and nutritional support for elderly patients. R86.98 billion is allocated over the 2026 MTEF to support the continued provision of equitable health services to residents, strengthen the role of Community Health Workers (CHWs), and implement the Wellness Strategy through Community-Oriented Primary Care (COPC). These interventions are specifically aimed at addressing the quadruple burden of

disease, with a strong focus on prevention, including non-communicable diseases (NCDs) and mental health. The DHW is working towards specific long term health system goals, including improving life expectancy to 70 years and ensuring equitable distribution of health professionals to facilities. An additional R2.225 billion is allocated over the 2026 MTEF to address baseline pressures within the Department.

### **Growing Food, Growing Dignity – A Whole-of-Province Commitment to Food Security**

In communities across the Province, the quiet work of planting, tending and harvesting has become a powerful instrument of dignity. The quest is simple yet profound: to improve nutrition by enabling vulnerable households and communities to grow more of their own food. Through this approach, food security becomes more than a safety net; it becomes a pathway to resilience, wellbeing and self-reliance.

Over the 2026 MTEF, the DoA Food Security sub-programme has been allocated R64.410 million to advance this vision. The programme supports household and school food gardens as part of a broader dignity and wellbeing drive, equipping communities with both the means and the knowledge to strengthen their own food systems. In 2024/25 alone, 36 school gardens were supported alongside 3 111 household producers, each representing a family or learning community better positioned to meet its nutritional needs. Building on this foundation, the Province plans to support approximately 20 school gardens and 2 250 household producers per year over the 2026 MTEF, guided by a dedicated Food Security Plan aligned to Outcome 2: Improved food security and safety.

This community-centred work is reinforced by a strong social protection framework led by DSD. Recognising food security and nutritional support as a core pillar of its mandate, the DSD has prioritised targeted interventions to shield vulnerable households from hunger and social distress. An amount of R12.256 million is dedicated to Food Security initiatives focused on the provision of nutritious meals. A further R56.736 million is allocated to food distribution centres and community nutrition development programmes. These centres do more than provide daily meals to vulnerable individuals; they serve as spaces of empowerment, incorporating life-skills training that fosters resilience, confidence and pathways to greater self-reliance.

In times of acute hardship, additional support is critical. To this end, R81.413 million has been set aside for food relief under social distress interventions, ensuring that households facing sudden crises are not left without assistance. Collectively, these allocations reflect a comprehensive and responsive approach, one that addresses immediate hunger, strengthens community-based support systems, and builds longer-term food security.

Complementing these efforts is the transformative reach of the National School Nutrition Programme (NSNP) Grant. Over the 2026 MTEF, R1.771 billion has been allocated to provide daily, nutritious meals to learners in Quintile 1–3 primary, secondary and special schools. This investment supports improved learner attendance, concentration, health and overall educational outcomes, recognising that effective learning cannot take place on an empty stomach. To safeguard the sustainability of the programme amid rising costs, an additional R219.014 million has been allocated specifically to address food inflation pressures, ensuring that the school feeding programme remains credible, adequately funded and resilient over the medium term.

The NSNP currently reaches learners across 1 069 public ordinary and special schools. Its impact continues to expand: beneficiaries increased by 8.6 per cent, or 42 690 learners, from 497 660 in 2021 to 540 350 in 2025. Since 2022, nutrition beneficiaries have consistently represented more than half of the total learner population in public ordinary schools, underscoring the central role of school feeding in supporting both food security and educational achievement in the Province.

Together, these investments tell a coherent story. From backyard gardens to community kitchens and school feeding schemes, the Province's approach to food security is both compassionate and strategic. It meets immediate needs while nurturing long term resilience, ensuring that growth, dignity and care remain at the heart of public service delivery.

*Source: Western Cape Government*

## Improved Spatial Transformation and Social Infrastructure

The Regional Socio Economic Projects (RSEP) programme assists Western Cape municipalities with planning, designing and implementing projects that enhance social, economic and spatial integration in underserved areas. In 2024/25, RSEP supported 14 municipalities with infrastructure and non-infrastructure initiatives to improve safety, economic prospects and spatial integration in marginalised communities and smaller towns, and over the 2026 MTEF it is expected to operate in at least thirteen municipalities annually to bolster local planning and development.

Housing Market Studies in the Western Cape provide municipalities with detailed analysis of local housing supply, demand, prices, affordability and market gaps. This information underpins better planning and policy, including Inclusionary Housing and innovative affordability instruments; the DEAD&P intends to complete seven housing market studies and update four additional municipal studies in 2025/26.

The Spatial Planning and Land Use Management (SPLUM) Governance Assessment and Support Programme assists municipalities with improving spatial planning and land use systems by developing and rolling out good practice initiatives and offering advisory support. It seeks to advance spatial transformation, regional resilience and inclusive growth, while the SPLUM Governance Assessment tool tracks municipal compliance and capacity; the programme maintains a target of three best practice initiatives per year over the 2026 MTEF to strengthen governance and land use management.

The Western Cape Spatial Development Framework (WCSDf) is the Province's overarching spatial policy instrument, guiding coordinated planning, resource allocation and decision-making across sectors to maximise collective impact and build long term regional resilience. Work is under way on the WCSDf 2035 to replace and update the 2014 framework so that the Province's spatial strategy remains current and effective, as required by the Spatial Planning and Land Use Management Act (SPLUMA).

One of DoI's key measurable outcomes is to leverage the provincial infrastructure portfolio to advance fundamental spatial transformation through mixed-use and mixed-income developments enabled by strategic land release and partnerships. Progress will continue at the Conradie Precinct, including the construction of a private school, completion and tenanting of Phase 2 social housing, planning for Phase 3, and ongoing development of the retail centre and associated residential units, while outstanding external road works, including the Aerodrome Bridge, will proceed once City of Cape Town funding is secured.

The Leeuloop Precinct in the Cape Town CBD will be handed over to a developer to commence construction, and developers will be appointed for additional mixed-use and mixed-income projects across the Cape Town Metro, such as Founders Garden and the Provincial Pavement Testing Laboratory, subject to successful procurement and statutory processes. Enablement and de-risking activities to secure development rights and appoint developers will also continue on priority sites, including 353 on Main Road (Sea Point), the Oude Molen Precinct (Pinelands), Stikland, and the Government Garage Precinct.

During 2024/25, the first two open market blocks in Conradie Park were completed and have been transferred to new owners. On 28 November 2024, the sports precinct at the Conradie Park was launched, demonstrating the Western Cape Government's commitment to building inclusive and thriving communities. R6.237 billion is allocated over the 2026 MTEF, to further promote sustainable integrated human settlement development in the Western Cape.

Public libraries in the Western Cape are essential in building cohesive communities by providing safe, welcoming spaces where individuals of all ages can learn, connect, and grow. Through community programmes like reading groups, workshops, and wellness activities, libraries foster social connections, reduce isolation, and encourage a sense of belonging. To promote literacy and create a strong culture of reading, libraries host diverse programmes including digital literacy training, story hours, book clubs, and visits to ECD centres and schools. By reaching out to the community and offering intergenerational programmes, public libraries play a vital role in developing early literacy skills, cultivating a love of reading, and uniting people across generations, all of which strengthen community bonds and foster a more informed, resilient society.

A key priority for DCAS is reimagining public libraries as multi-purpose community centres, fostering collaboration with recreational centres and serving as access points for other government services. This vision involves developing a modern Service Delivery Model that emphasises digital integration (e.g., eBooks), community hubs, access to technology, and inclusive spaces supporting cultural preservation, innovation, and creativity (e.g., makerspaces, innovation labs, and creative studios). The Western Cape Library Services is provided R1.327 billion over the 2026 MTEF. Included is an additional allocation of R8.093 million over the 2026 MTEF for the augmentation of library book allocations to sustain access to quality and up-to-date learning materials in public libraries, supporting reading-for-meaning and foundation phase literacy outcomes.

### Education Infrastructure

The WCED's Rapid School Build Programme is building beautiful schools in poor communities, faster than ever before. The programme also contributes to learner safety and wellbeing by providing appropriate infrastructure that meets minimum norms and standards. In 2025, the Rapid School Build programme at that point, had completed 15 new schools, in communities where demand for school places is highest, including Delft, Atlantis, Crossroads, and Kwanokuthula. For the 2026 school year, 9 new schools were fully completed and opened in a phased approach. These schools are located in Lwandle, Wallacedene, Blue Downs, Philippi, Tafelsig, Darling, Fisherhaven, and Plettenberg Bay.

The Department is launching the first phases of two additional new schools, namely Ilitha Park High School in Khayelitsha and Brantwood High School in Kuils River. In addition, permanent brick-and-mortar classrooms have been constructed at 12 existing schools. Overall, a total of 175 new classrooms have been added to the education system. Over the medium term, the WCED will prioritise the construction of new schools and the expansion of existing facilities in high-growth areas. This investment is essential to ensure safe, dignified and fit-for-purpose learning environments, reduce overcrowding, and support equitable access to education.

During the 2024/25 financial year, the DoI continued to deliver and upgrade education facilities on behalf of WCED to accommodate increasing learner enrolments and improve the condition of the public school asset base. Key achievements included the completion of Macassar Primary School in November 2024 at a cost of R106 million, providing 46 classrooms for up to 1 860 learners; and the opening of Happy Valley Primary School in January 2025 at a cost of R78 million, accommodating 1 240 learners.

In addition, Waveren Primary School was replaced and completed in December 2024 at a cost of R93 million to address substandard infrastructure and provide capacity for 1 240 learners. Alongside new builds and replacements, the DoI implemented upgrades and additions to existing

schools to respond to changing educational needs, guided by two strategic objectives: expanding the public school asset base to meet growing demand and ensuring that facilities are fit for purpose to support quality education outcomes. While further completions are scheduled at Happy Valley Primary School, Concordia Primary School in Knysna and Graafwater Primary School in the West Coast District, ongoing maintenance of existing schools continues in line with WCED priorities.

Over the 2026 MTEF, R6.437 billion is allocated to provide and maintain infrastructure facilities for public ordinary schools, special schools and Early Childhood Development centres. As part of this MTEF allocation, an additional allocation of R30.356 million is provided in 2027/28 and R300 million in 2028/29 to finalise new schools, with priority given to the replacement and refurbishment of schools built with inappropriate or hazardous materials, such as asbestos.

### Health Infrastructure

The delivery of health infrastructure remains a key instrument in modernising the provincial healthcare system and improving health and wellness outcomes for residents of the Western Cape.

During the 2024/25 financial year, the DoI continued to support the DHW through the completion of several strategic projects, including the construction of the Ladismith Clinic, extensive repairs and renovations at Helderberg and Stellenbosch Hospitals, upgrades at the Darling Ambulance Station, the Pinelands Orthotic and Prosthetic Centre, and the refurbishment of an accessible building at Tygerberg Hospital to accommodate the Western Cape Blood Service.

In the 2025/26 financial year, infrastructure delivery continues to progress, with 24 health infrastructure projects currently under construction through the DoI. Of these, 18 projects are expected to be completed during the year (15 confirmed and 3 estimated), representing a total project value of approximately R691.682 million. The largest projects scheduled for completion include the Ravensmead Community Day Centre replacement, the Acute Psychiatric Unit at the New Somerset Hospital in Green Point, and the Acute Psychiatric Unit at Eerste River Hospital, which will expand specialised mental health infrastructure and strengthen access to healthcare services across the Province.

The DHW utilises capital investment to drive local economic activity. Building on the completion of five capital projects in 2023/24, including forensic pathology laboratories and ventilation refurbishments at Groote Schuur, the DHW is expanding its infrastructure pipeline. R3.779 billion is allocated over the 2026 MTEF, towards the construction of new health facilities and the refurbishment, upgrading and maintenance of existing infrastructure across the health platform, including Community Health Centres and clinics, EMS facilities, district hospitals, provincial and specialised hospitals, tertiary and central hospitals, as well as other facilities such as forensic pathology services, nursing colleges and health training institutions. R1.420 billion will be allocated over the 2026 MTEF for Non-Infrastructure related interventions, such as Health Technology. Three catalytic projects will serve as anchors for health access and local development, namely Tygerberg Central Hospital (delivered via a Public-Private Partnership), Metro-East (Belhar) Regional Hospital, and Klipfontein Regional Hospital. Health infrastructure priorities are being aligned with population health needs and geographic deprivation indices. In addition, as a response to the unforeseen and unavoidable fire on 27 January 2026 at Paarl Regional Hospital, which caused significant damage to the Outpatient Department (OPD), an additional allocation of R67 million is allocated in the 2026/27 financial year to address the damage.

## Effective Approach to One Health and Disaster Management

One Health is an integrated, cross-sectoral approach that recognises the interdependence between human, animal and environmental health, requiring coordinated action across health, veterinary and environmental sectors. In the Western Cape, it is applied as a transversal strategic priority to manage zoonotic diseases (such as rabies), strengthen climate and environmental resilience, and improve outbreak surveillance and response, forming part of a broader Whole-of-Society governance model that addresses the wider social and environmental determinants of health.

The Disaster Management Programme, led by DLG through the Provincial Disaster Management Centre (PDMC), strengthens disaster risk reduction, preparedness, response and recovery across the Western Cape, supporting effective and coordinated mechanisms at both provincial and municipal level.

During the 2024/25 financial year, the Province experienced several severe weather events that resulted in widespread flooding and infrastructure damage, particularly in the West Coast, Cape Winelands and Overberg District Municipalities, with the Garden Route also affected. The PDMC coordinated immediate response and recovery efforts with key sector departments and facilitated national disaster funding applications exceeding R1 billion to support the repair and rehabilitation of damaged infrastructure. Capacity-building was advanced through the approval of a Disaster Management Internship Programme in each district municipality and the launch of a three-year Disaster Management Learning Programme comprising 16 short courses tailored to municipal needs. Municipal response capability was further strengthened through support for Hazardous Materials (HAZMAT) incidents, continued rollout of firefighting equipment under the Fire Service Capacity Building Grant, aerial and ground wildfire suppression support, and the institutionalisation of the Incident Command System to improve coordination during major emergencies.

Over the 2026 MTEF, DLG is allocated R220.513 million to manage disaster management at provincial and local level. This includes an amount of R65.530 million allocated for Integrated Fire Management, firefighting and aerial support. The Department will prioritise enhancing the capacity of municipal disaster management centres, strengthening fire and rescue services, improving multi-hazard risk assessments and early warning systems, and embedding coordinated, risk-informed approaches to ensure a more resilient and disaster-prepared Province.

Focus areas include strengthening governance and operational readiness within Intergovernmental Relations (IGR) structures, improving emergency response coordination, supporting compliance with disaster management legislation, and enhancing institutional capacity to respond to climate-related risks, fires, floods and other emergencies. Through targeted support, risk-informed planning and improved coordination across spheres, this priority aims to build safer, more resilient municipalities capable of protecting lives, infrastructure and local economies.

CapeNature is strengthening fire preparedness and active firefighting capacity. This allocation increases resources for fire prevention, early detection and firefighting teams to protect biodiversity, communities and infrastructure from more frequent and intense wildfires. These activities are allocated R18.71 million over the 2026 MTEF.

The Western Cape Sustainable Water Protection Plan coordinates efforts to protect the Province's water resources around three pillars: Ecological Infrastructure, Water Quality and Pollution, and Water Sensitive Design using nature-based solutions. It supports municipalities to embed sustainable practices, improve monitoring and data systems and attract investment in ecological restoration and pollution control, while advancing the EHACS Portfolio's One Health approach and reinforcing water security under the Growth for Jobs outcome.

Municipal planning is being supported to integrate ecological infrastructure. Work with municipalities will integrate ecological infrastructure into their investment plans so that catchments and services are more resilient. These activities are allocated R12 million over the 2026 MTEF.

The Air Quality sub-programme is allocated R79.730 million over the 2026 MTEF. Air quality management in the Western Cape aims to secure cleaner air through law enforcement, strategic policy and robust provincial systems, supporting local, national and international initiatives by designating priority areas, monitoring ambient air and tracking emissions. Ten air quality stations, upgraded with new analysers in 2025/26, underpin this work, and the provincial monitoring network will be recapitalised and operated so that reliable data is available for health protection, compliance and planning. These monitoring activities receive an additional R18.000 million over the 2026 MTEF to expand policies and interventions informed by INSIGHT data, reduce pollution-related health problems and promote long-term environmental and public health gains.

INSIGHT is a cross-sector platform that integrates water and air quality monitoring data to identify pollution sources and support more targeted health policies and actions. By bringing together environmental data, health information and specialist input, it strengthens the detection of pollution-related illnesses such as respiratory and waterborne diseases, improves environmental management and contributes to more resilient, healthier communities.

At the same time, DEA&DP is pushing ahead with industrial decarbonisation. Targeted support will help improve the greenhouse gas emissions profile of the industrial sector, tackling both energy use and Industrial Processes and Product Use (IPPU) emissions, backed by R4.000 million over the 2026 MTEF.

To guide this transition, DEA&DP is also shaping clearer mitigation signals for key sectors. Work on defining and maintaining emission reduction targets for priority sectors will give government and industry firmer direction for planning, budgeting and regulation, with R4.800 million allocated over the 2026 MTEF.

Long-term climate pathways are being updated as new information emerges. A technical update of the Western Cape Emissions Pathway will bring in the latest emissions data, mitigation measures and real-time implementation insights, supported by R3.250 million over the 2026 MTEF.

On the governance front, the Compliance and Enforcement Programme is sharpening environmental oversight, with a budget of R74.804 million over the 2026 MTEF, including an additional R8.619 million to strengthen personnel capacity. The programme responds to complaints, monitors compliance with environmental authorisations and takes enforcement action where breaches are found, while building national compliance and enforcement capability through training and partnerships. In 2024/25 it conducted 408 compliance inspections, with a target of 390 inspections per year over the 2026 MTEF and aims to raise overall compliance with environmental legislation from about 67 per cent in 2025/26 to over 68 per cent on average over the 2026 MTEF.

The hazardous waste intervention project improved chemical safety in schools by developing a Standard Operating Procedure (SOP) for managing obsolete chemicals. This gave the WCED a practical guideline for identifying, handling and disposing of outdated or hazardous substances, raising safety and environmental performance. Going forward, greater emphasis will be placed on cutting single-use plastics and ensuring safe hazardous waste disposal, potentially through public awareness drives and tighter rules for high-risk industries.

During 2024/25, DSD provided coordinated psychosocial support and social relief in response to disasters, including incidents in George, Riverlands, and Chatsworth. Support included counselling, humanitarian aid, and housing assistance through funded organisations. The Department's approved Social Relief Disaster Management Protocol (2025) strengthens coordination, training, and implementation of disaster response and post-disaster relief, with a focus on proactive risk reduction, particularly in rural areas. This will include targeted training of DSD staff on all relevant Protocols and Standard Operating Procedures. These key interventions will be maintained through a proactive risk reduction approach in all areas in the Province, especially rural areas, most affected by incidents of disasters, including drought, floods and residential fires. Over the 2026 MTEF, the Department is allocated an additional R6.225 million to provide nutritional support during a disaster, supplementing the R13.124 million allocated for Humanitarian relief and Disaster response services.

The DPOCS enhances provincial stability by safeguarding critical infrastructure and assets across all Western Cape Government (WCG) departments. In 2024/25, the Security Support Team demonstrated operational agility by deploying to major emergencies and public events to protect essential facilities. R316.061 million is allocated over the 2026 MTEF to improve departmental security maturity from Level 1 to Level 3 by 2030, supported by 650 maintenance exercises on access control and CCTV systems in 2026/27.

## Innovation, Culture, and Governance

The IC&G Portfolio strengthens the WCG's internal capability, governance systems and organisational culture in a complex, resource-constrained environment. It focuses on transparency, digital transformation and outcomes-based governance to improve service delivery and public trust. By coordinating innovation and evidence-based planning, it helps departments respond to emerging risks and deliver integrated, resident-centred services that support investment, economic activity and growth. The IC&G priority receives R31.924 billion over the 2026 MTEF.

### **Innovation**

Over the 2026 MTEF, the Department of the Premier (DotP) will embed innovation across the WCG as a core lever to improve service delivery and institutional performance. Through the Innovation for Impact Strategic Framework, the Department will promote a culture of experimentation and problem-solving, create structured spaces to design and test solutions to complex Western Cape challenges, build officials' innovation skills, and strengthen partnerships with external stakeholders to co-create solutions.

The e-Kiosks for Digital Services initiative, implemented through the Centre for e-Innovation (Ce-I) in DotP, remains a key enabler of the WCG's digital transformation agenda and broader digital inclusion objectives. The initiative enhances digital access, connectivity and service innovation,

particularly in communities with limited access to online government services and supports the 2025 – 2030 Provincial Strategic Plan outcome of a digitally empowered and enabled WCG.

During the 2024/25 financial year, substantial progress was made in expanding and modernising the e-Kiosk network as part of the Province's Digital Government Strategy. A mobile e-Kiosk was deployed and played a critical role in the 2024 George building-collapse disaster response, demonstrating the value of flexible, responsive digital infrastructure in crisis situations. The network of 82 e-Kiosks, supported in collaboration with Library Business Corners, recorded 21 469 registered users, with a strong concentration in rural areas, reflecting improved digital reach and inclusion. The e-Kiosks continued to support residents in applying for services, accessing information, and building digital literacy, while serving as community innovation points connecting residents to learning, business and employment opportunities.

Over the 2026 MTEF, the DotP is allocated R4.268 billion to enable service excellence through Information and Communication Technology (ICT), including an additional R6 million for e-Kiosks for Digital Services and R21.5 million for Mobile e-Centres. Through Programme 4: Centre for e-Innovation, the Department will accelerate digital transformation by strengthening broadband and ICT infrastructure at more than 2 000 WCG sites and expanding public Wi-Fi and digital hubs in vulnerable communities. Integrated initiatives such as e-Kiosks, e-Centres, broadband and public Wi-Fi will continue to combine connectivity, devices and frontline support to provide seamless physical and digital access to government services, improving efficiency, access and public trust across the Province.

In parallel, the Department will implement the WCG Artificial Intelligence (AI) Strategy and Governance Policy Framework for AI, supported by stronger data governance and ICT oversight. The AI strategy will identify and implement ethical, responsible and value-creating AI use cases that improve productivity, turnaround times and proactive decision-making. Over the medium term, this work will consolidate the WCG Digital Transformation Plan, strengthen cloud and data platforms, enhance cybersecurity and create a shared digital ecosystem that reduces duplication, optimises ICT spending and improves service outcomes.

Provincial Treasury will institutionalise Alternative and Blended Finance as a key instrument to expand fiscal space and unlock catalytic infrastructure in a constrained funding environment. It will mobilise private capital, development finance, concessional funding and other innovative instruments to support large-scale infrastructure and service delivery projects, using structured financing models and robust risk assessment to crowd in external capital while protecting fiscal sustainability and ensuring fair risk-sharing. Partnerships with domestic and international financiers will support climate-resilient, low-carbon and growth-enhancing infrastructure.

In education, EduInvest is positioned as a catalytic public-private collaboration between the WCED and Wesgro to attract investment into the education sector. The initiative focuses on expanding affordable independent schools, increasing classroom capacity and alleviating overcrowding in public schools. By mobilising corporate social investment and fostering collaboration between government and the private sector, EduInvest supports education innovation and complements the core education budget while contributing to the long term development of a stronger provincial skills pipeline.

DPOCS is advancing an evidence-led approach to violent crime by integrating advanced surveillance, analytics and coordinated governance. Intelligence-led policing has been strengthened through the Safer City Cooperation Agreement, with technologies such as ShotSpotter and EPIC deployed across Law Enforcement Advancement Plan vehicles to enable

real-time situational awareness, crime mapping and data-driven deployment in high-crime precincts. During the 2024/25 financial year, emphasis was placed on establishing the Provincial Safety Coordination Centre. Going forward, R6.526 million is earmarked over the 2026 MTEF for the Provincial Safety Coordination Centre as a whole-of-government intelligence hub, expanding integrated datasets to support predictive analysis and proactive decision-making.

The DHW's digital health transformation is a key enabler of a high-performance, resident-centred health system, aligned with the WCG Digital Transformation Plan 2.0, eVision 2030 and its 2025 – 2030 Strategic Plan. Progress includes scaling telehealth for chronic care, adopting digital clinical tools such as the Single Patient Viewer, upgrading infrastructure across primary care and hospitals and building foundational data integration through the Patient Master Index. Furthermore, DHW has advanced digital transformation by expanding telemedicine, integrating patient and clinical information systems, and modernising laboratory and pharmaceutical platforms to improve continuity of care. At the same time, DHW has digitised Human Resources, governance, training and infrastructure monitoring processes, strengthening operational efficiency and data-driven service delivery across the health system. Over the 2026 MTEF, R224.201 million is allocated to accelerate the digital transformation agenda by prioritising integrated electronic health records, expanded automation and telehealth, advanced analytics, stronger interoperability and patient identification, and targeted investments in innovation and clinical technologies.

### Sustained Good Governance

The Local Governance Programme, led by DLG, strengthens accountable, sustainable and developmental municipalities through improved governance systems, institutional capacity and participatory processes. During 2024/25, the MEC exercised statutory oversight over senior management appointments in line with legislative requirements and obtained court orders against unlawful appointments to enforce compliance. The Department assessed the functionality of Municipal Public Accounts Committees (MPACs) and provided targeted legal and governance support, including workshops on rules of order, ethics, anti-corruption measures and senior management legislation.

Capacity-building initiatives were expanded to enhance financial oversight and professionalisation. The Councillor Seasonal School, under the theme *Consequence Management: Financial Misconduct*, and the Municipal Finance Management Programme strengthened councillor oversight capabilities. In collaboration with DotP, SALGA and LGSETA, training on Municipal Staff Regulations was provided to senior managers, while all municipalities complied with the submission of Workplace Skills Plans and Annual Training Reports. Mentoring and coaching for middle managers were delivered across districts, and funding was transferred to support the appointment of interns in selected municipalities to address skills gaps.

Participatory governance and inter-municipal collaboration were also reinforced. The Department hosted a Provincial Shared Services Summit to advance cost-effective service delivery models and supported municipalities in reviewing public participation and ward committee policies to improve compliance and functionality. Refresher training for ward committees and civic education sessions further strengthened community engagement. Over the 2026 MTEF, the DLG receives R554.181 million to promote viable, sustainable and developmental local governance, integrated planning and meaningful community participation. The Department will further strengthen accountable municipal governance by improving legislative compliance, oversight and institutional capacity, and by implementing

targeted interventions where obligations are not met. In parallel, it will deepen participatory governance by supporting municipalities to strengthen public participation systems, stakeholder engagement and ward-level structures. Through the Thusong Centres and Community Development Worker Programme, communities will gain better access to information, services and development opportunities, reinforcing accountable governance, responsive delivery and long-term municipal sustainability.

### **Integration and Collaboration**

DLG is allocated R29.929 million over the 2026 MTEF to strengthen intergovernmental planning and budgeting. It will institutionalise Integrated Development Planning as the central coordinating framework and embed the Joint District and Metro Approach as the Province's mechanism for co-planning, co-budgeting and co-implementation. Support will focus on evidence-based planning, improved intergovernmental forums and better alignment of planning and budgeting cycles so that resources are directed to jointly identified priorities and place-based development outcomes.

The Department is also allocated R363.300 million to facilitate and monitor municipal infrastructure development. It will support sustainable infrastructure planning, financing and asset management to address ageing assets, maintenance backlogs and capacity constraints, and to improve spending of the Municipal Infrastructure Grant and Integrated Urban Development Grant. Work will include strengthening long-term infrastructure plans and pipelines, improving asset management and maintenance, addressing vandalism and advancing innovative financing mechanisms such as Sustainable Infrastructure Development and Finance Facility (SIDAFF) which focusses on infrastructural development in secondary cities within the Western Cape, in order to boost the economy of the Province. This integrated approach aims to improve infrastructure sustainability, protect public assets and support local economies.

### **Culture and People-Centred Delivery**

Over the 2026 MTEF, DotP will deepen the WCG Culture Journey to strengthen leadership, embed values and enhance people-centred service delivery. The Culture Journey promotes empathy, accountability, collaboration and systems thinking in how officials work and serve the public, supporting a healthy, productive and professional public service.

This priority is closely linked to workforce development and capability building through the Provincial Training Institute reconfiguration and broader people-management reforms. The Department receives an additional R41.134 million over the 2026 MTEF to support PTI's phased reconfiguration, including a new curriculum framework and required ICT, physical and security infrastructure. Over the medium term, the Culture Journey will help ensure that service excellence is both technologically enabled and culturally embedded, strengthening the WCG's ability to deliver accessible, ethical and citizen-centred services.

### **Futures Thinking and Evidence-Informed Decision-Making**

Through Provincial Strategic Management, DotP will advance futures thinking and evidence-informed decision-making so that policy, strategy, planning and budgeting are guided by credible, integrated data and performance intelligence. This includes rolling out multi-dimensional tracking and performance dashboards and embedding data governance and AI governance frameworks to ensure responsible data use. The Department will expand the use of performance reviews, evidence synthesis, evidence maps and resident perception surveys to inform budget allocations and programme improvements.

Over the 2026 MTEF, Provincial Treasury and DotP will strengthen data-driven governance by integrating financial and non-financial data through enhanced in-year monitoring, data warehousing and business intelligence platforms. By linking spending, infrastructure, procurement and performance information, it will enable earlier risk detection and more responsive decisions, improving allocative efficiency, budget credibility and transparency.

### **Ease of Doing Government**

DotP is allocated R278.768 million over the 2026 MTEF to provide enterprise risk management, internal audit and forensic services through the Corporate Assurance division. This allocation strengthens governance, internal controls and forensic capacity across the WCG, with a deliberate focus on proactive risk identification, enhanced oversight and the prevention, detection and investigation of irregular or fraudulent activities. Provincial Forensic Services plays a central role in safeguarding the integrity of public administration, contributing to an ethical and developmental state that builds trust between government and residents. By reducing fiscal exposure, reinforcing accountability and improving value for money, this programme ensures that the WCG maintains the institutional capabilities required for effective, people-centred service delivery.

The Department is also allocated R220.576 million to provide comprehensive legal services to the WCG. This includes strategic litigation management, legislative drafting, governance advisory support and proactive legal risk management. Through early-stage legal advice and strengthened corporate governance support, the programme enhances compliance, protects institutional credibility and upholds the rule of law. Together with executive support, corporate assurance and administrative services, these functions contribute directly to transformed governance and responsive, accountable institutions capable of delivering on the 2025 – 2030 Provincial Strategic Plan priorities.

Provincial Treasury receives R112.236 million over the 2026 MTEF to guide supply chain and asset management practices. It will continue modernising supply chain management through the e-Procurement System and related tools, enhancing transparency, reducing red tape and improving supplier experience. Business intelligence dashboards and performance reports will support strategic sourcing and better procurement decisions. Together, these reforms contribute to easier, more predictable engagement with government, stronger fiscal discipline and greater socio-economic impact through local sourcing and SMME participation.

### **Conclusion**

In summary, the 2026 MTEF reflects the WCG's commitment to delivering on the needs of residents through a budget that delivers growth with discipline and care. Targeted, fiscally responsible allocations support the Growth for Jobs Strategy, enhance Safety, advance an Educated, Healthy and Caring Society, and strengthen Innovation, Culture and Governance as key enablers of long term resilience. The budget framework also recognises the increasing risks posed by drought and other climate-related disasters, requiring proactive and coordinated responses to safeguard livelihoods, sustain service delivery, and support inclusive, sustainable growth.

## Annexure 1: Energy and Water Allocations

| Department                                     | Project                                                                         | R'000   |         |         |         |
|------------------------------------------------|---------------------------------------------------------------------------------|---------|---------|---------|---------|
|                                                |                                                                                 | 2026/27 | 2027/28 | 2028/29 | Total   |
| Energy                                         |                                                                                 |         |         |         |         |
| Premier                                        | Demand-Side Management project                                                  | 4 695   | 2 854   | 2 137   | 9 686   |
|                                                | Additional Energy Capacity DotP                                                 | 11 425  | 11 824  | 12 491  | 35 740  |
|                                                | Affordable energy solutions                                                     |         | 2 000   | 2 000   | 4 000   |
|                                                | Opportunities in the energy sector                                              |         | 35 000  | 23 000  | 58 000  |
|                                                | Alternative Energy Procurement Mechanisms and Platforms                         |         | 26 000  | 36 000  | 62 000  |
| Western Cape Education Department              | LED Lighting                                                                    | 6 000   | 6 216   | 6 440   | 18 656  |
|                                                | Solar PV                                                                        | 14 000  | 14 504  | 15 026  | 43 530  |
| Health and Wellness                            | PV Systems in Provincial Health Buildings                                       | 21 539  | 10 000  | 5 000   | 36 539  |
|                                                | PV Thermal pilot                                                                |         |         | 3 000   | 3 000   |
|                                                | Solar farm                                                                      |         |         | 5 000   | 5 000   |
|                                                | Solar PV in Emergency medical services (EMS)/Forensic pathology services (FPS)  |         | 2 000   | 2 000   | 4 000   |
|                                                | Solar PV in Rural Clinics                                                       |         | 3 000   | 6 000   | 9 000   |
| Environmental Affairs and Development Planning | Green Economy Ecosystem Support                                                 | 5 214   | 9 900   | 10 000  | 25 114  |
|                                                | Industrial Decarbonisation                                                      |         | 1 800   | 2 200   | 4 000   |
|                                                | Sectoral Emissions Targets                                                      |         | 2 300   | 2 500   | 4 800   |
|                                                | Updating the 2050 Emissions Pathways                                            |         |         | 3 250   | 3 250   |
| Infrastructure                                 | Municipal IPP procurement Stellenbosch                                          | 6 710   |         |         | 6 710   |
|                                                | Grid and transmission infrastructure upgrade planning                           | 4 440   | 4 706   | 4 871   | 14 017  |
|                                                | Additional capacity to support and implementation                               | 5 480   | 5 809   | 6 012   | 17 301  |
|                                                | Project Preparation Facility                                                    | 26 750  | 5 331   | 5 518   | 37 599  |
| Agriculture                                    | Solar PV – Farmworker houses                                                    | 2 000   | 3 850   | 7 700   | 13 550  |
| Economic Development and Tourism               | Green hydrogen (3 Capes MOU)                                                    | 600     | 1 000   |         | 1 600   |
|                                                | Just Energy Transition Plan (JET IP)                                            | 800     | 2 500   | 2 000   | 5 300   |
| Local Government                               | Specialist service providers                                                    | 5 064   | 3 000   | 4 000   | 12 064  |
|                                                | Additional capacity - Water & Wastewater load shedding impacts                  | 4 567   | 3 500   | 4 000   | 12 067  |
|                                                | Energy - Municipal Electricity Master Plan (EMPs)                               | 1 916   | 2 000   | 2 090   | 6 006   |
| Total Energy Allocation                        |                                                                                 | 121 200 | 159 094 | 172 235 | 452 529 |
| Water                                          |                                                                                 |         |         |         |         |
| Environmental Affairs and Development Planning | CapeNature Disaster prevention measures: Clearing of invasive alien vegetation  | 4 000   | 8 000   | 12 000  | 24 000  |
|                                                | Implementation of Nature-based Solutions for water quality improvement          | 1 000   | 4 000   | 5 000   | 10 000  |
|                                                | Ecological Infrastructure BFI Programme Preparation                             | 750     |         | 750     | 1 500   |
|                                                | Municipal Ecological Infrastructure Investment Plans                            | 1 000   | 5 000   | 6 000   | 12 000  |
| Agriculture                                    | Water resource study                                                            | 1 000   | 2 000   | 1 800   | 4 800   |
|                                                | Hand removal of invasive alien plant species                                    | 2 750   | 6 700   | 10 550  | 20 000  |
| Local Government                               | Bulk Raw Water Supply                                                           | 6 000   | 12 000  | 6 000   | 24 000  |
|                                                | Water Balancing Reservoirs                                                      | 1 750   |         | 1 750   | 3 500   |
|                                                | Telemetry and Installation of Additional Bulk Water Meters                      | 415     | 500     | 415     | 1 330   |
|                                                | Ground Water Augmentation                                                       | 4 275   | 2 262   | 4 275   | 10 812  |
|                                                | Drought Response: Municipal borehole support                                    | 15 000  | 17 000  | 19 000  | 51 000  |
|                                                | Drought Response: Potable Water Tanks on Trailers for 5 District Municipalities | 7 500   | 7 500   |         | 15 000  |
| Total Water Allocation                         |                                                                                 | 45 440  | 64 962  | 67 540  | 177 942 |
| Total Energy and Water Allocation              |                                                                                 | 166 640 | 224 056 | 239 775 | 630 471 |

Note: The Energy and Water Council will consider adjustments to the allocations, if any.

# SPATIAL DISTRIBUTION OF PROVINCIAL EXPENDITURE

Western Cape Population:

**7 627 688**



**AVERAGE ANNUAL GROWTH**

**1.6%**  
(2015 - 2025)



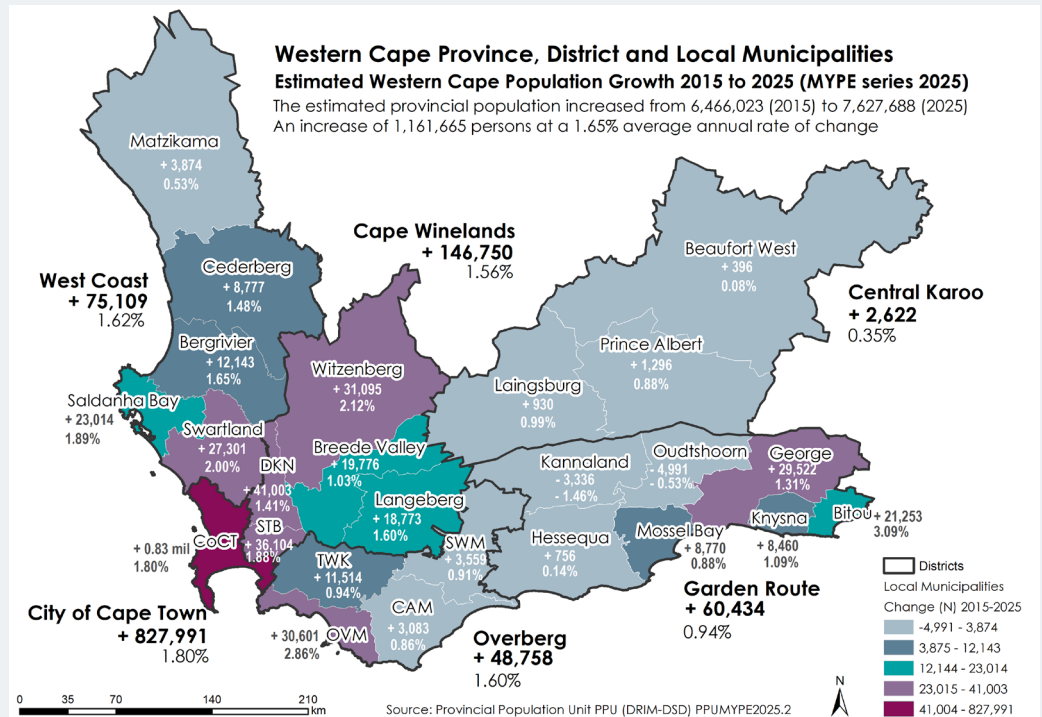
## Fastest Growing Areas:

Cape Town Metro (+827 991), Witzenberg (+31 095), George (+29 522) and Overstrand (+30 601)



## Total Budget:

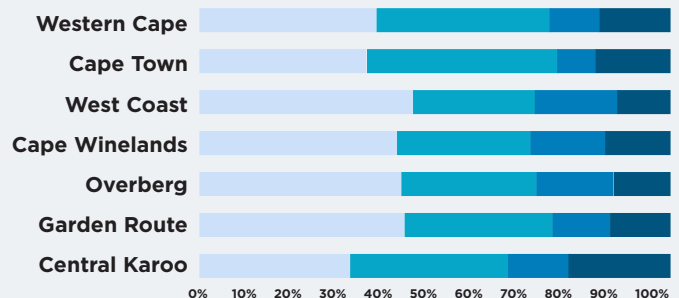
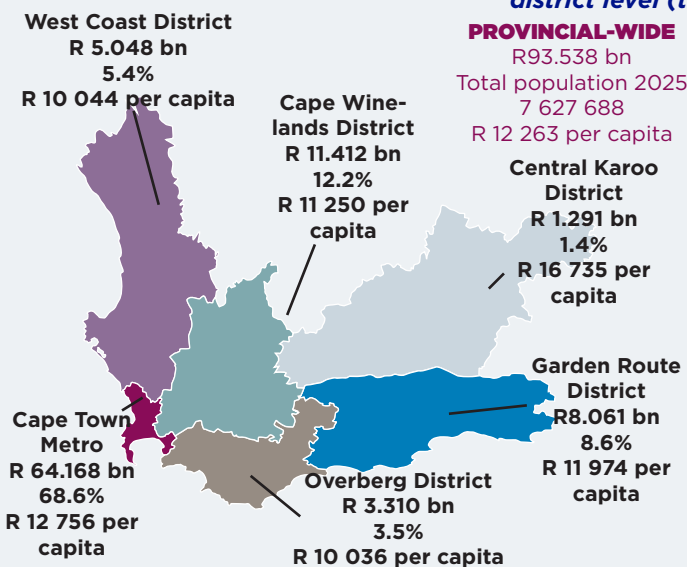
**R285.813 billion over the 2026 MTEF**



The Western Cape is growing fast – over 1.1 million more people in the past decade. While growth brings opportunity, it also puts pressure on housing, roads, schools, healthcare and other essential services, especially in fast-growing urban areas.

Through smart, spatially targeted budgeting, the Western Cape Government is aligning resources with where people live and work. By investing in infrastructure, services and municipal partnerships, the Province is planning ahead to support growth while improving quality of life.

## Spatial Distribution of the 2026/27 Provincial budget by district, total population, and % of sector allocation at district level (total per capita)



|                | Central Karoo | Garden Route | Overberg | Cape Winelands | West Coast | Cape Town | Western Cape |
|----------------|---------------|--------------|----------|----------------|------------|-----------|--------------|
| Education      | 32.1%         | 32.1%        | 32.1%    | 32.1%          | 32.1%      | 32.1%     | 32.1%        |
| Health         | 33.2%         | 33.2%        | 33.2%    | 33.2%          | 33.2%      | 33.2%     | 33.2%        |
| Infrastructure | 13.2%         | 13.2%        | 13.2%    | 13.2%          | 13.2%      | 13.2%     | 13.2%        |
| Other          | 21.5%         | 21.5%        | 21.5%    | 21.5%          | 21.5%      | 21.5%     | 21.5%        |



**Western Cape Government**

**FOR YOU**

# 5

## Spatial distribution of Provincial expenditure

### In brief

- The Western Cape Government adopts an integrated service delivery approach in partnership with the 30 municipalities. The WCG will spend a total of R93.538 billion in 2026/27, R94.770 billion in 2027/28 and R97.506 billion in 2028/29 across the 30 municipalities.
- The estimated provincial population increased from 6.466 million (2015) to 7.628 million (2025). This translates to an increase of 1.162 million persons at a 1.6 per cent average annual growth rate.
- A major share, R195.714 billion or 68.5 per cent, of the total budget over the 2026 Medium Term Expenditure Framework (MTEF) will be spent in the Cape Town metropolitan area. The budget is allocated proportionally to districts' relative population shares.
- In the 2026/27 financial year, the majority of Provincial expenditure across municipal areas is allocated to the Social sector, totalling R74.386 billion (79.5 per cent).
- In 2026/27 the largest proportion of transfers in relation to population size are directed towards the Cape Metro, with total transfers amounting to R1.434 billion (50 per cent). Allocations to local and district municipalities will amount to R1.382 billion (48.1 per cent) and R19.881 million (0.7 per cent) respectively.

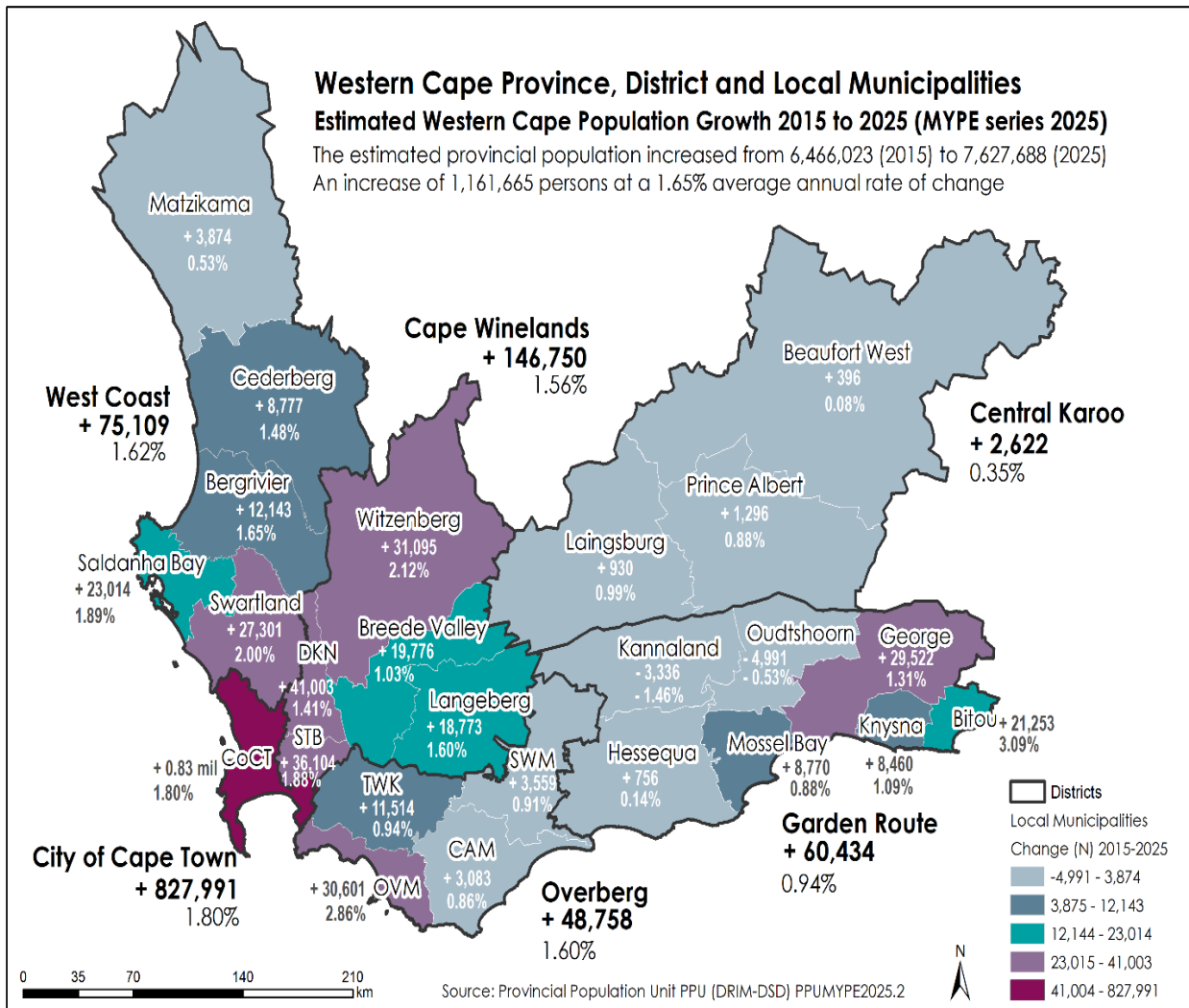
### Introduction

This chapter provides an overview of the spatial distribution and sectoral breakdown of expenditure pertaining to the Western Cape Government's (WCGs) budget across the metropolitan, district and local municipalities of the Western Cape. Framed within the overarching theme of "A budget that delivers growth with discipline and care," the chapter demonstrates how resources are allocated prudently and purposefully to balance fiscal sustainability with meaningful socio-economic impact. This chapter should be read together with Chapter 3 of the Overview of Provincial and Municipal Infrastructure Investment (OPMII), which outlines spatial spending on infrastructure. The key objective is to enhance integrated planning and budgeting between the WCG and the Province's 30 municipalities, ensuring public resources are strategically allocated for maximum impact. Collaborative efforts between these governmental spheres are envisioned to accelerate growth and jobs by creating hope and instilling dignity, building safer communities, and driving economic growth and employment. These efforts are designed to empower people to live lives they value.

## ■ The Western Cape comparative analysis of population data

The Western Cape's population is estimated to have risen from 6.466 million (2015) to 7.628 million (2025), demonstrating an increase of 1.162 million people at an average annual growth rate of 1.6 per cent. The data is extracted from the Stats SA, 2025 Mid-Year Population Estimates.

- The City of Cape Town reflects an increase of 827 991 people which translates into a 1.8 per cent average annual growth rate, by far the largest municipal contribution to the provincial increase.
- The West Coast District reflects an average annual growth rate of 1.6 per cent (increase of 75 109 people), with Saldanha Bay reflecting a 1.9 per cent increase, in line with the growth rates of 2 per cent for Swartland and 1.6 per cent for Bergrivier.
- The Cape Winelands District reveals an average annual growth rate of 1.6 per cent (increase of 146 750 people). The growth rate is fuelled by the 2.1 per cent increase in Witzenberg, 1.9 per cent increase in Stellenbosch, 1.6 per cent increase in Langeberg and 1.4 per cent increase in Breede Valley.
- The Garden Route District shows an average annual growth rate of 0.9 per cent. Municipalities such as Knysna (1.1 per cent), George (1.3 per cent), Kannaland (1.5 per cent) and Bitou (3.1 per cent) exceeded the district average annual growth rate.
- The Overberg District's growth rate of 1.6 per cent, was mainly fuelled by above average annual growth in Overstrand (2.9 per cent).
- For the Central Karoo District, the average annual growth rate amounts to 0.3 per cent. Moderate growth in population is expected for Laingsburg at 1.0 per cent, 0.9 per cent for Prince Albert and 0.1 per cent for Beaufort West.

**Figure 5.1 Population Growth in the Western Cape (2015 to 2025)**

As reflected in population growth figures, the rising demand for government services, particularly housing, and related challenges such as food insecurity are evident across the districts, highlighting the need for more inclusive and regionally balanced development. Strengthening infrastructure reliability, supporting labour-absorbing sectors, expanding private investment and managing climate-related risks will be critical to sustaining economic progress and improving overall wellbeing across the Western Cape.

The escalating demand for land and affordable housing, exacerbated by urban sprawl, is placing increasing pressure on infrastructure and services. Urban centres are experiencing significant strain on public transport, roads, and essential services such as healthcare and education, while environmental challenges further compound these pressures. In addition, businesses require robust services and infrastructure to support growth. Addressing these demands is implicit in the budget theme, “A budget that delivers growth with discipline and care”. This is underpinned by the budget policy principles of unlocking allocative efficiency, enabling long-run fiscal sustainability, and enhancing productive efficiency. To foster economic expansion and job creation, infrastructure investment and service delivery as aligned to sustainable urban development strategies will be implemented.

This includes targeted funding for transport networks, resilient public services, and environmentally responsible urban expansion to truly deliver growth and development in the Province.

Collaboration across government spheres is therefore essential to assess spatial dynamics, optimise resource allocation and implement solutions that enhance residents' quality of life.

## Provincial payments and estimates by metro, district, and local municipalities

The WCG will allocate a total of R93.538 billion in 2026/27, R94.770 billion in 2027/28, and R97.506 billion in 2028/29 across the Province's 30 municipalities, as depicted in Table 5.1.

**Table 5.1 Provincial payments and estimates by the Cape Metro, district and local municipalities, 2022/23 - 2028/29**

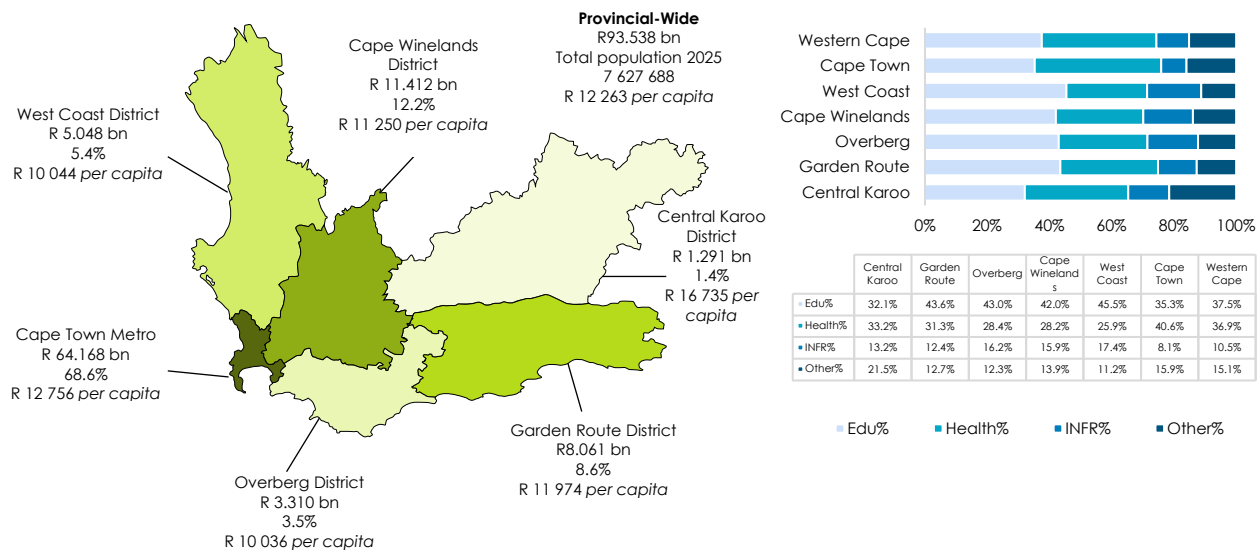
| Municipalities<br>R'000                                         | Outcome            |                    |                    |                                       |                                           |                                | Medium-term estimate                    |            |         |            |            |
|-----------------------------------------------------------------|--------------------|--------------------|--------------------|---------------------------------------|-------------------------------------------|--------------------------------|-----------------------------------------|------------|---------|------------|------------|
|                                                                 | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 | Main<br>appro-<br>priation<br>2025/26 | Adjusted<br>appro-<br>priation<br>2025/26 | Revised<br>estimate<br>2025/26 | % Change<br>from<br>Revised<br>estimate | 2026/27    | 2027/28 | 2028/29    |            |
| Cape Town Metro                                                 | 53 297 894         | 55 309 652         | 56 104 851         | 59 050 707                            | 60 976 225                                | 60 868 406                     |                                         | 64 167 783 | 5.42    | 64 880 354 | 66 665 862 |
| West Coast Municipalities                                       | 4 157 218          | 4 292 901          | 4 770 823          | 4 965 168                             | 4 891 419                                 | 4 920 583                      |                                         | 5 047 929  | 2.59    | 5 092 919  | 5 163 293  |
| Matzikama                                                       | 509 841            | 605 063            | 659 914            | 639 239                               | 658 701                                   | 659 185                        |                                         | 657 778    | (0.21)  | 659 021    | 648 840    |
| Cederberg                                                       | 626 398            | 691 056            | 824 680            | 835 463                               | 829 873                                   | 830 896                        |                                         | 891 726    | 7.32    | 944 877    | 927 179    |
| Bergrivier                                                      | 541 979            | 462 895            | 537 927            | 592 968                               | 604 061                                   | 604 620                        |                                         | 546 576    | (9.60)  | 529 057    | 573 940    |
| Saldanha Bay                                                    | 729 694            | 828 167            | 946 585            | 988 609                               | 896 281                                   | 897 434                        |                                         | 983 953    | 9.64    | 957 986    | 981 758    |
| Swartland                                                       | 1 040 668          | 1 256 361          | 1 221 092          | 1 320 293                             | 1 310 245                                 | 1 311 295                      |                                         | 1 403 381  | 7.02    | 1 401 891  | 1 409 174  |
| Across wards and municipal projects                             | 708 638            | 449 359            | 580 625            | 588 596                               | 592 258                                   | 617 153                        |                                         | 564 515    | (8.53)  | 600 086    | 622 402    |
| Cape Winelands Municipalities                                   | 8 950 931          | 9 358 815          | 10 974 268         | 11 099 004                            | 11 166 783                                | 11 195 872                     |                                         | 11 412 093 | 1.93    | 11 712 388 | 12 086 419 |
| Witzenberg                                                      | 764 182            | 910 760            | 1 104 262          | 1 071 973                             | 1 095 490                                 | 1 096 040                      |                                         | 1 094 707  | (0.12)  | 1 101 803  | 1 135 855  |
| Drakenstein                                                     | 2 718 272          | 2 675 406          | 3 452 144          | 3 451 073                             | 3 332 094                                 | 3 333 006                      |                                         | 3 451 525  | 3.56    | 3 555 805  | 3 624 503  |
| Stellenbosch                                                    | 1 671 284          | 1 984 178          | 2 238 668          | 2 341 237                             | 2 552 976                                 | 2 555 369                      |                                         | 2 454 365  | (3.95)  | 2 527 733  | 2 619 590  |
| Breede Valley                                                   | 2 058 839          | 2 169 249          | 2 430 587          | 2 528 180                             | 2 446 304                                 | 2 446 845                      |                                         | 2 580 893  | 5.48    | 2 684 679  | 2 798 524  |
| Langeberg                                                       | 1 030 685          | 958 060            | 1 068 582          | 1 042 678                             | 1 063 255                                 | 1 063 050                      |                                         | 1 122 839  | 5.62    | 1 129 224  | 1 169 483  |
| Across wards and municipal projects                             | 707 669            | 661 162            | 680 025            | 663 864                               | 676 665                                   | 701 563                        |                                         | 707 765    | 0.88    | 713 144    | 738 464    |
| Overberg Municipalities                                         | 2 981 914          | 3 369 258          | 3 467 320          | 3 500 495                             | 3 356 140                                 | 3 379 527                      |                                         | 3 310 246  | (2.05)  | 3 348 843  | 3 463 754  |
| Theewaterskloof                                                 | 1 000 778          | 1 196 400          | 1 019 928          | 1 221 642                             | 1 036 764                                 | 1 037 345                      |                                         | 1 086 071  | 4.70    | 1 093 331  | 1 125 535  |
| Overstrand                                                      | 813 768            | 913 389            | 1 020 528          | 890 390                               | 953 750                                   | 951 574                        |                                         | 889 307    | (6.54)  | 907 500    | 931 241    |
| Cape Agulhas                                                    | 294 228            | 268 624            | 413 824            | 418 436                               | 393 003                                   | 393 071                        |                                         | 395 902    | 0.72    | 405 426    | 419 076    |
| Swellendam                                                      | 341 525            | 503 226            | 501 744            | 470 580                               | 497 437                                   | 497 450                        |                                         | 404 331    | (18.72) | 410 831    | 437 878    |
| Across wards and municipal projects                             | 531 615            | 487 619            | 511 296            | 499 447                               | 475 186                                   | 500 087                        |                                         | 534 635    | 6.91    | 531 755    | 550 024    |
| Garden Route Municipalities                                     | 6 959 172          | 7 487 964          | 7 670 135          | 7 876 778                             | 7 822 926                                 | 7 851 490                      |                                         | 8 060 908  | 2.67    | 8 131 827  | 8 460 827  |
| Kannaland                                                       | 235 641            | 458 260            | 303 760            | 295 504                               | 296 357                                   | 297 204                        |                                         | 305 276    | 2.72    | 310 911    | 320 409    |
| Hessequa                                                        | 354 497            | 482 486            | 564 947            | 561 508                               | 507 474                                   | 508 105                        |                                         | 539 512    | 6.18    | 509 556    | 567 574    |
| Mossel Bay                                                      | 1 022 969          | 940 966            | 1 074 820          | 1 096 393                             | 1 102 101                                 | 1 102 179                      |                                         | 1 074 857  | (2.48)  | 1 097 435  | 1 143 984  |
| George                                                          | 2 599 885          | 2 884 631          | 2 763 800          | 2 907 321                             | 2 882 930                                 | 2 884 719                      |                                         | 2 996 064  | 3.86    | 3 054 966  | 3 137 573  |
| Oudtshoorn                                                      | 918 047            | 1 030 547          | 1 222 498          | 1 232 046                             | 1 221 024                                 | 1 221 815                      |                                         | 1 263 552  | 3.42    | 1 302 642  | 1 372 920  |
| Bitou                                                           | 319 759            | 327 234            | 342 267            | 352 160                               | 361 998                                   | 361 587                        |                                         | 365 943    | 1.20    | 352 512    | 360 235    |
| Knysna                                                          | 596 849            | 676 831            | 705 769            | 730 324                               | 735 194                                   | 735 135                        |                                         | 769 377    | 4.66    | 751 010    | 779 485    |
| Across wards and municipal projects                             | 911 525            | 687 009            | 692 274            | 701 523                               | 715 849                                   | 740 747                        |                                         | 746 328    | 0.75    | 752 794    | 778 647    |
| Central Karoo Municipalities                                    | 1 076 824          | 1 218 681          | 1 196 918          | 1 215 636                             | 1 244 768                                 | 1 241 726                      |                                         | 1 291 196  | 3.98    | 1 296 434  | 1 358 552  |
| Laingsburg                                                      | 82 335             | 82 109             | 85 600             | 92 505                                | 93 865                                    | 94 257                         |                                         | 96 032     | 1.88    | 92 072     | 110 870    |
| Prince Albert                                                   | 167 640            | 174 548            | 172 608            | 161 386                               | 163 066                                   | 163 559                        |                                         | 165 514    | 1.20    | 164 557    | 175 659    |
| Beaufort West                                                   | 656 792            | 761 255            | 753 780            | 771 066                               | 768 496                                   | 768 011                        |                                         | 793 028    | 3.26    | 810 818    | 836 423    |
| Across wards and municipal projects                             | 170 057            | 200 769            | 184 930            | 190 680                               | 219 342                                   | 215 900                        |                                         | 236 622    | 9.60    | 228 987    | 235 600    |
| Unallocated                                                     |                    |                    |                    | 278 589                               | 267 324                                   | 267 324                        |                                         | 247 729    | (7.33)  | 307 314    | 306 815    |
| Total provincial expenditure by district and local municipality | 77 423 953         | 81 037 271         | 84 184 315         | 87 986 378                            | 89 725 586                                | 89 724 929                     |                                         | 93 537 884 | 4.25    | 94 770 080 | 97 505 522 |

Note: Unallocated not yet allocated to a specific district

The 2026 Medium Term Expenditure Framework (MTEF) demonstrates that a major share, R195.714 billion or 68.5 per cent of the total budget, is expected to be spent in the Cape Town metropolitan area. This distribution closely aligns with the Metro's demographic share of 66 per cent of the Western Cape's population and is also due to a substantial portion of cost of employment costs being derived from workforce based in Cape Town. Beyond the Metro, budget distribution across the Province's districts is proportional to their respective population shares. Specifically, the Cape Winelands receives R35.211 billion (12.2 per cent), the Garden Route R24.654 billion (8.6 per cent), the West Coast R15.304 billion (5.4 per cent), the Overberg R10.123 billion (3.5 per cent), and the Central Karoo R3.946 billion (1.4 per cent).

Beyond the Cape Metro, significant provincial expenditure occurs within category B1 (i.e., municipalities categorised as secondary cities with large budgets such as Drakenstein) and B2 municipalities (i.e., local municipalities dominated by a large town as their core such as Breede Valley and Stellenbosch). This investment is geared to help address the growing infrastructure and service demands driven by their sizeable and expanding populations.

**Figure 5.2 Spatial Distribution of the 2026/27 Provincial budget by district, total population, and % share of sector allocation at district level (total per capita)**



Source: Population data obtained from StatsSA Mid-year Population Estimate MYPEPPU2025.2 (October 2025)

Note: "Province-Wide" refers to total spending across the Province.

Figure 5.2 illustrates the spatial and sectoral distribution of the 2026/27 Provincial budget across the Cape Town metropolitan area and the five Western Cape districts. Notably, the Central Karoo District (CKD) maintains the highest per capita allocation (R16 735), based on the small size of the District. The next highest per capita allocations are in the Cape Town metropolitan area (R12 756), the Garden Route District (R11 974), as well as the Cape Winelands District (R11 250).

Regional budget allocations reveal distinct sectoral priorities. Education dominates in the West Coast District (WCD), receiving 45.5 per cent of provincial expenditure. Health and Wellness is prioritised in the Cape Town metropolitan area at 40.6 per cent. The West Coast followed by Overberg has the highest infrastructure share at 17.4 per cent and 16.2 per cent respectively of the regional allocation.

## Cape Winelands District

The Cape Winelands District (CWD) remains the largest demographic and economic contributor outside the Metro within the Province, driven by a robust tertiary services sector, particularly concentrated in the Drakenstein and Stellenbosch municipal areas. These municipalities significantly shape the District's economic landscape and growth trajectory.

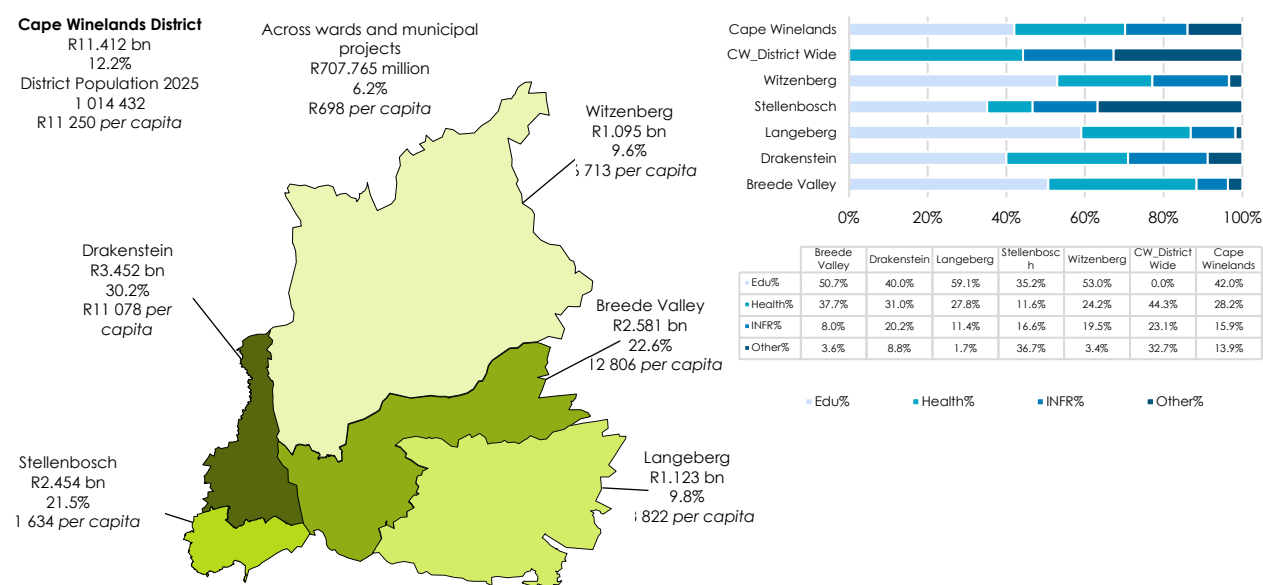
The WCG has allocated R11.412 billion or 12.2 per cent of the 2026/27 Provincial budget to be spent within the Cape Winelands District municipalities, to support economic development, address population growth and meet infrastructure and Provincial priorities. The allocation amounts to R35.211 billion over the 2026 MTEF.

A substantial portion (30.2 per cent) of the total expenditure in the CWD is allocated to the Drakenstein municipal area, highlighting its role as the district's economic and population centre. This is followed by Breede Valley (22.9 per cent) and Stellenbosch (21.5 per cent), while Langeberg and Witzenberg receive the smallest allocations, equating to 9.8 per cent and 9.6 per cent respectively.

As illustrated in Figure 5.3, the Breede Valley Municipality receives the highest provincial expenditure per capita at R12 806, while Witzenberg receives the lowest per capita allocation at R6 713.

Across the District, 42.0 per cent of the WCG's expenditure is directed towards education, ranging from 59.1 per cent in Langeberg to 35.2 per cent in Stellenbosch. Health accounts for the next highest category of expenditure within the District at 28.2 per cent, ranging from 37.7 per cent in Breede Valley to 11.6 per cent in Stellenbosch. Infrastructure expenditure accounts for 15.9 per cent of the District expenditure, ranging from 20.2 per cent in Drakenstein and 8.0 per cent in Breede Valley.

**Figure 5.3 Cape Winelands District: Spatial Distribution of 2026/27 Provincial budget by municipality, total population and share of sector allocation at district level (total per capita)**



Source: Population data obtained from StatsSA Mid-year Population Estimate MYPEPPU2025.2 (October 2025)

Note: "Across wards and municipal projects" refers to spending that covers multiple municipalities within the District (i.e., crosses borders).

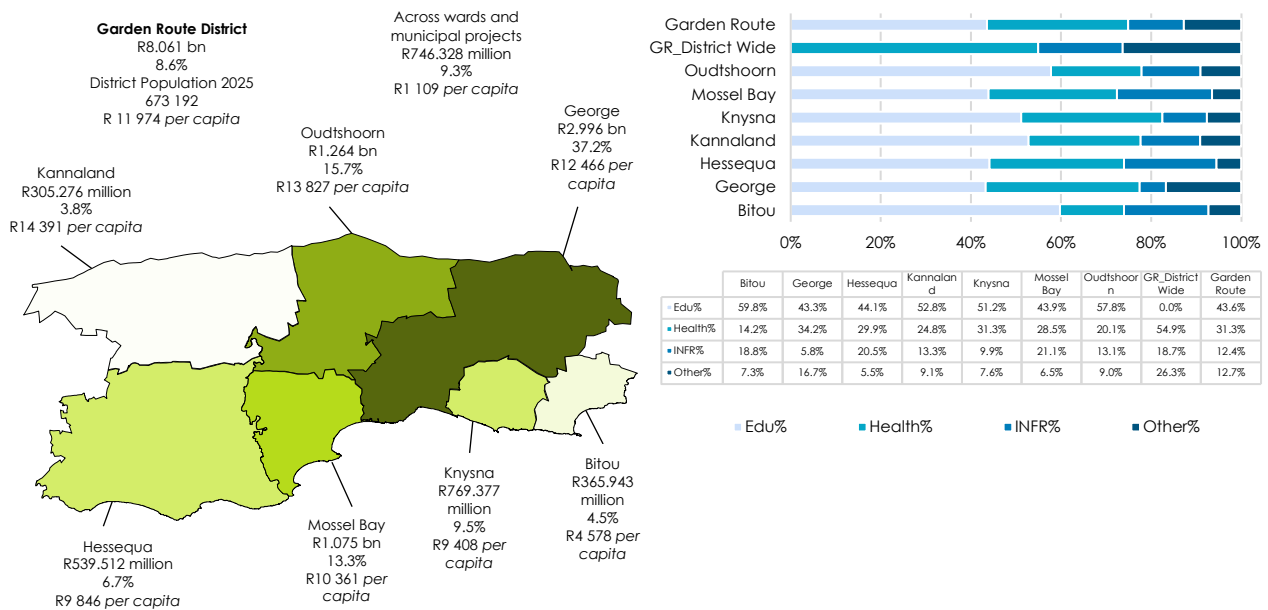
## Garden Route District

The aggregate Provincial budget for the Garden Route District (GRD) in 2026/27 amounts to R8.061 billion. This equates to 8.6 per cent of the Provincial budget. The District's budget allocation amounts to R24.654 billion over the 2026 MTEF.

The total Provincial expenditure in the GRD equates to R11 974 per capita. Within the GRD, the largest per capita spend is in the Kannaland municipal area at R14 391, reflective of the area's socio-economic needs. In contrast, Bitou Municipality receives the lowest per capita spend at R4 578.

Across the District, 43.6 per cent of the WCG's expenditure is directed towards education, ranging from 59.8 per cent in Bitou to 43.3 per cent in George. Health accounts for the next highest category of expenditure within the District at 31.3 per cent, ranging from 34.2 per cent in George to 14.2 per cent in Bitou. Infrastructure expenditure accounts for 12.4 per cent of the District expenditure, ranging from 21.1 per cent in Mossel Bay and 5.8 per cent in George.

**Figure 5.4 Garden Route District: Spatial Distribution of 2026/27 Provincial budget by municipality, total population and share of sector allocation at district level (total per capita)**



Source: Population data obtained from StatsSA Mid-year Population Estimate MYPEPPU2025.2 (October 2025)

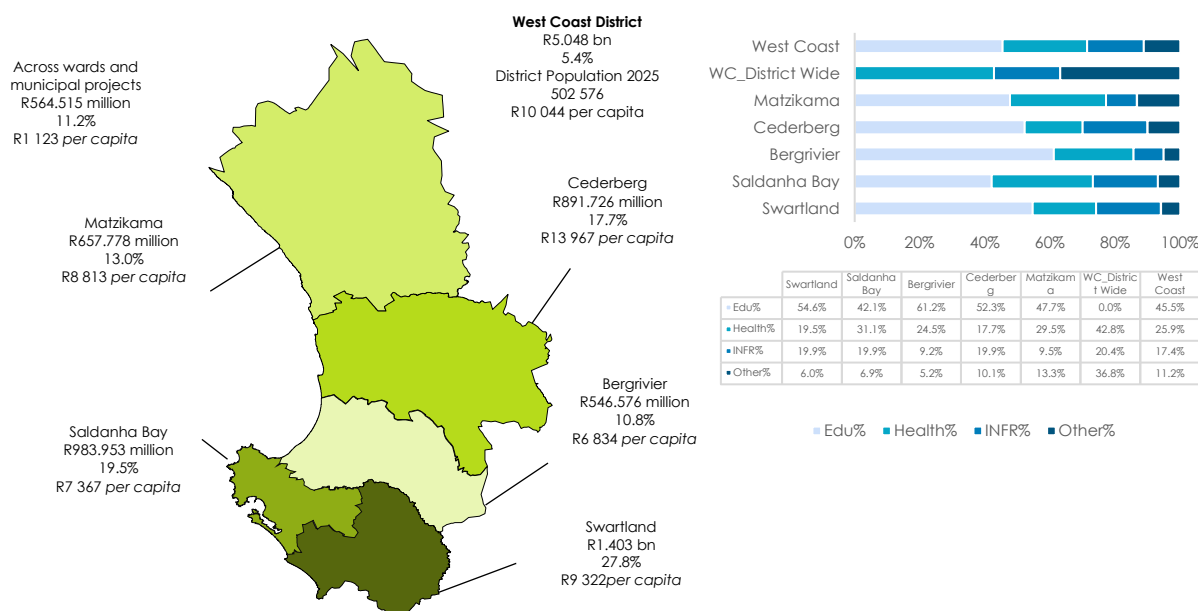
Note: "Across wards and municipal projects" refers to spending that covers multiple municipalities within the District (i.e., crosses borders).

## West Coast District

Total spending in the West Coast District (WCD) in 2026/27 amounts to R5.048 billion, which accounts for 5.4 per cent of the Provincial budget. The total allocation amounts to R15.304 billion over the 2026 MTEF. The total Provincial expenditure per capita in the WCD is R10 044. Within the WCD, the largest per capita expenditure is in the Cederberg municipal area, reflecting an allocation of R13 967 per capita in 2026/27. Despite receiving the second-highest Provincial budget allocation in the District, Saldanha Bay receives the second lowest per capita spend at R7 367, after Bergrivier (R6 834).

Across the District, 45.5 per cent of the WCG expenditure is directed towards education, ranging from 61.2 per cent in Bergrivier to 42.1 per cent in Saldanha. Health accounts for the next highest category of expenditure within the District at 25.9 per cent, ranging from 31.1 per cent in Saldanha to 17.7 per cent in Cederberg. Infrastructure accounts for 17.4 per cent of the WCG expenditure in the District, ranging from 19.90 per cent each in Cederberg, Swartland and Saldanha Bay; and 9.2 per cent in Bergrivier.

**Figure 5.5 West Coast District: Spatial Distribution of 2026/27 Provincial budget by municipality, total population and share of sector allocation at district level (total per capita)**



Source: Population data obtained from StatsSA Mid-year Population Estimate MYPEPPU2025.2 (October 2025)

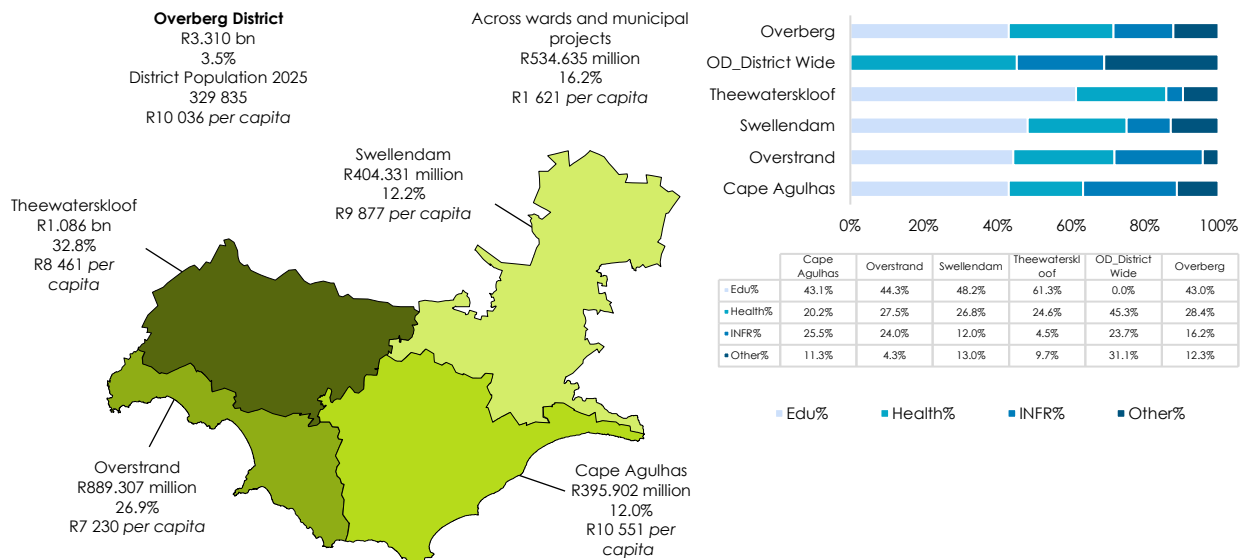
Note: "Across wards and municipal projects" refers to spending that covers multiple municipalities within the District (i.e., crosses borders).

## Overberg District

With the current population of 329 835 individuals, the Overberg District (OD) is the second smallest district in terms of population within the Western Cape, accounting for 4.3 per cent of the Province's total population. For the 2026/27 financial year, the WCG spends R3.310 billion in the Overberg District, making up 3.5 per cent of the Provincial budget. The allocation amounts to R10.123 billion over the 2026 MTEF.

Across the District, 43 per cent of the WCG expenditure is directed towards education, ranging from 61.3 per cent in Theewaterskloof to 43.1 per cent in Cape Agulhas. Health accounts for the next highest category of expenditure within the District at 28.4 per cent, ranging from 27.5 per cent in Overstrand to 20.2 per cent in Cape Agulhas. Infrastructure accounts for 16.2 per cent of the WCG expenditure in the District, ranging from 25.5 per cent in Cape Agulhas to 4.5 per cent in Theewaterskloof. Regarding expenditure distribution within the Overberg District, the Theewaterskloof and Overstrand municipal areas, which have the largest populations, receive the majority of the budget allocation at 32.8 per cent and 26.9 per cent respectively.

**Figure 5.6 Overberg District: Spatial Distribution of 2026/27 Provincial budget by municipality, total population and share of sector allocation at district level (total per capita)**



Source: Population data obtained from StatsSA Mid-year Population Estimate MYPEPPU2025.2 (October 2025)

Note: "Across wards and municipal projects" refers to spending that covers multiple municipalities within the District (i.e., crosses borders).

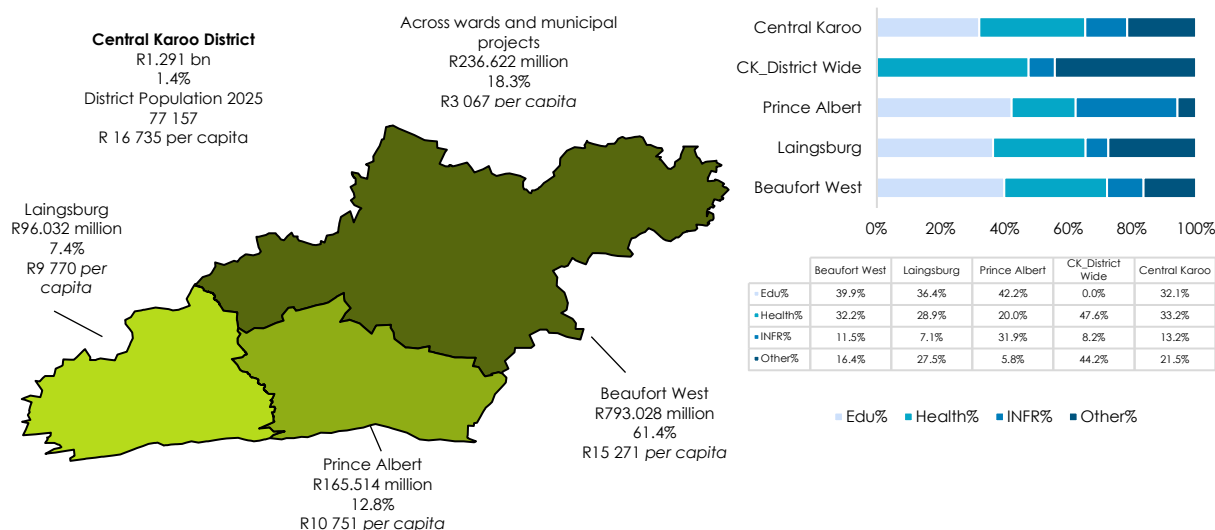
## Central Karoo District

The current population of the Central Karoo District (CKD) equates to 77 157 individuals, which is the smallest in the Western Cape (accounting for 1 per cent of the Province's total population). Provincial departments have allocated an amount of R1.291 billion (1.4 per cent) of the total 2026/27 Provincial budget to the CKD. The allocation amounts to R3.946 billion over the 2026 MTEF.

Given its small size, the CKD receives the highest Provincial expenditure per capita in the Province at R16 735. As illustrated in Figure 5.7 for 2026/27, the Beaufort West municipal area is allocated the highest per capita expenditure in the CKD (R15 271), while Laingsburg receives the lowest (R9 770). None of the local municipalities exceeds the District expenditure per capita, due to the substantial portion of Provincial expenditure cutting across municipal boundaries (18.3 per cent).

Across the District, 33.2 per cent of the WCG expenditure is directed towards health, ranging from 32.2 per cent in Beaufort West to 20.0 per cent in Prince Albert. Education accounts for the next highest category of expenditure within the District at 32.1 per cent, ranging from 42.2 per cent in Prince Albert to 36.4 per cent in Laingsburg. Infrastructure accounts for 13.2 per cent of the WCG expenditure in the district, ranging from 31.9 per cent in Prince Albert to 7.1 per cent in Laingsburg.

**Figure 5.7 Central Karoo District: Spatial Distribution of 2026/27 Provincial budget by municipality, total population and share of sector allocation at district level (total per capita)**



Source: Population data obtained from StatsSA Mid-year Population Estimate MYPEPPU2025.2 (October 2025)

## ■ Provincial payments and estimates per sector by district and local municipalities

Table 5.2 provides a breakdown of Provincial spending at a district level according to the three functional government sectors, namely the Economic, Social and Governance and Administration sectors.

In the 2026/2027 fiscal year, the majority of Provincial expenditure across municipal areas is allocated to the Social sector, totalling R74.386 billion (79.5 per cent). This reinforces alignment with the Province's policy priorities of an Educated, Healthy and Caring Society; and Safety. As a result, the Social sector is anticipated to record a 6.4 per cent increase in funding, rising from R69.887 billion in 2025/26 (revised estimate) to the aforementioned R74.386 billion in 2026/27. This increase is consistent across all districts, with the Cape Winelands and Overberg District increasing between 6.9 and 7.7 per cent as well as Garden Route, Central Karoo, West Coast District and Metro increasing between 5.8 and 6.5 per cent. The additional funding in the social sector is likely to enhance public services such as healthcare, education and social welfare, thereby improving the quality of life for residents.

Expenditure directed toward the Economic sector amounts to R15.648 billion (16.7 per cent), while R3.256 billion (3.5 per cent) is allocated to the Governance and Administration sector.

The Economic sector is projected to experience a slight decline of 5 per cent year-on-year, with total payments decreasing from R16.469 billion in 2025/26 (revised estimate) to R15.648 billion in 2026/27. This reduction is most pronounced in the Overberg District and Cape Winelands District, which are expected to see decreases of 25.4 per cent and 10.6 per cent respectively. The Cape Town Metro shows a smaller decrease of 0.3 per cent.

Provincial expenditure in both the Economic and Social sectors are closely correlated to the relative size of the population at metro and district level in order to meet the proportionate demand for services. The Cape Metro, which comprises 66 per cent of the Provincial population, has therefore received the largest proportion of the Provincial expenditure in terms of the economic (56.9 per cent) and the social (70.2 per cent) sectors.

**Table 5.2 Summary of Provincial payments and estimates per sector by district  
2022/23 – 2028/29**

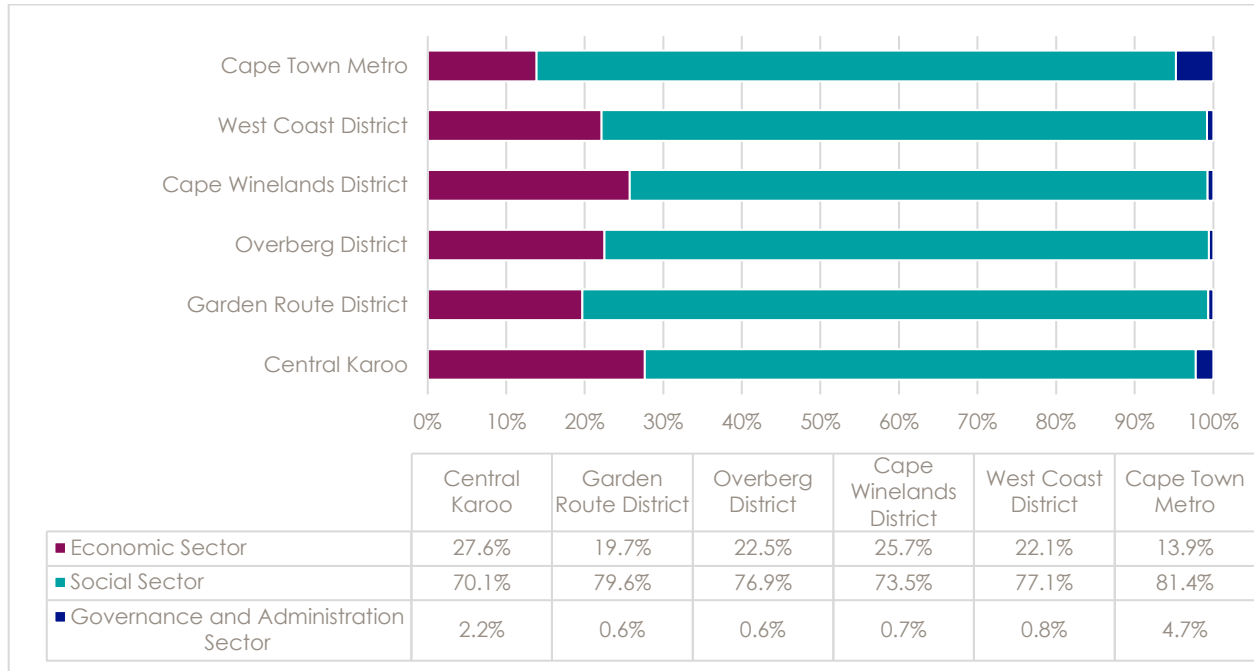
| Clusters estimates<br>R'000                        | Outcome            |                    |                    |                                       |                                           |                                | Medium-term estimate                    |         |            |            |         |
|----------------------------------------------------|--------------------|--------------------|--------------------|---------------------------------------|-------------------------------------------|--------------------------------|-----------------------------------------|---------|------------|------------|---------|
|                                                    | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 | Main<br>appro-<br>priation<br>2025/26 | Adjusted<br>appro-<br>priation<br>2025/26 | Revised<br>estimate<br>2025/26 | % Change<br>from<br>Revised<br>estimate | 2026/27 | 2025/26    | 2027/28    | 2028/29 |
|                                                    |                    |                    |                    |                                       |                                           |                                |                                         |         |            |            |         |
|                                                    |                    |                    |                    |                                       |                                           |                                |                                         |         |            |            |         |
| <b>Economic Sector</b>                             | 13 700 072         | 14 079 678         | 15 158 935         | 14 990 206                            | 16 469 546                                | 16 469 546                     | <b>15 648 318</b>                       | (4.99)  | 14 906 008 | 15 375 408 |         |
| Cape Town Metro                                    | 8 210 146          | 7 909 400          | 7 145 167          | 7 659 683                             | 9 018 737                                 | 8 922 677                      | <b>8 899 389</b>                        | (0.26)  | 8 248 776  | 8 453 760  |         |
| West Coast District                                | 901 903            | 836 338            | 1 262 016          | 1 212 943                             | 1 181 635                                 | 1 206 529                      | <b>1 117 574</b>                        | (7.37)  | 1 104 165  | 1 056 044  |         |
| Cape Winelands District                            | 1 983 489          | 2 018 047          | 3 420 793          | 3 081 603                             | 3 261 434                                 | 3 286 327                      | <b>2 938 251</b>                        | (10.59) | 2 947 542  | 3 052 335  |         |
| Overberg District                                  | 824 084            | 1 110 383          | 1 159 501          | 1 031 225                             | 974 709                                   | 999 602                        | <b>745 862</b>                          | (25.38) | 779 688    | 820 673    |         |
| Garden Route District                              | 1 422 810          | 1 788 745          | 1 807 731          | 1 670 715                             | 1 677 109                                 | 1 701 935                      | <b>1 590 263</b>                        | (6.56)  | 1 483 251  | 1 615 005  |         |
| Central Karoo                                      | 357 640            | 416 765            | 363 727            | 334 036                               | 355 921                                   | 352 475                        | <b>356 979</b>                          | 1.28    | 342 585    | 377 591    |         |
| <b>Social Sector</b>                               | 61 056 721         | 64 048 234         | 66 048 878         | 69 704 484                            | 69 886 671                                | 69 886 671                     | <b>74 385 827</b>                       | 6.44    | 76 320 757 | 78 487 994 |         |
| Cape Town Metro                                    | 42 565 686         | 44 675 026         | 46 174 542         | 48 587 143                            | 49 077 568                                | 49 067 105                     | <b>52 231 058</b>                       | 6.45    | 53 562 757 | 55 060 964 |         |
| West Coast District                                | 3 227 501          | 3 433 053          | 3 489 761          | 3 725 305                             | 3 671 076                                 | 3 675 312                      | <b>3 891 128</b>                        | 5.87    | 3 968 644  | 4 086 425  |         |
| Cape Winelands District                            | 6 911 629          | 7 293 414          | 7 508 536          | 7 960 001                             | 7 850 106                                 | 7 853 986                      | <b>8 392 661</b>                        | 6.86    | 8 676 706  | 8 931 782  |         |
| Overberg District                                  | 2 142 747          | 2 250 797          | 2 299 000          | 2 459 764                             | 2 365 736                                 | 2 364 214                      | <b>2 546 029</b>                        | 7.69    | 2 558 982  | 2 632 844  |         |
| Garden Route District                              | 5 493 610          | 5 609 498          | 5 761 590          | 6 108 874                             | 6 066 681                                 | 6 070 168                      | <b>6 419 180</b>                        | 5.75    | 6 613 702  | 6 809 185  |         |
| Central Karoo                                      | 715 548            | 786 446            | 815 449            | 863 397                               | 855 504                                   | 855 886                        | <b>905 771</b>                          | 5.83    | 939 966    | 966 794    |         |
| <b>Governance and<br/>Administration Sector</b>    | 2 667 160          | 2 909 359          | 2 976 502          | 3 013 099                             | 3 102 045                                 | 3 101 388                      | <b>3 256 010</b>                        | 4.99    | 3 236 001  | 3 335 305  |         |
| Cape Town Metro                                    | 2 522 062          | 2 725 226          | 2 785 142          | 2 803 881                             | 2 879 920                                 | 2 878 624                      | <b>3 037 336</b>                        | 5.51    | 3 068 821  | 3 151 138  |         |
| West Coast District                                | 27 814             | 23 510             | 19 046             | 26 920                                | 38 708                                    | 38 742                         | <b>39 227</b>                           | 1.25    | 20 110     | 20 824     |         |
| Cape Winelands District                            | 55 813             | 47 354             | 44 939             | 57 400                                | 55 243                                    | 55 559                         | <b>81 181</b>                           | 46.12   | 88 140     | 102 302    |         |
| Overberg District                                  | 15 083             | 8 078              | 8 819              | 9 506                                 | 15 695                                    | 15 711                         | <b>18 355</b>                           | 16.83   | 10 173     | 10 237     |         |
| Garden Route District                              | 42 752             | 89 721             | 100 814            | 97 189                                | 79 136                                    | 79 387                         | <b>51 465</b>                           | (35.17) | 34 874     | 36 637     |         |
| Central Karoo                                      | 3 636              | 15 470             | 17 742             | 18 203                                | 33 343                                    | 33 365                         | <b>28 446</b>                           | (14.74) | 13 883     | 14 167     |         |
| <b>Unallocated</b>                                 |                    |                    |                    | 278 589                               | 267 324                                   | 267 324                        | <b>247 729</b>                          | (7.33)  | 307 314    | 306 815    |         |
| <b>Total payments and<br/>estimates per sector</b> | 77 423 953         | 81 037 271         | 84 184 315         | 87 986 378                            | 89 725 586                                | 89 724 929                     | <b>93 537 884</b>                       | 4.25    | 94 770 080 | 97 505 522 |         |

Note: Unallocated not yet allocated to a specific district

The population size is less of a determining factor when allocating expenditure towards the Governance and Administrative sector. The head offices of the departments within this Sector are based in the Cape Metro. In 2026/27, the majority of this sector's allocation (93.3 per cent) will therefore be spent within the Cape Metropolitan area given the location of these head offices, but will service the needs of the entire Province. This sector has also manifested a 5 per cent increase, thereby signalling the slight expansion (slight adjustment in terms of fiscal consolidation) in the effort to maintain current service levels.

Figure 5.8 provides the proportion of Provincial spending at a district level according to the three functional government sectors for 2026/27.

**Figure 5.8 Proportion of Provincial payments and estimates per sector by district 2026/27**



The Social sector consistently accounts for the largest proportion of spending, with the Cape Metro area (81.4 per cent) and the Garden Route District (79.6 per cent) showing the highest allocations, in tandem with the West Coast District (77.1 per cent) and Overberg District (76.9 per cent). The Economic sector's share is more variable, ranging from 13.9 per cent in the Cape Metro to 27.6 per cent in Central Karoo District. The proportion of Governance and Administration sector spending is notably low across all districts, peaking at 4.7 per cent in the Cape Metro and 2.2 per cent in the Central Karoo District.

## Provincial transfers to local government

**Table 5.3 Summary of Provincial transfers to local government by category**

| Vote transfers<br>R'000                               | Outcome            |                    |                    | Main<br>appropriation<br>2025/26 | Adjusted<br>appropriation<br>2025/26 | Revised<br>estimate<br>2025/26 | Medium-term estimate<br>% Change<br>from<br>Revised<br>estimate |         |                  |                  |
|-------------------------------------------------------|--------------------|--------------------|--------------------|----------------------------------|--------------------------------------|--------------------------------|-----------------------------------------------------------------|---------|------------------|------------------|
|                                                       | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 |                                  |                                      |                                | 2026/27                                                         | 2025/26 | 2027/28          | 2028/29          |
| Category A                                            | 1 476 981          | 1 820 192          | 1 605 542          | 1 444 675                        | 1 426 165                            | 1 426 165                      | <b>1 433 916</b>                                                | .54     | 1 476 864        | 1 506 837        |
| Category B                                            | 1 353 561          | 1 691 347          | 1 668 518          | 1 781 604                        | 1 678 604                            | 1 678 604                      | <b>1 382 134</b>                                                | (17.66) | 1 239 381        | 1 361 898        |
| Category C                                            | 25 828             | 37 376             | 31 067             | 22 116                           | 22 858                               | 22 846                         | <b>19 881</b>                                                   | (12.98) | 8 370            | 8 962            |
| Unallocated                                           |                    |                    |                    | 14 716                           |                                      |                                | <b>34 416</b>                                                   |         | 111 607          | 101 887          |
| <b>Total provincial transfers to local government</b> | <b>2 856 370</b>   | <b>3 548 915</b>   | <b>3 305 127</b>   | <b>3 263 111</b>                 | <b>3 127 627</b>                     | <b>3 127 615</b>               | <b>2 870 347</b>                                                | (8.23)  | <b>2 836 222</b> | <b>2 979 584</b> |

Note: Unallocated not yet allocated to a specific district

Table 5.3 above summarises the direct transfer payments to be made by the WCG over the 2026 MTEF. The three municipal categories allowed for by the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) are:

- Category A: Metropolitan municipality (City of Cape Town)
- Category B: Local municipalities (24 in Western Cape)
- Category C: District municipalities (5 in the Western Cape)

In 2026/27 the largest proportion of spending is directed towards the Cape Metro, with total transfers amounting to R1.434 billion (49.9 per cent).

Allocations to local and district municipalities will amount to R1.382 billion (48.1 per cent) and R19.881 million (0.7 per cent) in 2026/27, respectively. Category A reflects a slight increase of 0.5 per cent. However, both Categories B and C reflect decreases, namely 17.7 and 13 per cent respectively. As such an overall decrease in the allocation is realised, equating to 8.2 per cent.

For the 2026/27 financial year, R34.416 million of the transfers to local government will be reserved as unallocated for municipal support initiatives by the Provincial Treasury and Department of Local Government. More details on these allocations are to be provided in the Provincial Gazette Extraordinary, 9121.

## ■ Conclusion

The WCG uses an evidence-based approach to inform investment decisions in order to address the social and economic challenges facing the region. The objectives of these funding choices are to improve socioeconomic outcomes and promote inclusive economic growth. Current socioeconomic realities, in addition to relevant policies and strategies that jointly address challenges faced by the Province and its respective municipalities, have a crucial role in shaping the spatial and sectoral distribution of the 2026 Budget.

Aligned with the budget theme of "A budget that delivers growth with discipline and care", the Social and Economic sectors receive a sizable portion of the WCG budget, which reflects the Province's commitment to promoting inclusive economic growth and job opportunities, reducing the rates of poverty and crime, and addressing other societal issues to improve the quality of life for all residents of the Province.

# Annexures

Annexure A: Additional tables



## Annexure A

## Additional tables

Table A.1 Conditional grants: Information relating to Chapter 3

| Vote and grant<br>R'000                                        | 2022/23               |                           |                    | 2023/24               |                           |                    | 2024/25               |                           |                    | 2025/26               |                           |                     | Medium-term estimate |           |           |
|----------------------------------------------------------------|-----------------------|---------------------------|--------------------|-----------------------|---------------------------|--------------------|-----------------------|---------------------------|--------------------|-----------------------|---------------------------|---------------------|----------------------|-----------|-----------|
|                                                                | Main<br>appropriation | Adjusted<br>appropriation | Audited<br>outcome | Main<br>appropriation | Adjusted<br>appropriation | Audited<br>outcome | Main<br>appropriation | Adjusted<br>appropriation | Audited<br>outcome | Main<br>appropriation | Adjusted<br>appropriation | Revised<br>estimate | 2026/27              | 2027/28   | 2028/29   |
| <b>Vote 4: Police Oversight and Community Safety</b>           | 3 821                 | 3 821                     | 3 821              | 4 033                 | 3 744                     | 3 744              | 2 778                 | 2 778                     | 2 778              | 4 970                 | 4 970                     | 4 970               | <b>5 006</b>         |           |           |
| Expanded Public Works Programme Integrated Grant for Provinces | 3 821                 | 3 821                     | 3 821              | 4 033                 | 3 744                     | 3 744              | 2 778                 | 2 778                     | 2 778              | 4 970                 | 4 970                     | 4 970               | <b>5 006</b>         |           |           |
| <b>Vote 5: Education</b>                                       | 1 885 952             | 2 013 694                 | 2 013 694          | 1 990 968             | 1 815 616                 | 1 815 616          | 2 063 756             | 2 384 756                 | 2 384 756          | 3 219 573             | 3 451 626                 | 3 451 626           | <b>3 743 291</b>     | 2 755 396 | 2 889 474 |
| Education Infrastructure Grant                                 | 1 236 077             | 1 351 539                 | 1 351 539          | 1 290 062             | 1 133 187                 | 1 133 187          | 1 306 354             | 1 627 354                 | 1 627 354          | 2 410 299             | 2 410 299                 | 2 410 299           | <b>2 622 218</b>     | 1 391 044 | 1 453 502 |
| Maths, Science and Technology Grant                            | 37 184                | 46 056                    | 46 056             | 37 135                | 32 863                    | 32 863             | 38 045                | 38 045                    | 38 045             | 39 346                | 39 346                    | 39 346              | <b>41 146</b>        | 42 438    | 44 066    |
| of which:                                                      |                       |                           |                    |                       |                           |                    |                       |                           |                    |                       |                           |                     |                      |           |           |
| HIV and AIDS (Life Skills Education) Grant                     | 17 822                | 17 822                    | 17 822             | 18 071                | 14 983                    | 14 983             | 18 923                | 18 923                    | 18 923             | 19 883                | 19 883                    | 19 883              | <b>20 681</b>        | 21 522    | 22 173    |
| Learners with Profound Intellectual Disabilities Grant         | 33 451                | 36 859                    | 36 859             | 34 080                | 38 113                    | 38 113             | 33 930                | 33 930                    | 33 930             | 35 605                | 35 605                    | 35 605              | <b>37 315</b>        | 38 823    | 40 545    |
| National School Nutrition Programme Grant                      | 451 289               | 451 289                   | 451 289            | 496 802               | 496 802                   | 496 802            | 531 615               | 531 615                   | 531 615            | 551 103               | 551 103                   | 551 103             | <b>570 674</b>       | 586 145   | 614 637   |
| Social Sector EPWP Incentive Grant for Provinces               | 12 322                | 12 322                    | 12 322             | 12 623                | 11 718                    | 11 718             | 8 266                 | 8 266                     | 8 266              |                       |                           |                     |                      |           |           |
| Expanded Public Works Programme Integrated Grant for Provinces | 1 941                 | 1 941                     | 1 941              | 2 119                 | 1 912                     | 1 912              | 2 266                 | 2 266                     | 2 266              | 8 284                 | 8 284                     | 8 284               | <b>8 894</b>         |           |           |
| Early Childhood Development Grant                              | 95 866                | 95 866                    | 95 866             | 100 076               | 86 038                    | 86 038             | 124 357               | 124 357                   | 124 357            | 155 053               | 387 106                   | 387 106             | <b>442 363</b>       | 675 424   | 714 551   |
| Subsidy Component                                              | 82 536                | 82 536                    | 82 536             | 86 038                | 86 038                    | 86 038             | 108 008               | 108 008                   | 108 008            | 134 593               | 366 646                   | 366 646             | 408 146              | 639 118   | 677 101   |
| Infrastructure Component                                       | 13 330                | 13 330                    | 13 330             | 14 038                |                           |                    | 16 349                | 16 349                    | 16 349             | 20 460                | 20 460                    | 20 460              | 34 217               | 36 306    | 37 450    |
| <b>Vote 6: Health and Wellness</b>                             | 7 421 385             | 7 469 244                 | 7 454 790          | 7 199 357             | 7 091 824                 | 7 091 824          | 7 495 801             | 7 502 301                 | 7 502 301          | 7 721 921             | 7 906 680                 | 7 906 680           | <b>8 281 932</b>     | 8 678 460 | 8 916 897 |
| National Tertiary Services Grant                               | 3 401 057             | 3 401 057                 | 3 401 057          | 3 332 007             | 3 332 007                 | 3 332 007          | 3 526 935             | 3 526 935                 | 3 526 935          | 3 667 255             | 3 707 255                 | 3 707 255           | <b>3 867 846</b>     | 4 032 411 | 4 164 286 |
| Health Facility Revitalisation Grant                           | 796 590               | 853 090                   | 838 636            | 883 298               | 843 165                   | 843 165            | 861 307               | 867 807                   | 867 807            | 894 445               | 948 282                   | 948 282             | <b>1 118 925</b>     | 1 219 452 | 1 213 224 |
| Human Resources and Training Grant                             | 899 442               | 899 442                   | 899 442            | 887 123               | 887 123                   | 887 123            | 928 678               | 928 678                   | 928 678            | 951 596               | 951 596                   | 951 596             | <b>995 246</b>       | 1 039 877 | 1 075 352 |
| Statutory Human Resources Component                            | 356 963               | 356 963                   | 356 963            | 369 008               | 369 008                   | 369 008            | 375 295               | 375 295                   | 375 295            | 384 725               | 384 725                   | 384 725             | 402 383              | 420 429   | 434 767   |
| Training Component                                             | 542 479               | 542 479                   | 542 479            | 518 115               | 518 115                   | 518 115            | 553 383               | 553 383                   | 553 383            | 566 871               | 566 871                   | 566 871             | 592 863              | 619 448   | 640 585   |
| National Health Insurance Grant                                | 43 605                | 34 964                    | 34 964             | 36 225                | 36 225                    | 36 225             | 36 899                | 36 899                    | 36 899             | 37 893                | 37 893                    | 37 893              | <b>38 724</b>        | 40 435    | 41 799    |
| District Health Programmes Grant                               | 2 268 294             | 2 268 294                 | 2 268 294          | 2 049 145             | 1 982 629                 | 1 982 629          | 2 132 386             | 2 132 386                 | 2 132 386          | 2 159 495             | 2 250 417                 | 2 250 417           | <b>2 251 705</b>     | 2 346 285 | 2 422 236 |
| District Health Component                                      | 415 431               | 415 431                   | 415 431            | 217 764               | 217 764                   | 217 764            | 240 577               | 240 577                   | 240 577            | 251 479               | 251 479                   | 251 479             | 261 705              | 272 149   | 280 607   |
| Comprehensive HIV/AIDS Component                               | 1 852 863             | 1 852 863                 | 1 852 863          | 1 831 381             | 1 764 865                 | 1 764 865          | 1 891 809             | 1 891 809                 | 1 891 809          | 1 908 016             | 1 998 938                 | 1 998 938           | 1 990 000            | 2 074 136 | 2 141 629 |
| Social Sector EPWP Incentive Grant for Provinces               | 10 291                | 10 291                    | 10 291             | 9 404                 | 8 730                     | 8 730              | 7 504                 | 7 504                     | 7 504              |                       |                           |                     |                      |           |           |
| Expanded Public Works Programme Integrated Grant for Provinces | 2 106                 | 2 106                     | 2 106              | 2 155                 | 1 945                     | 1 945              | 2 092                 | 2 092                     | 2 092              | 11 237                | 11 237                    | 11 237              | <b>9 486</b>         |           |           |
| <b>Vote 7: Social Development</b>                              | 4 978                 | 4 978                     | 4 920              | 4 899                 | 4 548                     | 4 052              | 2 525                 | 3 021                     | 2 871              | 3 761                 | 3 911                     | 3 911               | <b>3 290</b>         |           |           |
| Expanded Public Works Programme Integrated Grant for Provinces | 4 978                 | 4 978                     | 4 920              | 4 899                 | 4 548                     | 4 052              | 2 525                 | 3 021                     | 2 871              | 3 761                 | 3 911                     | 3 911               | <b>3 290</b>         |           |           |

**Table A.1 Conditional Grants: Information relating to Chapter 3 (continued)**

| Vote and grant<br>R'000                                                         | 2022/23                   |                               |                    | 2023/24                   |                               |                    | 2024/25                   |                               |                    | 2025/26                   |                               |                     | Medium-term estimate |                   |                   |
|---------------------------------------------------------------------------------|---------------------------|-------------------------------|--------------------|---------------------------|-------------------------------|--------------------|---------------------------|-------------------------------|--------------------|---------------------------|-------------------------------|---------------------|----------------------|-------------------|-------------------|
|                                                                                 | Main<br>appro-<br>piation | Adjusted<br>appro-<br>piation | Audited<br>outcome | Main<br>appro-<br>piation | Adjusted<br>appro-<br>piation | Audited<br>outcome | Main<br>appro-<br>piation | Adjusted<br>appro-<br>piation | Audited<br>outcome | Main<br>appro-<br>piation | Adjusted<br>appro-<br>piation | Revised<br>estimate | 2026/27              | 2027/28           | 2028/29           |
| <b>Vote 8: Mobility</b>                                                         | 1 127 813                 | 1 127 813                     | 1 127 813          | 1 177 519                 | 1 177 519                     | 1 177 519          | 1 232 833                 | 1 232 833                     | 1 232 068          | 1 287 602                 | 1 287 602                     | 1 287 602           | <b>1 332 746</b>     | 1 385 932         | 1 429 006         |
| Public Transport Operations Grant                                               | 1 127 813                 | 1 127 813                     | 1 127 813          | 1 177 519                 | 1 177 519                     | 1 177 519          | 1 230 401                 | 1 230 401                     | 1 230 401          | 1 285 523                 | 1 285 523                     | 1 285 523           | <b>1 332 746</b>     | 1 385 932         | 1 429 006         |
| Expanded Public Works Programme Integrated Grant for Provinces                  |                           |                               |                    |                           |                               |                    | 2 432                     | 2 432                         | 1 667              | 2 079                     | 2 079                         | 2 079               |                      |                   |                   |
| <b>Vote 9: Environmental Affairs and Development Planning</b>                   | 4 468                     | 4 468                         | 4 468              | 4 482                     | 4 045                         | 4 045              | 3 331                     | 3 331                         | 3 331              | 2 978                     | 2 978                         | 2 978               | <b>3 265</b>         |                   |                   |
| Expanded Public Works Programme Integrated Grant for Provinces                  | 4 468                     | 4 468                         | 4 468              | 4 482                     | 4 045                         | 4 045              | 3 331                     | 3 331                         | 3 331              | 2 978                     | 2 978                         | 2 978               | <b>3 265</b>         |                   |                   |
| <b>Vote 10: Infrastructure</b>                                                  | 3 089 716                 | 3 094 912                     | 2 879 635          | 3 639 649                 | 3 527 894                     | 3 055 498          | 3 603 682                 | 4 174 682                     | 3 317 140          | 3 561 291                 | 4 198 527                     | 4 198 527           | <b>3 581 678</b>     | 2 947 521         | 3 039 272         |
| Provincial Roads Maintenance Grant                                              | 960 309                   | 960 309                       | 960 309            | 1 425 471                 | 1 373 727                     | 1 373 727          | 1 610 643                 | 2 181 643                     | 1 624 101          | 1 569 564                 | 2 206 800                     | 2 206 800           | <b>1 790 502</b>     | 1 090 746         | 1 124 646         |
| Expanded Public Works Programme Integrated Grant for Provinces (Public Works)   | 13 373                    | 13 373                        | 13 373             | 3 687                     | 3 037                         | 3 037              |                           |                               |                    |                           |                               |                     |                      |                   |                   |
| Human Settlements Development Grant                                             | 1 628 418                 | 1 628 418                     | 1 525 136          | 1 701 511                 | 1 590 212                     | 1 340 212          | 1 605 872                 | 1 605 872                     | 1 405 872          | 1 663 926                 | 1 663 926                     | 1 663 926           | <b>1 559 136</b>     | 1 626 048         | 1 680 357         |
| Informal Settlements Upgrading Partnership Grant for Provinces                  | 484 638                   | 489 834                       | 377 839            | 505 998                   | 557 936                       | 335 540            | 382 315                   | 382 315                       | 282 315            | 325 722                   | 325 722                       | 325 722             | <b>226 385</b>       | 230 727           | 234 269           |
| Expanded Public Works Programme Integrated Grant for Provinces (Infrastructure) | 2 978                     | 2 978                         | 2 978              | 2 982                     | 2 982                         | 2 982              | 4 852                     | 4 852                         | 4 852              | 2 079                     | 2 079                         | 2 079               | <b>5 655</b>         |                   |                   |
| <b>Vote 11: Agriculture</b>                                                     | 188 786                   | 188 786                       | 188 786            | 189 729                   | 178 664                       | 174 307            | 176 825                   | 479 182                       | 208 400            | 194 738                   | 465 237                       | 465 237             | <b>196 669</b>       | 211 393           | 215 006           |
| Land Care Programme Grant: Poverty Relief and Infrastructure Development        | 5 532                     | 5 532                         | 5 532              | 5 680                     | 5 300                         | 5 300              | 6 546                     | 6 546                         | 6 546              | 6 839                     | 6 839                         | 6 839               | <b>7 152</b>         | 7 475             | 7 630             |
| Comprehensive Agricultural Support Programme (CASP) Grant                       | 122 087                   | 122 087                       | 122 087            | 121 653                   | 112 203                       | 107 846            | 124 426                   | 426 783                       | 156 001            | 119 669                   | 390 168                       | 390 168             | <b>186 861</b>       | 203 918           | 207 376           |
| Ilima/Letsema Projects Grant                                                    | 58 993                    | 58 993                        | 58 993             | 59 979                    | 58 979                        | 58 979             | 43 322                    | 43 322                        | 43 322             | 65 455                    | 65 455                        | 65 455              |                      |                   |                   |
| Expanded Public Works Programme Integrated Grant for Provinces                  | 2 174                     | 2 174                         | 2 174              | 2 417                     | 2 182                         | 2 182              | 2 531                     | 2 531                         | 2 531              | 2 775                     | 2 775                         | 2 775               | <b>2 656</b>         |                   |                   |
| <b>Vote 13: Cultural Affairs and Sport</b>                                      | 288 755                   | 288 755                       | 288 755            | 263 496                   | 258 615                       | 258 615            | 272 819                   | 272 819                       | 268 432            | 270 877                   | 270 877                       | 270 877             | <b>282 988</b>       | 290 899           | 291 783           |
| Mass Participation and Sport Development Grant                                  | 91 221                    | 91 221                        | 91 221             | 62 516                    | 57 971                        | 57 971             | 65 494                    | 65 494                        | 61 107             | 63 058                    | 63 058                        | 63 058              | <b>66 090</b>        | 71 362            | 73 535            |
| Community Library Services Grant                                                | 190 102                   | 190 102                       | 190 102            | 193 331                   | 193 331                       | 193 331            | 201 168                   | 201 168                       | 201 168            | 202 279                   | 202 279                       | 202 279             | <b>211 662</b>       | 219 537           | 218 248           |
| Expanded Public Works Programme Integrated Grant for Provinces                  | 3 099                     | 3 099                         | 3 099              | 2 956                     | 2 956                         | 2 956              | 2 992                     | 2 992                         | 2 992              | 5 540                     | 5 540                         | 5 540               | <b>5 236</b>         |                   |                   |
| Social Sector EPWP Incentive Grant for Provinces                                | 4 333                     | 4 333                         | 4 333              | 4 693                     | 4 357                         | 4 357              | 3 165                     | 3 165                         | 3 165              |                           |                               |                     |                      |                   |                   |
| <b>Total Conditional grants</b>                                                 | <b>14 015 674</b>         | <b>14 196 471</b>             | <b>13 966 682</b>  | <b>14 474 132</b>         | <b>14 062 469</b>             | <b>13 585 220</b>  | <b>14 854 350</b>         | <b>16 055 703</b>             | <b>14 922 077</b>  | <b>16 267 711</b>         | <b>17 592 408</b>             | <b>17 592 408</b>   | <b>17 430 865</b>    | <b>16 269 601</b> | <b>16 781 438</b> |

**Table A.2 Details of total provincial own receipts: Information relating to Chapter 3**

| Receipts<br>R'000                                                               | Outcome            |                    |                    |                                      |                                          |                                | Medium-term estimate                 |         |           |           |
|---------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------------------------|------------------------------------------|--------------------------------|--------------------------------------|---------|-----------|-----------|
|                                                                                 | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 | Main<br>appro-<br>piation<br>2025/26 | Adjusted<br>appro-<br>piation<br>2025/26 | Revised<br>estimate<br>2025/26 | % Change<br>from Revised<br>estimate |         |           |           |
|                                                                                 |                    |                    |                    |                                      |                                          |                                | 2026/27                              | 2025/26 | 2027/28   | 2028/29   |
| <b>Tax receipts</b>                                                             | 3 030 487          | 3 567 655          | 3 902 715          | 3 773 705                            | 3 773 705                                | 3 756 877                      | <b>3 999 628</b>                     | 6.46    | 4 199 156 | 4 329 330 |
| Provincial Revenue Fund (Tax receipts)                                          |                    |                    |                    |                                      |                                          |                                |                                      |         |           |           |
| Casino taxes                                                                    | 520 665            | 520 037            | 497 612            | 463 618                              | 463 618                                  | 463 618                        | <b>484 481</b>                       | 4.50    | 506 283   | 521 977   |
| Horse racing taxes                                                              | 512 987            | 906 496            | 1 118 874          | 870 198                              | 870 198                                  | 870 198                        | <b>909 356</b>                       | 4.50    | 950 277   | 979 736   |
| Other taxes (Liquor licence fees)                                               | 39 020             | 49 093             | 51 307             | 53 616                               | 53 616                                   | 53 616                         | <b>56 029</b>                        | 4.50    | 58 550    | 60 365    |
| Motor Vehicle Licences (Tax receipts)                                           | 1 957 815          | 2 092 029          | 2 234 922          | 2 386 273                            | 2 386 273                                | 2 369 445                      | <b>2 549 762</b>                     | 7.61    | 2 684 046 | 2 767 252 |
| <b>Total Departmental Own Receipts</b>                                          | 730 654            | 996 727            | 982 494            | 683 329                              | 716 641                                  | 970 742                        | <b>738 049</b>                       | (23.97) | 768 460   | 788 004   |
| <b>Sales of goods and services other than capital assets</b>                    | 582 527            | 691 624            | 763 484            | 632 126                              | 649 126                                  | 790 185                        | <b>695 019</b>                       | (12.04) | 723 554   | 742 096   |
| Sales of goods and services produced by department (excl. capital assets)       | 579 252            | 690 228            | 761 576            | 630 820                              | 647 820                                  | 789 089                        | <b>693 901</b>                       | (12.06) | 722 390   | 740 905   |
| Sales of goods and services produced by department (excl. capital assets)       | 93 220             | 178 082            | 198 250            | 110 501                              | 110 501                                  | 208 580                        | <b>116 138</b>                       | (44.32) | 121 362   | 125 130   |
| Sales by market establishments                                                  | 45 110             | 66 212             | 83 229             | 55 671                               | 69 671                                   | 74 355                         | <b>62 285</b>                        | (16.23) | 64 661    | 66 289    |
| Inspection fees                                                                 | 1 135              | 1 166              | 1 157              | 1 097                                | 1 097                                    | 1 122                          | <b>1 200</b>                         | 6.95    | 1 254     | 1 293     |
| Licences or permits                                                             | 34 963             | 54 666             | 70 945             | 45 629                               | 59 629                                   | 62 676                         | <b>51 374</b>                        | (18.03) | 53 264    | 54 541    |
| Registration                                                                    | 31                 | 2                  | 389                | 29                                   | 29                                       | 29                             | <b>30</b>                            | 3.45    | 30        | 28        |
| Request for information                                                         | 8 981              | 10 377             | 10 738             | 8 916                                | 8 916                                    | 10 528                         | <b>9 681</b>                         | (8.05)  | 10 113    | 10 427    |
| Other                                                                           |                    | 1                  |                    |                                      |                                          |                                |                                      |         |           |           |
| Other sales                                                                     | 440 922            | 445 934            | 480 097            | 464 648                              | 467 648                                  | 506 154                        | <b>515 478</b>                       | 1.84    | 536 367   | 549 486   |
| Academic services:                                                              | 24 703             | 35 400             | 46 576             | 31 385                               | 31 385                                   | 34 094                         | <b>35 855</b>                        | 5.17    | 36 973    | 37 341    |
| Boarding services                                                               | 15 812             | 20 822             | 20 594             | 16 782                               | 16 782                                   | 19 110                         | <b>17 343</b>                        | (9.25)  | 17 882    | 18 029    |
| Commission on insurance                                                         | 19 161             | 20 239             | 21 275             | 21 376                               | 21 376                                   | 20 584                         | <b>23 036</b>                        | 11.91   | 24 063    | 24 999    |
| Hospital fees                                                                   | 331 301            | 322 750            | 336 895            | 341 624                              | 341 624                                  | 379 551                        | <b>381 704</b>                       | 0.57    | 398 772   | 411 134   |
| Laboratory services                                                             | 1 084              | 1 052              | 1 114              | 2 522                                | 2 522                                    | 2 522                          | <b>1 500</b>                         | (40.52) | 1 496     | 1 420     |
| Parking                                                                         | 27                 | 25                 |                    |                                      |                                          |                                |                                      |         |           |           |
| Rental of buildings, equipment and other services                               | 150                | 137                | 132                | 61                                   | 61                                       | 61                             | <b>50</b>                            | (18.03) | 50        | 47        |
| Sales of goods                                                                  | 15 102             | 13 519             | 13 911             | 13 676                               | 13 676                                   | 11 131                         | <b>12 082</b>                        | 8.54    | 12 622    | 13 017    |
| Sales of agricultural products                                                  | 9 810              | 12 659             | 16 601             | 16 237                               | 16 237                                   | 16 237                         | <b>13 970</b>                        | (13.96) | 13 933    | 13 225    |
| Tender documentation                                                            | 592                | 37                 | 37                 | 87                                   | 87                                       | 45                             | <b>91</b>                            | 102.22  | 95        | 98        |
| Vehicle repair service                                                          | 146                | 101                | 163                | 60                                   | 60                                       | 23                             | <b>25</b>                            | 8.70    | 26        | 27        |
| Services rendered                                                               | 18 632             | 15 705             | 20 216             | 18 655                               | 18 655                                   | 17 663                         | <b>21 624</b>                        | 22.43   | 22 135    | 22 068    |
| Photocopies and faxes                                                           | 862                | 759                | 569                | 636                                  | 636                                      | 491                            | <b>653</b>                           | 32.99   | 677       | 691       |
| Other                                                                           | 3 540              | 2 729              | 2 014              | 1 547                                | 4 547                                    | 4 642                          | <b>7 545</b>                         |         | 7 643     | 7 390     |
| Sales of scrap, waste, arms and other used current goods (excl. capital assets) | 3 275              | 1 396              | 1 908              | 1 306                                | 1 306                                    | 1 096                          | <b>1 118</b>                         | 2.01    | 1 164     | 1 191     |

**Table A.2 Details of total provincial own receipts: Information relating to Chapter 3 (continued)**

| Receipts<br>R'000                                       | Outcome            |                    |                    |                                      |                                          |                                | Medium-term estimate                                  |          |                  |                  |
|---------------------------------------------------------|--------------------|--------------------|--------------------|--------------------------------------|------------------------------------------|--------------------------------|-------------------------------------------------------|----------|------------------|------------------|
|                                                         | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 | Main<br>appro-<br>piation<br>2025/26 | Adjusted<br>appro-<br>piation<br>2025/26 | Revised<br>estimate<br>2025/26 | %<br>Change<br>from<br>Revised<br>estimate<br>2025/26 | 2026/27  | 2027/28          | 2028/29          |
| <b>Transfers received from</b>                          | 17 940             | 42 252             | 30 262             | 18 763                               | 18 763                                   | 20 854                         | <b>19 815</b>                                         | (4.98)   | 20 701           | 21 343           |
| Other governmental units                                | 687                | 272                | 11 939             |                                      |                                          | 2 091                          |                                                       | (100.00) |                  |                  |
| Higher education institutions                           | 16 817             | 17 188             | 17 996             | 18 762                               | 18 762                                   | 18 762                         | <b>19 814</b>                                         | 5.61     | 20 700           | 21 342           |
| Public corporations and private enterprises             | 436                | 24 792             | 327                |                                      |                                          |                                |                                                       |          |                  |                  |
| Households and non-profit institutions                  |                    |                    |                    | 1                                    | 1                                        | 1                              | <b>1</b>                                              |          | 1                | 1                |
| <b>Fines, penalties and forfeits</b>                    | 5 439              | 8 378              | 9 329              | 4 046                                | 4 046                                    | 6 435                          | <b>4 289</b>                                          | (33.35)  | 4 514            | 4 698            |
| <b>Interest, dividends and rent on land</b>             | 15 290             | 7 182              | 7 575              | 3 588                                | 2 010                                    | 2 843                          | <b>3 326</b>                                          | 16.99    | 3 475            | 3 613            |
| Interest                                                | 15 290             | 7 182              | 6 583              | 3 588                                | 2 010                                    | 2 843                          | <b>3 326</b>                                          | 16.99    | 3 475            | 3 613            |
| Dividends                                               |                    |                    | 992                |                                      |                                          |                                |                                                       |          |                  |                  |
| <b>Sales of capital assets</b>                          | 1 065              | 26 620             | 13 603             | 155                                  | 16 117                                   | 16 777                         | <b>758</b>                                            | (95.48)  | 756              | 718              |
| Land and subsoil assets                                 |                    | 11 323             | 7 072              |                                      |                                          | 607                            |                                                       | (100.00) |                  |                  |
| Other capital assets                                    | 1 065              | 15 297             | 6 531              | 155                                  | 16 117                                   | 16 170                         | <b>758</b>                                            | (95.31)  | 756              | 718              |
| <b>Financial transactions in assets and liabilities</b> | 108 393            | 220 671            | 158 241            | 24 651                               | 26 579                                   | 133 648                        | <b>14 842</b>                                         | (88.89)  | 15 460           | 15 536           |
| Recovery of previous year's expenditure                 | 86 496             | 126 391            | 116 562            | 13 727                               | 14 077                                   | 99 919                         | <b>3 600</b>                                          | (96.40)  | 3 749            | 3 904            |
| Staff debt                                              | 10 581             | 11 450             | 11 846             | 5 910                                | 7 488                                    | 7 171                          | <b>6 623</b>                                          | (7.64)   | 6 885            | 6 658            |
| Unallocated credits                                     | 4 168              | 55 799             | 24 876             | 4 230                                | 4 230                                    | 5 363                          | <b>3 902</b>                                          | (27.24)  | 4 077            | 4 213            |
| Cash surpluses                                          | 4                  | 22 745             | 6                  | 1                                    | 1                                        | 18 945                         | <b>1</b>                                              | (99.99)  | 1                | 1                |
| Other                                                   | 7 144              | 4 286              | 4 951              | 783                                  | 783                                      | 2 250                          | <b>716</b>                                            | (68.18)  | 748              | 760              |
| <b>Total provincial own receipts</b>                    | <b>3 761 141</b>   | <b>4 564 382</b>   | <b>4 885 209</b>   | <b>4 457 034</b>                     | <b>4 490 346</b>                         | <b>4 727 619</b>               | <b>4 737 677</b>                                      | 0.21     | <b>4 967 616</b> | <b>5 117 334</b> |

**Table A.3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 3**

| Economic classification<br>R'000                      | Outcome            |                    |                    |                                  |                                      |                                | Medium-term estimate                 |         |            |            |
|-------------------------------------------------------|--------------------|--------------------|--------------------|----------------------------------|--------------------------------------|--------------------------------|--------------------------------------|---------|------------|------------|
|                                                       | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 | Main<br>appro-riation<br>2025/26 | Adjusted<br>appro-riation<br>2025/26 | Revised<br>estimate<br>2025/26 | % Change<br>from Revised<br>estimate |         |            |            |
|                                                       |                    |                    |                    |                                  |                                      |                                | 2026/27                              | 2025/26 | 2027/28    | 2028/29    |
| <b>Current payments</b>                               | 59 007 103         | 62 506 959         | 63 959 981         | 67 511 965                       | 67 789 839                           | 67 852 199                     | <b>72 019 796</b>                    | 6.14    | 74 954 705 | 77 072 770 |
| Compensation of employees                             | 41 258 897         | 43 755 033         | 44 994 411         | 48 438 106                       | 48 053 910                           | 48 112 566                     | <b>51 415 412</b>                    | 6.86    | 53 953 172 | 55 551 141 |
| Salaries and wages                                    | 36 239 955         | 38 279 327         | 38 998 689         | 42 624 913                       | 42 194 421                           | 41 684 877                     | <b>44 782 020</b>                    | 7.43    | 46 990 105 | 48 362 845 |
| Social contributions                                  | 5 018 942          | 5 475 706          | 5 995 722          | 5 813 193                        | 5 859 489                            | 6 427 689                      | <b>6 633 392</b>                     | 3.20    | 6 963 067  | 7 188 296  |
| Goods and services                                    | 17 748 126         | 18 751 822         | 18 965 472         | 19 073 709                       | 19 735 779                           | 19 739 472                     | <b>20 604 118</b>                    | 4.38    | 21 001 290 | 21 521 381 |
| <i>Of which</i>                                       |                    |                    |                    |                                  |                                      |                                |                                      |         |            |            |
| Administrative fees                                   | 471 802            | 446 650            | 490 070            | 520 385                          | 537 099                              | 539 309                        | <b>582 455</b>                       | 8.00    | 606 886    | 625 120    |
| Advertising                                           | 93 137             | 94 208             | 102 290            | 103 365                          | 117 856                              | 121 439                        | <b>125 174</b>                       | 3.08    | 123 437    | 128 103    |
| Minor assets                                          | 73 793             | 76 339             | 69 983             | 93 194                           | 115 320                              | 111 953                        | <b>108 795</b>                       | (2.82)  | 130 053    | 136 507    |
| Audit costs: External                                 | 98 502             | 103 335            | 113 983            | 110 902                          | 113 678                              | 115 533                        | <b>117 957</b>                       | 2.10    | 119 590    | 122 436    |
| Bursaries: Employees                                  | 24 131             | 32 114             | 32 379             | 28 307                           | 39 619                               | 38 175                         | <b>39 465</b>                        | 3.38    | 40 470     | 40 649     |
| Catering: Departmental activities                     | 43 649             | 60 793             | 59 610             | 78 650                           | 86 615                               | 83 495                         | <b>89 615</b>                        | 7.33    | 91 626     | 94 546     |
| Communication (G&S)                                   | 94 649             | 90 169             | 86 831             | 96 673                           | 95 772                               | 96 493                         | <b>96 673</b>                        | 0.19    | 98 829     | 100 468    |
| Computer services                                     | 1 356 119          | 1 654 267          | 1 589 328          | 1 462 658                        | 1 736 111                            | 1 723 904                      | <b>1 736 328</b>                     | 0.72    | 1 688 961  | 1 730 290  |
| Consultants: Business and advisory services           | 869 692            | 919 396            | 938 580            | 1 107 468                        | 1 188 417                            | 1 182 874                      | <b>1 142 945</b>                     | (3.38)  | 1 105 071  | 1 130 988  |
| Infrastructure and planning                           | 238 664            | 195 850            | 185 535            | 64 573                           | 115 563                              | 168 068                        | <b>153 426</b>                       | (8.71)  | 148 189    | 180 490    |
| Laboratory services                                   | 1 012 956          | 965 127            | 866 392            | 901 248                          | 958 693                              | 958 674                        | <b>987 592</b>                       | 3.02    | 1 023 148  | 1 045 146  |
| Legal services (G&S)                                  | 59 282             | 51 510             | 59 477             | 67 935                           | 79 232                               | 80 152                         | <b>62 635</b>                        | (21.85) | 62 678     | 64 005     |
| Science and technological services                    |                    | 1 035              |                    |                                  |                                      |                                | <b>60</b>                            |         |            |            |
| Contractors                                           | 1 297 613          | 1 435 657          | 1 643 317          | 1 600 819                        | 1 766 152                            | 1 712 906                      | <b>1 465 983</b>                     | (14.42) | 1 438 307  | 1 483 227  |
| Agency and support/outsourced services                | 1 338 059          | 1 380 887          | 1 441 651          | 1 422 929                        | 1 540 514                            | 1 545 193                      | <b>1 518 436</b>                     | (1.73)  | 1 548 684  | 1 591 919  |
| Entertainment                                         | 501                | 484                | 563                | 1 106                            | 1 184                                | 1 188                          | <b>1 184</b>                         | (0.34)  | 1 198      | 1 227      |
| Fleet services (including government motor transport) | 441 353            | 432 417            | 426 746            | 427 362                          | 423 710                              | 426 672                        | <b>481 264</b>                       | 12.79   | 495 538    | 506 440    |
| Inventory: Clothing material and accessories          | 2 364              | 2 659              | 3 316              | 2 364                            | 2 419                                | 2 389                          | <b>3 104</b>                         | 29.93   | 2 636      | 2 721      |
| Inventory: Food and food supplies                     | 75 180             | 76 614             | 85 869             | 73 135                           | 80 435                               | 80 435                         | <b>83 717</b>                        | 4.08    | 86 265     | 87 473     |
| Inventory: Learner and teacher support material       | 204 564            | 252 482            | 244 633            | 313 319                          | 293 182                              | 264 936                        | <b>316 222</b>                       | 19.36   | 328 100    | 340 088    |
| Inventory: Materials and supplies                     | 10 709             | 11 554             | 43 012             | 31 931                           | 36 592                               | 38 142                         | <b>26 283</b>                        | (31.09) | 26 639     | 26 483     |
| Inventory: Medical supplies                           | 2 100 242          | 2 176 936          | 2 323 217          | 2 257 496                        | 2 356 528                            | 2 356 528                      | <b>2 591 819</b>                     | 9.98    | 2 708 335  | 2 793 429  |
| Inventory: Medicine                                   | 1 832 591          | 1 928 566          | 1 902 702          | 1 924 804                        | 1 946 684                            | 1 946 684                      | <b>2 002 615</b>                     | 2.87    | 2 097 193  | 2 162 048  |
| Inventory: Other supplies                             | 373 453            | 309 361            | 185 432            | 220 408                          | 273 157                              | 254 486                        | <b>284 363</b>                       | 11.74   | 294 014    | 303 444    |
| Consumable supplies                                   | 825 443            | 736 435            | 672 236            | 675 817                          | 717 285                              | 705 541                        | <b>910 529</b>                       | 29.05   | 935 588    | 955 837    |
| Consumables: Stationery, printing and office supplies | 188 054            | 164 876            | 160 456            | 177 406                          | 170 308                              | 164 892                        | <b>178 041</b>                       | 7.97    | 183 693    | 186 765    |
| Operating leases                                      | 327 299            | 386 649            | 394 620            | 411 891                          | 415 968                              | 414 936                        | <b>446 951</b>                       | 7.72    | 468 295    | 480 751    |
| Rental and hiring                                     | 36 539             | 37 045             | 25 872             | 16 845                           | 16 719                               | 16 545                         | <b>16 591</b>                        | 0.28    | 17 048     | 17 321     |
| Property payments                                     | 3 320 071          | 3 877 121          | 3 964 532          | 3 883 673                        | 3 481 175                            | 3 542 515                      | <b>3 964 406</b>                     | 11.91   | 4 045 594  | 4 069 895  |
| Transport provided: Departmental                      | 496 137            | 408 049            | 424 173            | 450 738                          | 453 506                              | 456 897                        | <b>472 279</b>                       | 3.37    | 488 567    | 503 236    |
| Travel and subsistence                                | 187 261            | 205 110            | 185 888            | 229 006                          | 256 689                              | 254 991                        | <b>263 131</b>                       | 3.19    | 264 287    | 270 343    |
| Training and development                              | 115 323            | 114 826            | 120 292            | 173 297                          | 171 925                              | 174 326                        | <b>188 454</b>                       | 8.10    | 186 293    | 190 297    |
| Operating payments                                    | 116 093            | 104 892            | 105 901            | 108 908                          | 108 082                              | 116 804                        | <b>111 258</b>                       | (4.75)  | 113 955    | 116 290    |
| Venues and facilities                                 | 22 901             | 18 409             | 16 586             | 35 097                           | 39 590                               | 42 397                         | <b>34 368</b>                        | (18.94) | 32 123     | 33 399     |
| Interest and rent on land                             | 80                 | 104                | 98                 | 150                              | 150                                  | 161                            | <b>266</b>                           | 65.22   | 243        | 248        |
| Interest (Incl. interest on unitary payments (PPP))   | 2                  |                    | 3                  |                                  |                                      | 10                             | <b>171</b>                           | 1610.00 | 158        | 160        |
| Rent on land                                          | 78                 | 104                | 95                 | 150                              | 150                                  | 151                            | <b>95</b>                            | (37.09) | 85         | 88         |

**Table A.3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 3 (continued)**

| Economic classification<br>R'000                                     | Outcome            |                    |                    |                                       |                                           |                                | Medium-term estimate                               |          |            |            |
|----------------------------------------------------------------------|--------------------|--------------------|--------------------|---------------------------------------|-------------------------------------------|--------------------------------|----------------------------------------------------|----------|------------|------------|
|                                                                      | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 | Main<br>appo-<br>p-riation<br>2025/26 | Adjusted<br>appo-<br>p-riation<br>2025/26 | Revised<br>estimate<br>2025/26 | % Change<br>from<br>Revised<br>estimate<br>2026/27 | 2025/26  | 2027/28    | 2028/29    |
| <b>Transfers and subsidies to (Current)</b>                          | 10 555 385         | 10 724 610         | 11 367 815         | 11 372 524                            | 11 628 164                                | 11 656 361                     | <b>12 269 322</b>                                  | 5.26     | 12 384 736 | 12 722 805 |
| Provinces and municipalities                                         | 2 492 255          | 2 538 997          | 2 585 902          | 2 594 020                             | 2 623 251                                 | 2 623 054                      | <b>2 598 925</b>                                   | (0.92)   | 2 653 760  | 2 712 468  |
| Provinces                                                            | 6 969              | 6 127              | 6 996              | 4 028                                 | 9 650                                     | 9 465                          | <b>4 206</b>                                       | #REF!    | 4 372      | 4 544      |
| Provincial agencies and funds                                        | 6 969              | 6 127              | 6 996              | 4 028                                 | 9 650                                     | 9 465                          | <b>4 206</b>                                       | (55.56)  | 4 372      | 4 544      |
| Municipalities                                                       | 2 485 286          | 2 532 870          | 2 578 906          | 2 589 992                             | 2 613 601                                 | 2 613 589                      | <b>2 594 719</b>                                   | (0.72)   | 2 649 388  | 2 707 924  |
| Municipal bank accounts                                              | 2 054 243          | 2 169 910          | 2 186 649          | 2 210 624                             | 2 233 233                                 | 2 233 221                      | <b>2 196 743</b>                                   | (1.63)   | 2 235 373  | 2 280 403  |
| Municipal agencies and funds                                         | 431 043            | 362 960            | 392 257            | 379 368                               | 380 368                                   | 380 368                        | <b>397 976</b>                                     | 4.63     | 414 015    | 427 521    |
| Departmental agencies and accounts                                   | 478 673            | 496 324            | 514 745            | 537 608                               | 537 292                                   | 537 299                        | <b>603 749</b>                                     | 12.37    | 610 083    | 634 406    |
| Social security funds                                                | 351                | 244                |                    |                                       | 43                                        | 50                             |                                                    | (100.00) |            |            |
| Departmental agencies (non-business entities)                        | 478 322            | 496 080            | 514 745            | 537 608                               | 537 249                                   | 537 249                        | <b>603 749</b>                                     | 12.38    | 610 083    | 634 406    |
| Western Cape Gambling and Racing Board                               | 25 076             | 21 178             | 24 586             | 29 863                                | 29 863                                    | 29 863                         | <b>60 267</b>                                      | 101.81   | 46 497     | 47 938     |
| Western Cape Nature Conservation Board                               | 250 613            | 261 365            | 268 123            | 289 576                               | 289 576                                   | 289 576                        | <b>313 929</b>                                     | 8.41     | 328 931    | 344 803    |
| Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro) | 127 686            | 129 055            | 125 498            | 129 070                               | 129 070                                   | 129 070                        | <b>134 355</b>                                     | 4.09     | 139 704    | 143 818    |
| Western Cape Cultural Commission                                     | 627                | 2 155              | 3 745              | 679                                   | 679                                       | 679                            | <b>698</b>                                         | 2.80     | 726        | 726        |
| Western Cape Liquor Authority                                        | 47 915             | 55 015             | 64 395             | 60 816                                | 60 816                                    | 60 816                         | <b>65 194</b>                                      | 7.20     | 65 048     | 67 064     |
| Western Cape Language Committee                                      | 439                | 303                | 313                | 324                                   | 324                                       | 324                            | <b>324</b>                                         |          | 337        | 337        |
| Artscape                                                             | 254                | 213                | 294                | 225                                   | 225                                       | 225                            | <b>1 331</b>                                       | 491.56   | 240        | 240        |
| Heritage Western Cape                                                | 1 537              | 1 893              | 2 500              | 870                                   | 435                                       | 435                            | <b>450</b>                                         | 3.45     | 468        | 468        |
| Sector Education and Training Authority (SETA)                       | 21 157             | 22 308             | 23 305             | 24 259                                | 24 260                                    | 24 260                         | <b>25 171</b>                                      | 3.76     | 26 002     | 26 808     |
| Other                                                                | 3 018              | 2 595              | 1 986              | 1 926                                 | 2 001                                     | 2 001                          | <b>2 030</b>                                       | 1.45     | 2 130      | 2 204      |
| Higher education institutions                                        | 10                 | 100                | 1 939              | 310                                   | 968                                       | 968                            | <b>310</b>                                         | (67.98)  | 310        | 310        |
| Foreign governments and international organisations                  | 145                | 918                | 545                | 615                                   | 386                                       | 386                            | <b>642</b>                                         | 66.32    | 668        | 668        |
| Public corporations and private enterprises                          | 1 416 010          | 1 390 585          | 1 476 145          | 1 521 422                             | 1 667 884                                 | 1 667 629                      | <b>1 611 631</b>                                   | (3.36)   | 1 637 257  | 1 686 239  |
| Public corporations                                                  | 288 050            | 201 177            | 238 125            | 221 068                               | 367 900                                   | 367 904                        | <b>245 385</b>                                     | (33.30)  | 221 324    | 226 344    |
| Subsidies on products and production (pc)                            |                    |                    |                    |                                       |                                           |                                |                                                    |          |            |            |
| Other transfers to public corporations                               | 288 050            | 201 177            | 238 125            | 221 068                               | 367 900                                   | 367 904                        | <b>245 385</b>                                     | (33.30)  | 221 324    | 226 344    |
| Private enterprises                                                  | 1 127 960          | 1 189 408          | 1 238 020          | 1 300 354                             | 1 299 984                                 | 1 299 725                      | <b>1 366 246</b>                                   | 5.12     | 1 415 933  | 1 459 895  |
| Other transfers to private enterprises                               | 1 127 960          | 1 189 408          | 1 238 020          | 1 300 354                             | 1 299 984                                 | 1 299 725                      | <b>1 366 246</b>                                   | 5.12     | 1 415 933  | 1 459 895  |
| Non-profit institutions                                              | 5 640 433          | 5 800 687          | 6 245 313          | 6 086 977                             | 6 250 182                                 | 6 276 307                      | <b>6 550 885</b>                                   | 4.37     | 6 838 386  | 7 029 305  |
| Households                                                           | 527 859            | 496 999            | 543 226            | 631 572                               | 548 201                                   | 550 718                        | <b>903 180</b>                                     | 64.00    | 644 272    | 659 409    |
| Social benefits                                                      | 182 317            | 185 019            | 199 090            | 227 233                               | 237 192                                   | 239 116                        | <b>503 883</b>                                     | 110.73   | 242 428    | 250 070    |
| Other transfers to households                                        | 345 542            | 311 980            | 344 136            | 404 339                               | 311 009                                   | 311 602                        | <b>399 297</b>                                     | 28.14    | 401 844    | 409 339    |

**Table A.3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 3 (continued)**

| Economic classification<br>R'000                               | Outcome            |                    |                    | Main<br>appro-<br>priation<br>2025/26 | Adjusted<br>appro-<br>priation<br>2025/26 | Revised<br>estimate<br>2025/26 | Medium-term estimate<br>% Change<br>from<br>Revised<br>estimate |         |           |           |
|----------------------------------------------------------------|--------------------|--------------------|--------------------|---------------------------------------|-------------------------------------------|--------------------------------|-----------------------------------------------------------------|---------|-----------|-----------|
|                                                                | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 |                                       |                                           |                                | 2026/27                                                         | 2025/26 | 2027/28   | 2028/29   |
| <b>Transfers and subsidies to (Capital)</b>                    | 2 025 865          | 1 826 785          | 1 812 055          | 2 037 456                             | 2 441 205                                 | 2 368 331                      | <b>1 836 027</b>                                                | (22.48) | 1 858 993 | 1 934 162 |
| Provinces and municipalities                                   | 62 854             | 30 533             | 34 164             | 35 000                                | 50 566                                    | 50 566                         | <b>41 000</b>                                                   | (18.92) | 42 000    | 44 000    |
| Provinces                                                      |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Provincial Revenue Funds                                       |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Provincial agencies and funds                                  |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Municipalities                                                 | 62 854             | 30 533             | 34 164             | 35 000                                | 50 566                                    | 50 566                         | <b>41 000</b>                                                   | (18.92) | 42 000    | 44 000    |
| Municipal bank accounts                                        | 62 854             | 30 533             | 34 164             | 35 000                                | 50 566                                    | 50 566                         | <b>41 000</b>                                                   | (18.92) | 42 000    | 44 000    |
| Departmental agencies and accounts                             | 41 477             | 31 791             | 40 186             | 41 986                                | 41 986                                    | 41 986                         | <b>43 876</b>                                                   | 4.50    | 45 718    | 47 136    |
| Departmental agencies<br>(non-business entities)               | 41 477             | 31 791             | 40 186             | 41 986                                | 41 986                                    | 41 986                         | <b>43 876</b>                                                   | 4.50    | 45 718    | 47 136    |
| Western Cape Gambling and<br>Racing Board                      |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Hospital Trading Account: Karl<br>Bremer                       |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| National Home Builders<br>Registration Council (NHBRC)         |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Western Cape Nature<br>Conservation Board                      | 41 477             | 31 791             | 40 186             | 41 986                                | 41 986                                    | 41 986                         | <b>43 876</b>                                                   | 4.50    | 45 718    | 47 136    |
| South African National Roads<br>Agency Limited                 |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Agricultural Research Council                                  |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Destination Marketing                                          |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Western Cape Tourism, Trade and<br>Investment Promotion Agency |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Western Cape Cultural<br>Commission                            |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Western Cape Liquor Authority                                  |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Western Cape Language<br>Committee                             |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Artscape                                                       |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Heritage Western Cape                                          |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Sector Education and Training<br>Authority (SETA)              |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Government Motor Transport<br>Trading Account                  |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Council for Scientific and Industrial<br>Research (CSIR)       |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Other                                                          |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Higher education institutions                                  |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Foreign governments and international<br>organisations         |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Public corporations and private<br>Public corporations         |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Subsidies on products and<br>production (pc)                   |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Other transfers to public<br>corporations                      |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Private enterprises                                            |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Subsidies on products and<br>production (pe)                   |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Other transfers to private<br>enterprises                      |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Non-profit institutions                                        | 59 826             | 118 837            | 68 954             | 50 000                                | 322 224                                   | 254 930                        | <b>50 000</b>                                                   | (80.39) |           |           |
| Households                                                     | 1 861 708          | 1 645 624          | 1 668 751          | 1 910 470                             | 2 026 429                                 | 2 020 849                      | <b>1 701 151</b>                                                | (15.82) | 1 771 275 | 1 843 026 |
| Social benefits                                                |                    |                    |                    |                                       |                                           |                                |                                                                 |         |           |           |
| Other transfers to households                                  | 1 861 708          | 1 645 624          | 1 668 751          | 1 910 470                             | 2 026 429                                 | 2 020 849                      | <b>1 701 151</b>                                                | (15.82) | 1 771 275 | 1 843 026 |

**Table A.3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 3 (continued)**

| Economic classification<br>R'000                                           | Outcome            |                    |                    |                                      |                                          |                                | Medium-term estimate                 |          |            |            |         |
|----------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------------------------|------------------------------------------|--------------------------------|--------------------------------------|----------|------------|------------|---------|
|                                                                            | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 | Main<br>appro-<br>riation<br>2025/26 | Adjusted<br>appro-<br>riation<br>2025/26 | Revised<br>estimate<br>2025/26 | % Change<br>from Revised<br>estimate |          | 2026/27    | 2027/28    | 2028/29 |
| Transfers and subsidies to (Total)                                         | 12 581 250         | 12 551 395         | 13 179 870         | 13 409 980                           | 14 069 369                               | 14 024 689                     | 14 105 349                           | 0.58     | 14 243 729 | 14 656 967 |         |
| Provinces and municipalities                                               | 2 555 109          | 2 569 530          | 2 620 066          | 2 629 020                            | 2 673 817                                | 2 673 620                      | 2 639 925                            | (1.26)   | 2 695 760  | 2 756 468  |         |
| Provinces                                                                  | 6 969              | 6 127              | 6 996              | 4 028                                | 9 650                                    | 9 465                          | 4 206                                | (55.56)  | 4 372      | 4 544      |         |
| Provincial Revenue Funds                                                   |                    |                    |                    |                                      |                                          |                                |                                      |          |            |            |         |
| Provincial agencies and funds                                              | 6 969              | 6 127              | 6 996              | 4 028                                | 9 650                                    | 9 465                          | 4 206                                | (55.56)  | 4 372      | 4 544      |         |
| Municipalities                                                             | 2 548 140          | 2 563 403          | 2 613 070          | 2 624 992                            | 2 664 167                                | 2 664 155                      | 2 635 719                            | (1.07)   | 2 691 388  | 2 751 924  |         |
| Municipal bank accounts                                                    | 2 117 097          | 2 200 443          | 2 220 813          | 2 245 624                            | 2 283 799                                | 2 283 787                      | 2 237 743                            | (2.02)   | 2 277 373  | 2 324 403  |         |
| Municipal agencies and funds                                               | 431 043            | 362 960            | 392 257            | 379 368                              | 380 368                                  | 380 368                        | 397 976                              | 4.63     | 414 015    | 427 521    |         |
| Departmental agencies and accounts                                         | 520 150            | 528 115            | 554 931            | 579 594                              | 579 278                                  | 579 282                        | 647 625                              | 11.80    | 655 801    | 681 542    |         |
| Social security funds                                                      | 351                | 244                |                    |                                      | 43                                       | 50                             |                                      | (100.00) |            |            |         |
| Departmental agencies and accounts                                         | 519 799            | 527 871            | 554 931            | 579 594                              | 579 235                                  | 579 232                        | 647 625                              | 11.81    | 655 801    | 681 542    |         |
| Western Cape Gambling and<br>Racing Board                                  | 25 076             | 21 178             | 24 586             | 29 863                               | 29 863                                   | 29 863                         | 60 267                               | 101.81   | 46 497     | 47 938     |         |
| National Home Builders<br>Western Cape Nature Conservation<br>Board        | 292 090            | 293 156            | 308 309            | 331 562                              | 331 562                                  | 331 562                        | 357 805                              | 7.91     | 374 649    | 391 939    |         |
| Western Cape Tourism, Trade and<br>Investment Promotion Agency<br>(Wesgro) | 127 686            | 129 055            | 125 498            | 129 070                              | 129 070                                  | 129 070                        | 134 355                              | 4.09     | 139 704    | 143 818    |         |
| Western Cape Cultural Commission                                           | 627                | 2 155              | 3 745              | 679                                  | 679                                      | 679                            | 698                                  | 2.80     | 726        | 726        |         |
| Western Cape Liquor Authority                                              | 47 915             | 55 015             | 64 395             | 60 816                               | 60 816                                   | 60 816                         | 65 194                               | 7.20     | 65 048     | 67 064     |         |
| Western Cape Cultural<br>Commission                                        | 439                | 303                | 313                | 324                                  | 324                                      | 324                            | 324                                  |          | 337        | 337        |         |
| Artscape                                                                   | 254                | 213                | 294                | 225                                  | 225                                      | 225                            | 1 331                                | 491.56   | 240        | 240        |         |
| Heritage Western Cape                                                      | 1 537              | 1 893              | 2 500              | 870                                  | 435                                      | 435                            | 450                                  | 3.45     | 468        | 468        |         |
| Sector Education and Training<br>Authority (SETA)                          | 21 157             | 22 308             | 23 305             | 24 259                               | 24 260                                   | 24 260                         | 25 171                               | 3.76     | 26 002     | 26 808     |         |
| Other                                                                      | 3 018              | 2 595              | 1 986              | 1 926                                | 2 001                                    | 2 001                          | 2 030                                | 1.45     | 2 130      | 2 204      |         |
| Higher education institutions                                              | 10                 | 100                | 1 939              | 310                                  | 968                                      | 968                            | 310                                  | (67.98)  | 310        | 310        |         |
| Foreign governments and international<br>organisations                     | 145                | 918                | 545                | 615                                  | 386                                      | 386                            | 642                                  | 66.32    | 668        | 668        |         |
| Public corporations and private<br>enterprises                             | 1 416 010          | 1 390 585          | 1 476 145          | 1 521 422                            | 1 667 884                                | 1 667 629                      | 1 611 631                            | (3.36)   | 1 637 257  | 1 686 239  |         |
| Public corporations                                                        | 288 050            | 201 177            | 238 125            | 221 068                              | 367 900                                  | 367 904                        | 245 385                              | (33.30)  | 221 324    | 226 344    |         |
| Other transfers to public<br>corporations                                  | 288 050            | 201 177            | 238 125            | 221 068                              | 367 900                                  | 367 904                        | 245 385                              | (33.30)  | 221 324    | 226 344    |         |
| Private enterprises                                                        | 1 127 960          | 1 189 408          | 1 238 020          | 1 300 354                            | 1 299 984                                | 1 299 725                      | 1 366 246                            | 5.12     | 1 415 933  | 1 459 895  |         |
| Other transfers to private<br>enterprises                                  | 1 127 960          | 1 189 408          | 1 238 020          | 1 300 354                            | 1 299 984                                | 1 299 725                      | 1 366 246                            | 5.12     | 1 415 933  | 1 459 895  |         |
| Non-profit institutions                                                    | 5 700 259          | 5 919 524          | 6 314 267          | 6 136 977                            | 6 572 406                                | 6 531 237                      | 6 600 885                            | 1.07     | 6 838 386  | 7 029 305  |         |
| Households                                                                 | 2 389 567          | 2 142 623          | 2 211 977          | 2 542 042                            | 2 574 630                                | 2 571 567                      | 2 604 331                            | 1.27     | 2 415 547  | 2 502 435  |         |
| Social benefits                                                            | 182 317            | 185 019            | 199 090            | 227 233                              | 237 192                                  | 239 116                        | 503 883                              | 110.73   | 242 428    | 250 070    |         |
| Other transfers to households                                              | 2 207 250          | 1 957 604          | 2 012 887          | 2 314 809                            | 2 337 438                                | 2 332 451                      | 2 100 448                            | (9.95)   | 2 173 119  | 2 252 365  |         |
| Payments for capital assets                                                | 5 814 247          | 5 958 214          | 7 016 177          | 7 057 444                            | 7 824 408                                | 7 803 975                      | 7 405 497                            | (5.11)   | 5 564 165  | 5 768 072  |         |
| Buildings and other fixed structures                                       | 4 400 677          | 4 739 480          | 5 565 019          | 5 786 604                            | 6 426 143                                | 6 403 207                      | 5 876 942                            | (8.22)   | 3 976 422  | 4 119 630  |         |
| Buildings                                                                  | 921 878            | 1 371 507          | 1 621 677          | 2 361 604                            | 2 296 844                                | 2 225 190                      | 2 477 304                            | 11.33    | 1 833 715  | 1 902 452  |         |
| Other fixed structures                                                     | 3 478 799          | 3 367 973          | 3 943 342          | 3 425 000                            | 4 129 299                                | 4 178 017                      | 3 399 638                            | (18.63)  | 2 142 707  | 2 217 178  |         |
| Machinery and equipment                                                    | 1 339 437          | 1 172 348          | 1 334 769          | 1 091 289                            | 1 273 519                                | 1 274 584                      | 1 303 799                            | 2.29     | 1 447 903  | 1 523 708  |         |
| Transport equipment                                                        | 483 176            | 565 464            | 608 955            | 546 643                              | 561 919                                  | 563 638                        | 631 183                              | 11.98    | 625 844    | 648 111    |         |
| Other machinery and equipment                                              | 856 261            | 606 884            | 725 814            | 544 646                              | 711 600                                  | 710 946                        | 672 616                              | (5.39)   | 822 059    | 875 597    |         |
| Biological assets                                                          |                    |                    |                    | 1 103                                | 1 078                                    | 1 078                          | 2 000                                | 85.53    |            |            |         |
| Land and sub-soil assets                                                   | 5 618              |                    | 734                | 105 000                              | 42 000                                   | 42 000                         | 118 000                              | 180.95   | 30 713     | 11 575     |         |
| Software and other intangible assets                                       | 68 515             | 46 386             | 115 655            | 73 448                               | 81 668                                   | 83 106                         | 104 756                              | 26.05    | 109 127    | 113 159    |         |
| Payments for financial assets                                              | 21 353             | 20 703             | 28 287             | 6 989                                | 41 970                                   | 44 066                         | 7 242                                | (83.57)  | 7 481      | 7 713      |         |
| Total economic classification                                              | 77 423 953         | 81 037 271         | 84 184 315         | 87 986 378                           | 89 725 586                               | 89 724 929                     | 93 537 884                           | 4.25     | 94 770 080 | 97 505 522 |         |

**Table A.4 Summary of provincial payments on training by vote: Relating to Chapter 3**

| Vote<br>R'000                                     | Outcome            |                    |                    |                                      |                                          |                                | Medium-term estimate                    |             |                |                |
|---------------------------------------------------|--------------------|--------------------|--------------------|--------------------------------------|------------------------------------------|--------------------------------|-----------------------------------------|-------------|----------------|----------------|
|                                                   | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 | Main<br>appro-<br>piation<br>2025/26 | Adjusted<br>appro-<br>piation<br>2025/26 | Revised<br>estimate<br>2025/26 | % Change<br>from<br>Revised<br>estimate |             |                |                |
|                                                   |                    |                    |                    |                                      |                                          |                                | 2026/27                                 | 2025/26     | 2027/28        | 2028/29        |
| 1. Department of the Premier                      | 2 634              | 1 978              | 1 068              | 3 666                                | 3 636                                    | 3 636                          | 3 545                                   | ( 2.50)     | 3 551          | 3 551          |
| 2. Provincial Parliament                          | 1 375              | 778                | 919                | 897                                  | 897                                      | 859                            | 926                                     | 7.80        | 970            | 961            |
| 3. Provincial Treasury                            | 1 646              | 2 275              | 330                | 1 718                                | 1 290                                    | 1 300                          | 1 331                                   | 2.38        | 1 383          | 1 425          |
| 4. Police Oversight and Community Safety          | 3 042              | 2 483              | 1 682              | 2 062                                | 1 634                                    | 1 668                          | 2 028                                   | 21.58       | 2 092          | 2 176          |
| 5. Education                                      | 199 886            | 234 295            | 244 373            | 242 726                              | 241 246                                  | 241 246                        | 251 843                                 | 4.39        | 261 331        | 270 169        |
| 6. Health and Wellness                            | 410 864            | 443 822            | 447 759            | 494 465                              | 491 488                                  | 491 488                        | 512 523                                 | 4.28        | 523 240        | 539 666        |
| 7. Social Development                             | 1 069              | 2 218              | 1 745              | 3 063                                | 2 215                                    | 2 215                          | 2 346                                   | 5.91        | 2 423          | 2 498          |
| 8. Mobility                                       | 4 674              | 663                | 998                | 1 550                                | 1 514                                    | 1 377                          | 1 578                                   | 14.60       | 1 637          | 1 690          |
| 9. Environmental Affairs and Development Planning | 585                | 1 326              | 1 189              | 2 764                                | 1 508                                    | 1 508                          | 4 637                                   | 207.49      | 2 477          | 1 801          |
| 10. Infrastructure                                | 41 421             | 41 927             | 49 084             | 49 847                               | 56 074                                   | 55 566                         | 53 050                                  | ( 4.53)     | 54 080         | 55 558         |
| 11. Agriculture                                   | 9 073              | 8 002              | 7 786              | 8 700                                | 7 887                                    | 7 887                          | 10 084                                  | 27.86       | 9 191          | 9 125          |
| 12. Economic Development and Tourism              | 8 922              | 3 076              | 5 475              | 6 228                                | 5 772                                    | 5 772                          | 6 016                                   | 4.23        | 4 943          | 5 589          |
| 13. Cultural Affairs and Sport                    | 5 271              | 1 857              | 1 789              | 5 137                                | 3 712                                    | 3 922                          | 5 382                                   | 37.23       | 5 451          | 5 306          |
| 14. Local Government                              | 2 623              | 3 677              | 7 061              | 4 180                                | 4 321                                    | 4 321                          | 4 534                                   | 4.93        | 3 420          | 3 571          |
| <b>Total provincial payments on training</b>      | <b>693 085</b>     | <b>748 377</b>     | <b>771 258</b>     | <b>827 003</b>                       | <b>823 194</b>                           | <b>822 765</b>                 | <b>859 823</b>                          | <b>4.50</b> | <b>876 189</b> | <b>903 086</b> |

**Table A.5 Information on training: Relating to Chapter 3**

| Description                      | Outcome |         |         |         |          |         | Medium-term estimate           |         |         |         |
|----------------------------------|---------|---------|---------|---------|----------|---------|--------------------------------|---------|---------|---------|
|                                  | Audited | Audited | Audited | Main    | Adjusted | Revised | % Change from Revised estimate |         |         |         |
|                                  | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2025/26  | 2025/26 | 2026/27                        | 2025/26 | 2027/28 | 2028/29 |
| Number of staff                  | 90 565  | 90 629  | 86 837  | 89 257  | 89 601   | 89 463  | <b>92 156</b>                  | 3.01    | 92 180  | 92 166  |
| Number of personnel trained      | 62 696  | 68 516  | 77 207  | 70 313  | 74 035   | 74 020  | <b>73 800</b>                  | (0.30)  | 77 021  | 80 373  |
| <i>of which</i>                  |         |         |         |         |          |         |                                |         |         |         |
| Male                             | 25 175  | 25 691  | 38 635  | 28 290  | 27 474   | 27 457  | <b>29 921</b>                  | 8.97    | 31 198  | 32 539  |
| Female                           | 37 521  | 42 825  | 38 572  | 42 023  | 46 561   | 46 563  | <b>43 879</b>                  | (5.76)  | 45 823  | 47 834  |
| Number of training opportunities | 36 453  | 35 377  | 36 784  | 38 588  | 39 057   | 39 033  | <b>39 295</b>                  | 0.67    | 39 969  | 40 396  |
| <i>of which</i>                  |         |         |         |         |          |         |                                |         |         |         |
| Tertiary                         | 1 119   | 1 133   | 1 196   | 1 236   | 1 232    | 1 232   | <b>1 298</b>                   | 5.36    | 1 357   | 1 417   |
| Workshops                        | 902     | 942     | 856     | 897     | 801      | 805     | <b>766</b>                     | (4.84)  | 823     | 869     |
| Seminars                         | 325     | 428     | 449     | 449     | 340      | 351     | <b>375</b>                     | 6.84    | 389     | 403     |
| Other                            | 34 107  | 32 874  | 34 283  | 36 006  | 36 684   | 36 645  | <b>36 856</b>                  | 0.58    | 37 400  | 37 707  |
| Number of bursaries offered      | 2 239   | 2 569   | 2 300   | 2 223   | 2 297    | 2 295   | <b>2 283</b>                   | (0.52)  | 2 294   | 2 385   |
| Number of interns appointed      | 2 139   | 2 329   | 1 887   | 1 891   | 1 964    | 1 976   | <b>2 333</b>                   | 18.07   | 2 345   | 2 358   |
| Number of learnerships appointed | 224     | 299     | 344     | 181     | 96       | 96      | <b>149</b>                     | 55.21   | 151     | 155     |
| Number of days spent on training | 19 502  | 17 492  | 18 214  | 18 743  | 19 979   | 19 916  | <b>22 109</b>                  | 11.01   | 22 698  | 23 294  |

**Table A.6 Transfers to local government by category and municipality: Information relating to Chapter 5**

| Municipalities<br>R'000                                                                                          | Outcome            |                    |                    |                                       |                                           |                                | Medium-term estimate                    |         |           |           |
|------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|---------------------------------------|-------------------------------------------|--------------------------------|-----------------------------------------|---------|-----------|-----------|
|                                                                                                                  | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 | Main<br>appro-<br>priation<br>2025/26 | Adjusted<br>appro-<br>priation<br>2025/26 | Revised<br>estimate<br>2025/26 | % Change<br>from<br>Revised<br>estimate | 2026/27 | 2027/28   | 2028/29   |
| <b>Category A</b>                                                                                                | 1 476 981          | 1 820 192          | 1 605 542          | 1 444 675                             | 1 426 165                                 | 1 426 165                      | <b>1 433 916</b>                        | 0.54    | 1 476 864 | 1 506 837 |
| City of Cape Town                                                                                                | 1 476 981          | 1 820 192          | 1 605 542          | 1 444 675                             | 1 426 165                                 | 1 426 165                      | <b>1 433 916</b>                        | 0.54    | 1 476 864 | 1 506 837 |
| <b>Category B</b>                                                                                                | 1 353 561          | 1 691 347          | 1 668 518          | 1 781 604                             | 1 678 604                                 | 1 678 604                      | <b>1 382 134</b>                        | (17.66) | 1 239 381 | 1 361 898 |
| Matzikama                                                                                                        | 74 897             | 63 352             | 102 701            | 117 752                               | 134 214                                   | 134 214                        | <b>60 746</b>                           | (54.74) | 40 140    | 11 066    |
| Cederberg                                                                                                        | 49 885             | 20 114             | 23 867             | 25 753                                | 25 969                                    | 25 969                         | <b>67 842</b>                           | 161.24  | 105 421   | 51 181    |
| Bergivier                                                                                                        | 15 990             | 40 865             | 42 279             | 98 228                                | 98 551                                    | 98 551                         | <b>16 725</b>                           | (83.03) | 12 121    | 29 041    |
| Saldanha Bay                                                                                                     | 47 352             | 48 958             | 46 449             | 120 181                               | 38 507                                    | 38 507                         | <b>67 919</b>                           | 76.38   | 74 961    | 83 557    |
| Swartland                                                                                                        | 73 855             | 85 947             | 182 712            | 231 096                               | 256 641                                   | 256 641                        | <b>247 277</b>                          | (3.65)  | 148 430   | 217 858   |
| Witzenberg                                                                                                       | 22 590             | 43 867             | 48 614             | 17 094                                | 26 511                                    | 26 511                         | <b>37 143</b>                           | 40.10   | 19 770    | 13 422    |
| Drakenstein                                                                                                      | 61 457             | 121 908            | 51 052             | 68 626                                | 57 212                                    | 57 212                         | <b>72 379</b>                           | 26.51   | 101 669   | 59 787    |
| Stellenbosch                                                                                                     | 51 378             | 43 026             | 47 260             | 46 882                                | 33 585                                    | 33 585                         | <b>53 426</b>                           | 59.08   | 71 860    | 86 861    |
| Breede Valley                                                                                                    | 22 309             | 55 188             | 38 952             | 24 479                                | 13 771                                    | 13 771                         | <b>31 093</b>                           | 125.79  | 52 662    | 64 546    |
| Langeberg                                                                                                        | 36 622             | 44 103             | 48 887             | 40 488                                | 41 072                                    | 41 072                         | <b>39 299</b>                           | (4.32)  | 25 926    | 29 857    |
| Theewaterskloof                                                                                                  | 93 271             | 65 208             | 86 767             | 73 233                                | 27 013                                    | 27 013                         | <b>15 542</b>                           | (42.46) | 13 376    | 13 745    |
| Overstrand                                                                                                       | 137 891            | 134 446            | 127 315            | 87 248                                | 108 364                                   | 108 364                        | <b>29 577</b>                           | (72.71) | 61 692    | 68 518    |
| Cape Agulhas                                                                                                     | 27 853             | 13 844             | 9 453              | 17 855                                | 10 859                                    | 10 859                         | <b>12 576</b>                           | 15.81   | 9 741     | 9 783     |
| Swellendam                                                                                                       | 83 232             | 112 653            | 108 961            | 109 034                               | 123 145                                   | 123 145                        | <b>19 999</b>                           | (83.76) | 21 976    | 36 433    |
| Kannaland                                                                                                        | 5 224              | 33 216             | 27 546             | 10 947                                | 7 929                                     | 7 929                          | <b>9 181</b>                            | 15.79   | 4 481     | 4 620     |
| Hessequa                                                                                                         | 50 302             | 116 528            | 103 056            | 83 961                                | 60 676                                    | 60 676                         | <b>65 825</b>                           | 8.49    | 24 563    | 58 432    |
| Mossel Bay                                                                                                       | 88 936             | 74 942             | 45 153             | 86 001                                | 71 421                                    | 71 421                         | <b>39 567</b>                           | (44.60) | 35 288    | 47 947    |
| George                                                                                                           | 274 834            | 392 290            | 372 849            | 325 454                               | 350 108                                   | 350 108                        | <b>319 377</b>                          | (8.78)  | 279 199   | 280 883   |
| Oudtshoorn                                                                                                       | 25 636             | 42 696             | 21 543             | 28 282                                | 27 621                                    | 27 621                         | <b>17 158</b>                           | (37.88) | 19 355    | 49 491    |
| Bitou                                                                                                            | 31 171             | 69 056             | 67 442             | 85 223                                | 89 603                                    | 89 603                         | <b>74 294</b>                           | (17.09) | 62 203    | 61 618    |
| Knysna                                                                                                           | 60 478             | 35 607             | 35 578             | 48 904                                | 41 287                                    | 41 287                         | <b>51 487</b>                           | 24.71   | 40 149    | 47 376    |
| Laingsburg                                                                                                       | 3 099              | 5 316              | 6 078              | 15 644                                | 12 884                                    | 12 884                         | <b>12 211</b>                           | (5.22)  | 2 360     | 18 328    |
| Prince Albert                                                                                                    | 4 403              | 7 727              | 6 340              | 6 647                                 | 8 191                                     | 8 191                          | <b>8 071</b>                            | (1.47)  | 3 827     | 9 411     |
| Beaufort West                                                                                                    | 10 896             | 20 490             | 17 662             | 12 592                                | 13 470                                    | 13 470                         | <b>13 420</b>                           | (0.37)  | 8 211     | 8 137     |
| <b>Category C</b>                                                                                                | 25 828             | 37 376             | 31 067             | 22 116                                | 22 858                                    | 22 846                         | <b>19 881</b>                           | (12.98) | 8 370     | 8 962     |
| West Coast District Municipality                                                                                 | 5 796              | 6 162              | 2 726              | 4 199                                 | 4 399                                     | 4 399                          | <b>3 308</b>                            | (24.80) | 1 380     | 1 484     |
| Cape Winelands District Municipality                                                                             | 3 625              | 6 936              | 4 515              | 2 558                                 | 2 658                                     | 2 658                          | <b>3 990</b>                            | 50.11   | 2 406     | 2 556     |
| Overberg District Municipality                                                                                   | 5 257              | 4 119              | 8 065              | 5 364                                 | 5 371                                     | 5 359                          | <b>4 291</b>                            | (19.93) | 1 364     | 1 468     |
| Garden Route District Municipality                                                                               | 9 500              | 15 519             | 11 630             | 6 482                                 | 6 632                                     | 6 632                          | <b>4 912</b>                            | (25.93) | 2 328     | 2 478     |
| Central Karoo District Municipality                                                                              | 1 650              | 4 640              | 4 131              | 3 513                                 | 3 798                                     | 3 798                          | <b>3 380</b>                            | (11.01) | 892       | 976       |
| <b>Unallocated</b> <sup>Note 1</sup>                                                                             |                    |                    |                    | 14 716                                |                                           |                                | <b>34 416</b>                           |         | 111 607   | 101 887   |
| <b>Total transfers to local government</b>                                                                       | 2 856 370          | 3 548 915          | 3 305 127          | 3 263 111                             | 3 127 627                                 | 3 127 615                      | <b>2 870 347</b>                        | (8.23)  | 2 836 222 | 2 979 584 |
| <b>Funds retained by the Department of Human Settlements (not included in the transfers to local government)</b> | 1 082 430          | 328 786            | 524 357            | 584 764                               | 953 738                                   | 953 738                        | <b>740 109</b>                          | (22.40) | 866 155   | 818 675   |

**Table A.6 Transfers to local government by category and municipality: Information relating to Chapter 5 (continued)**

| Vote         | Note 1 Unallocated                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2026/27               | 2027/28               | 2028/29               |
|--------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|
|              |                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Allocation<br>(R'000) | Allocation<br>(R'000) | Allocation<br>(R'000) |
| Vote 3       | Western Cape Financial Management Capability Grant                     | The unallocated amounts for the 2026/27 MTEF financial years are intentionally retained to allow for responsive and targeted support to municipalities based on the outcomes and recommendations of various in-year monitoring processes, strategic and technical engagements with municipalities. Retaining a portion of the funding in reserve is particularly important where municipalities are under formal intervention, or where early support is required to stabilise financial management and prevent further deterioration. | 10 031                | 24 002                | 24 746                |
| Vote 09      | Regional Socio-Economic Projects (RSEP) Programme - Municipal Projects | Allocations to individual municipalities for the 2026/27 MTEF financial years have not been finalised. Municipalities will be selected, and amounts allocated based on the performance and readiness of municipalities to implement projects/further projects.                                                                                                                                                                                                                                                                         | 600                   | 9 500                 | 9 900                 |
| Vote 13      | Development of sport and recreation facilities                         | Allocations for the 2027/28 and 2028/29 financial years are dependent on municipalities submitting Business Plans. As the Business Plans for the outer years have not been submitted, these allocations cannot be gazetted and transferred.                                                                                                                                                                                                                                                                                            |                       | 2 321                 | 2 326                 |
| Vote 14      | Municipal Service Delivery and Capacity Building Grant                 | The unallocated amounts for the 2026/27 MTEF financial years will be allocated based on the outcomes and recommendations of the annual Intergovernmental engagements, monitoring and consultation processes with municipalities. These include Local Government Medium Term Expenditure Committee, Technical Integrated Municipal Engagements, Integrated Development Planning Indaba and Back to Basic meetings.                                                                                                                      | 3 935                 | 3 988                 | 5 224                 |
|              | Western Cape Municipal Interventions Grant                             | The unallocated amounts for the 2026/27 MTEF financial years will be allocated based on the outcomes and recommendations of the annual Intergovernmental engagements, monitoring and consultation processes with municipalities. These include Local Government Medium Term Expenditure Committee, Technical Integrated Municipal Engagements, Integrated Development Planning Indaba and Back to Basic meetings.                                                                                                                      | 6 443                 | 6 713                 | 6 921                 |
|              | Municipal Energy Resilience Grant                                      | The unallocated amounts for the 2026/27 MTEF financial years will be allocated based on the outcomes and recommendations of the annual Intergovernmental engagements, monitoring and consultation processes with municipalities. These include Local Government Medium Term Expenditure Committee, Technical Integrated Municipal Engagements, Integrated Development Planning Indaba and Back to Basic meetings.                                                                                                                      | 8 407                 | 7 510                 | 8 162                 |
|              | Municipal Water Resilience Grant                                       | The unallocated amounts for the 2026/27 MTEF financial years will be allocated based on the outcomes and recommendations of the annual Intergovernmental engagements, monitoring and consultation processes with municipalities. It will also take into account the 15 year Water Response Plan. These include Local Government Medium Term Expenditure Committee, Technical Integrated Municipal Engagements, Integrated Development Planning Indaba and Back to Basic meetings.                                                      | 5 000                 | 45 034                | 37 391                |
|              | Municipal Fire Service Capacity Support Grant                          | The unallocated amounts for the 2027/28 and 2028/29 financial years will be allocated based on the outcomes and recommendations of the annual Intergovernmental engagements, monitoring and consultation processes with Municipalities.                                                                                                                                                                                                                                                                                                |                       | 12 539                | 7 217                 |
| <b>Total</b> |                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>34 416</b>         | <b>111 607</b>        | <b>101 887</b>        |

**Table A.7 Payments: Summary by policy area**

| GFS function            | Category                     | Department                            | Programme |                                                       |
|-------------------------|------------------------------|---------------------------------------|-----------|-------------------------------------------------------|
| General public services | Legislative                  | Department of the Premier             | 1.1       | Executive Governance and Integration (Administration) |
|                         |                              | Provincial Parliament                 | 2.1       | Governance (Leadership) and Administration            |
|                         |                              |                                       | 2.2       | Parliamentary Support Services                        |
|                         |                              |                                       | 2.3       | Public Engagement                                     |
|                         |                              |                                       | 2.4       | Members Support                                       |
|                         | Financial and Fiscal Affairs | Provincial Treasury                   | 3.1       | Administration                                        |
|                         |                              |                                       | 3.2       | Sustainable Resource Management                       |
|                         |                              |                                       | 3.3       | Asset Management                                      |
|                         |                              |                                       | 3.4       | Financial Governance                                  |
|                         | General Services             | Department of the Premier             | 1.2       | Provincial Strategic Management                       |
|                         |                              |                                       | 1.3       | People Management                                     |
|                         |                              |                                       | 1.4       | Centre for e-Innovation                               |
|                         |                              |                                       | 1.5       | Corporate Assurance                                   |
|                         |                              |                                       | 1.6       | Legal Services                                        |
|                         |                              | Local Government                      | 14.1      | Administration                                        |
|                         |                              |                                       | 14.2      | Local Governance                                      |
|                         |                              |                                       | 14.3      | Development and Planning                              |
|                         |                              |                                       | 14.4      | Traditional Institutional Management                  |
| Public Order and Safety | Police Services              | Police Oversight and Community Safety | 4.1       | Administration                                        |
|                         |                              |                                       | 4.2       | Provincial Secretariat for Police Service             |
|                         |                              |                                       | 4.3       | Provincial Policing Functions                         |
|                         |                              |                                       | 4.4       | Security Risk Management                              |
| Economic Affairs        | General Economic             | Economic Development and Tourism      | 12.1      | Administration                                        |
|                         |                              |                                       | 12.2      | Integrated Economic Development Services              |
|                         |                              |                                       | 12.3      | Trade and Sector Development                          |
|                         |                              |                                       | 12.4      | Business Regulation and Governance                    |
|                         |                              |                                       | 12.5      | Economic Planning                                     |
|                         |                              |                                       | 12.7      | Skills Development                                    |
|                         |                              | Infrastructure                        | 10.2      | Public Works Infrastructure                           |
|                         | Agriculture                  | Agriculture                           | 11.1      | Administration                                        |
|                         |                              |                                       | 11.2      | Sustainable Resource Use and Management               |
|                         |                              |                                       | 11.3      | Agricultural Producer Support and Development         |
|                         |                              |                                       | 11.4      | Veterinary Services                                   |
|                         |                              |                                       | 11.5      | Research and Technology Development Services          |
|                         |                              |                                       | 11.6      | Agricultural Economics Services                       |
|                         |                              |                                       | 11.7      | Agricultural Education and Training                   |
|                         |                              |                                       | 11.8      | Rural Development                                     |
|                         | Transport                    | Infrastructure                        | 10.1      | Administration                                        |
|                         |                              |                                       | 10.3      | Transport Infrastructure                              |
|                         |                              |                                       | 10.5      | Community Based Programmes                            |
|                         |                              | Mobility                              | 8.1       | Administration                                        |
|                         |                              |                                       | 8.2       | Transport Operations                                  |
|                         |                              |                                       | 8.3       | Transport Regulation                                  |
|                         |                              |                                       | 8.4       | Traffic Management                                    |
|                         | Communication                | Economic Development and Tourism      | 12.6      | Tourism Arts and Entertainment                        |

**Table A.8 Details of provincial payments and estimates by policy area**

| GFS function                    | Category                                   | Department                                     | Programme                       |                                                 |
|---------------------------------|--------------------------------------------|------------------------------------------------|---------------------------------|-------------------------------------------------|
| Environmental Protection        | Environmental Protection                   | Environmental Affairs and Development Planning | 9.1                             | Administration                                  |
|                                 |                                            |                                                | 9.2                             | Environmental Policy, Planning and Coordination |
|                                 |                                            |                                                | 9.3                             | Compliance and Enforcement                      |
|                                 |                                            |                                                | 9.4                             | Environmental Quality Management                |
|                                 |                                            |                                                | 9.5                             | Biodiversity and Conservation Management        |
|                                 |                                            |                                                | 9.6                             | Environmental Empow erment Services             |
|                                 |                                            |                                                | 9.7                             | Development Planning                            |
| Housing and Community Amenities | Housing Development                        | Infrastructure                                 | 10.4.1                          | Programme Support Human Settlements             |
|                                 |                                            |                                                | 10.4.2                          | Human Settlements Needs, Research and Planning  |
|                                 |                                            |                                                | 10.4.3                          | Human Settlements Development                   |
|                                 |                                            |                                                | 10.4.4                          | Human Settlements Asset Management              |
| Health                          | Health n.e.c                               | Health and Wellness                            | 6.1                             | Administration                                  |
|                                 | Outpatient Service                         |                                                | 6.2                             | District Health Services                        |
|                                 | R & D Health (CS)                          |                                                | 6.6                             | Health Sciences and Training                    |
|                                 | Hospital Services                          |                                                | 6.3                             | Emergency Medical Services                      |
|                                 |                                            |                                                | 6.4                             | Provincial Hospital Services                    |
|                                 |                                            |                                                | 6.5                             | Central Hospital Services                       |
|                                 |                                            |                                                | 6.7                             | Health Care Support Services                    |
|                                 |                                            |                                                | 6.8                             | Health Facilities Management                    |
| Recreation Culture and Religion | Recreational and Sporting Services         | Cultural Affairs and Sport                     | 13.4                            | Sport and Recreation                            |
|                                 | Cultural Services                          |                                                | 13.1                            | Administration                                  |
|                                 |                                            |                                                | 13.2                            | Cultural Affairs                                |
|                                 |                                            |                                                | 13.3                            | Library and Archive Services                    |
| Education                       | Pre-primary and Primary Education          | Education                                      | 5.2.1                           | Public Primary Level                            |
|                                 | Secondary Education                        |                                                | 5.5                             | Early Childhood Development                     |
|                                 |                                            |                                                | 5.2.2                           | Public Secondary Level                          |
|                                 |                                            |                                                | Subsidiary Service to Education | 5.3                                             |
|                                 | Education not definable                    |                                                | 5.1                             | Administration                                  |
|                                 |                                            |                                                | 5.2.3                           | Human Resource Development                      |
|                                 |                                            |                                                | 5.2.4                           | Conditional grants                              |
|                                 |                                            |                                                | 5.4                             | Public Special School Education                 |
| 5.6                             |                                            | Infrastructure Development                     |                                 |                                                 |
| 5.7                             | Examination and Education Related Services |                                                |                                 |                                                 |
| Social Protection               | Social Security Services                   | Social Development                             | 7.1                             | Administration                                  |
|                                 |                                            |                                                | 7.2                             | Social Welfare Services                         |
|                                 |                                            |                                                | 7.3                             | Children and Families                           |
|                                 |                                            |                                                | 7.4                             | Restorative Services                            |
|                                 |                                            |                                                | 7.5                             | Development and Research                        |

Table A.8 Details of provincial payments and estimates by policy area (continued)

| GFS function<br>R'000                                                   | Outcome            |                    |                    | Main<br>appro-<br>priation<br>2025/26 | Adjusted<br>appro-<br>priation<br>2025/26 | Revised<br>estimate<br>2025/26 | Medium-term estimate |           |           |
|-------------------------------------------------------------------------|--------------------|--------------------|--------------------|---------------------------------------|-------------------------------------------|--------------------------------|----------------------|-----------|-----------|
|                                                                         | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 |                                       |                                           |                                | 2026/27              | 2027/28   | 2028/29   |
| <b>FUNCTION - GENERAL PUBLIC SERVICES</b>                               |                    |                    |                    |                                       |                                           |                                |                      |           |           |
| <b>Category - Legislative</b>                                           |                    |                    |                    |                                       |                                           |                                |                      |           |           |
| Department of the Premier (Programme 1.1)                               | 155 990            | 142 084            | 136 575            | 141 311                               | 141 311                                   | 141 311                        | 149 148              | 155 288   | 165 585   |
| Provincial Parliament (Vote 2)                                          | 174 797            | 182 787            | 186 448            | 211 803                               | 216 887                                   | 216 887                        | 232 504              | 237 103   | 240 516   |
| <b>Total for Category - Legislative</b>                                 | 330 787            | 324 871            | 323 023            | 353 114                               | 358 198                                   | 358 198                        | 381 652              | 392 391   | 406 101   |
| <b>Category - Financial and fiscal affairs</b>                          |                    |                    |                    |                                       |                                           |                                |                      |           |           |
| Department of Provincial Treasury (Vote 3)                              | 317 050            | 310 800            | 294 412            | 359 755                               | 334 421                                   | 334 421                        | 420 069              | 414 311   | 426 947   |
| <b>Total for Category - Financial and fiscal affairs</b>                | 317 050            | 310 800            | 294 412            | 359 755                               | 334 421                                   | 334 421                        | 420 069              | 414 311   | 426 947   |
| <b>Category - General services</b>                                      |                    |                    |                    |                                       |                                           |                                |                      |           |           |
| Department of the Premier (Programme 1.2 to 1.6)                        | 1 643 322          | 1 863 979          | 1 935 855          | 1 871 473                             | 1 976 436                                 | 1 976 436                      | 2 028 378            | 2 075 211 | 2 142 440 |
| Department of Local Government (Vote 14)                                | 376 001            | 409 709            | 423 212            | 440 022                               | 432 990                                   | 432 333                        | 449 696              | 429 872   | 424 732   |
| <b>Total for Category - General services</b>                            | 2 019 323          | 2 273 688          | 2 359 067          | 2 311 495                             | 2 409 426                                 | 2 408 769                      | 2 478 074            | 2 505 083 | 2 567 172 |
| <b>TOTAL FOR FUNCTION - GENERAL PUBLIC SERVICES</b>                     | 2 667 160          | 2 909 359          | 2 976 502          | 3 024 364                             | 3 102 045                                 | 3 101 388                      | 3 279 795            | 3 311 785 | 3 400 220 |
| <b>FUNCTION - PUBLIC ORDER AND SAFETY</b>                               |                    |                    |                    |                                       |                                           |                                |                      |           |           |
| <b>Category - Police services</b>                                       |                    |                    |                    |                                       |                                           |                                |                      |           |           |
| Department of Police Oversight and Community Safety (Vote 4)            | 767 395            | 711 242            | 755 537            | 753 478                               | 770 668                                   | 770 668                        | 806 932              | 827 943   | 853 554   |
| <b>Total for Category - Police services</b>                             | 767 395            | 711 242            | 755 537            | 753 478                               | 770 668                                   | 770 668                        | 806 932              | 827 943   | 853 554   |
| <b>TOTAL FOR FUNCTION - PUBLIC ORDER AND SAFETY</b>                     | 767 395            | 711 242            | 755 537            | 753 478                               | 770 668                                   | 770 668                        | 806 932              | 827 943   | 853 554   |
| <b>FUNCTION - ECONOMIC AFFAIRS</b>                                      |                    |                    |                    |                                       |                                           |                                |                      |           |           |
| <b>Category - General economic affairs</b>                              |                    |                    |                    |                                       |                                           |                                |                      |           |           |
| Department of Economic Development and Tourism (Vote 12 excluding 12.6) | 391 568            | 376 159            | 394 094            | 436 154                               | 408 581                                   | 408 581                        | 512 840              | 455 737   | 466 062   |
| Department of Infrastructure (Programme 10.2)                           | 2 246 941          | 2 402 629          | 2 386 648          | 2 509 029                             | 2 619 877                                 | 2 628 403                      | 2 785 260            | 2 790 314 | 2 889 055 |
| <b>TOTAL FOR FUNCTION - General economic affairs</b>                    | 2 638 509          | 2 778 788          | 2 780 742          | 2 945 183                             | 3 028 458                                 | 3 036 984                      | 3 298 100            | 3 246 051 | 3 355 117 |

**Table A.8 Details of provincial payments and estimates by policy area (continued)**

| GFS function<br>R'000                                                    | Outcome            |                    |                    | Main<br>appro-<br>priation<br>2025/26 | Adjusted<br>appro-<br>priation<br>2025/26 | Revised<br>estimate<br>2025/26 | Medium-term estimate |            |            |
|--------------------------------------------------------------------------|--------------------|--------------------|--------------------|---------------------------------------|-------------------------------------------|--------------------------------|----------------------|------------|------------|
|                                                                          | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 |                                       |                                           |                                | 2026/27              | 2027/28    | 2028/29    |
| <b>Category - Agriculture</b>                                            |                    |                    |                    |                                       |                                           |                                |                      |            |            |
| Department of Agriculture<br>(Vote 11)                                   | 978 689            | 940 015            | 1 018 652          | 1 021 484                             | 1 303 713                                 | 1 303 713                      | 1 149 964            | 1 171 048  | 1 207 169  |
| <b>Total for Category - Agriculture</b>                                  | 978 689            | 940 015            | 1 018 652          | 1 021 484                             | 1 303 713                                 | 1 303 713                      | 1 149 964            | 1 171 048  | 1 207 169  |
| <b>Category - Transport</b>                                              |                    |                    |                    |                                       |                                           |                                |                      |            |            |
| Department of Mobility (Programmes<br>8,1 to 8,4)                        | 3 077 574          | 2 968 089          | 3 126 235          | 3 223 468                             | 3 365 130                                 | 3 365 130                      | 3 523 220            | 3 524 843  | 3 631 160  |
| Department of Infrastructure<br>(Programmes 10.1, 10.3 & 10.5)           | 4 216 863          | 4 721 092          | 5 506 369          | 5 075 196                             | 5 869 077                                 | 5 855 726                      | 5 059 646            | 4 263 899  | 4 396 229  |
| <b>Total for Category - Transport</b>                                    | 7 294 437          | 7 689 181          | 8 632 604          | 8 298 664                             | 9 234 207                                 | 9 220 856                      | 8 582 866            | 7 788 742  | 8 027 389  |
| <b>Category - Communication</b>                                          |                    |                    |                    |                                       |                                           |                                |                      |            |            |
| Department of Economic<br>Development and Tourism<br>(Programme 12.6)    | 96 106             | 98 055             | 100 997            | 78 851                                | 83 232                                    | 83 232                         | 83 925               | 82 334     | 84 308     |
| <b>Total for Category -<br/>Communication</b>                            | 96 106             | 98 055             | 100 997            | 78 851                                | 83 232                                    | 83 232                         | 83 925               | 82 334     | 84 308     |
| <b>TOTAL FOR FUNCTION -<br/>ECONOMIC AFFAIRS</b>                         | 11 007 741         | 11 506 039         | 12 532 995         | 12 344 182                            | 13 649 610                                | 13 644 785                     | 13 114 855           | 12 288 175 | 12 673 983 |
| <b>FUNCTION - ENVIRONMENTAL<br/>PROTECTION</b>                           |                    |                    |                    |                                       |                                           |                                |                      |            |            |
| <b>Category - Environmental<br/>protection</b>                           |                    |                    |                    |                                       |                                           |                                |                      |            |            |
| Department of Environmental Affairs<br>and Development Planning (Vote 9) | 570 667            | 583 948            | 615 582            | 669 944                               | 648 168                                   | 648 168                        | 746 153              | 769 055    | 798 236    |
| <b>Total for Category -<br/>Environmental protection</b>                 | 570 667            | 583 948            | 615 582            | 669 944                               | 648 168                                   | 648 168                        | 746 153              | 769 055    | 798 236    |
| <b>TOTAL FOR FUNCTION -<br/>ENVIRONMENTAL PROTECTION</b>                 | 570 667            | 583 948            | 615 582            | 669 944                               | 648 168                                   | 648 168                        | 746 153              | 769 055    | 798 236    |
| <b>FUNCTION - HOUSING AND<br/>COMMUNITY AMENITIES</b>                    |                    |                    |                    |                                       |                                           |                                |                      |            |            |
| <b>Category - Housing Development</b>                                    |                    |                    |                    |                                       |                                           |                                |                      |            |            |
| Department of Infrastructure (Vote<br>10) (Human Settlements programme)  | 2 121 664          | 1 989 691          | 2 010 358          | 2 243 404                             | 2 439 092                                 | 2 443 917                      | 2 011 254            | 2 080 308  | 2 145 089  |
| <b>Total for Category - Housing<br/>Development</b>                      | 2 121 664          | 1 989 691          | 2 010 358          | 2 243 404                             | 2 439 092                                 | 2 443 917                      | 2 011 254            | 2 080 308  | 2 145 089  |
| <b>TOTAL FOR FUNCTION - HOUSING<br/>AND COMMUNITY AMENITIES</b>          | 2 121 664          | 1 989 691          | 2 010 358          | 2 243 404                             | 2 439 092                                 | 2 443 917                      | 2 011 254            | 2 080 308  | 2 145 089  |

Table A.8 Details of provincial payments and estimates by policy area (continued)

| GFS function<br>R'000                                                       | Outcome            |                    |                    | Main<br>appro-<br>piation<br>2025/26 | Adjusted<br>appro-<br>piation<br>2025/26 | Revised<br>estimate<br>2025/26 | Medium-term estimate |            |            |
|-----------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------------------------|------------------------------------------|--------------------------------|----------------------|------------|------------|
|                                                                             | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 |                                      |                                          |                                | 2026/27              | 2027/28    | 2028/29    |
| <b>FUNCTION - HEALTH</b>                                                    |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| <b>Category - Health n.e.c.</b>                                             |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| Department of Health and Wellness<br>(Programme 6.1)                        | 1 086 215          | 980 573            | 913 768            | 1 000 149                            | 1 072 652                                | 1 072 652                      | 1 197 259            | 1 132 391  | 1 158 902  |
| <b>Total for Category - Health n.e.c.</b>                                   | 1 086 215          | 980 573            | 913 768            | 1 000 149                            | 1 072 652                                | 1 072 652                      | 1 197 259            | 1 132 391  | 1 158 902  |
| <b>Category - Outpatient service</b>                                        |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| Department of Health and Wellness<br>(Programme 6.2)                        | 12 036 821         | 12 155 573         | 12 659 858         | 13 219 549                           | 13 503 836                               | 13 503 836                     | 14 092 519           | 14 648 598 | 15 107 317 |
| <b>Total for Category - Outpatient service</b>                              | 12 036 821         | 12 155 573         | 12 659 858         | 13 219 549                           | 13 503 836                               | 13 503 836                     | 14 092 519           | 14 648 598 | 15 107 317 |
| <b>Category - R &amp; D Health (CS)</b>                                     |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| Department of Health and Wellness<br>(Programme 6.6)                        | 383 735            | 418 753            | 420 070            | 451 901                              | 451 086                                  | 451 086                        | 465 017              | 475 447    | 490 853    |
| <b>Total for Category - R &amp; D Health (CS)</b>                           | 383 735            | 418 753            | 420 070            | 451 901                              | 451 086                                  | 451 086                        | 465 017              | 475 447    | 490 853    |
| <b>Category - Hospital services</b>                                         |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| Department of Health and Wellness<br>(Programmes 6.3 to 6.8, excluding 6.6) | 15 380 339         | 16 088 808         | 16 558 922         | 17 336 002                           | 17 621 719                               | 17 621 719                     | 18 715 524           | 19 390 584 | 19 973 236 |
| <b>Total for Category - Hospital services</b>                               | 15 380 339         | 16 088 808         | 16 558 922         | 17 336 002                           | 17 621 719                               | 17 621 719                     | 18 715 524           | 19 390 584 | 19 973 236 |
| <b>TOTAL FOR FUNCTION - HEALTH</b>                                          | 28 887 110         | 29 643 707         | 30 552 618         | 32 007 601                           | 32 649 293                               | 32 649 293                     | 34 470 319           | 35 647 020 | 36 730 308 |
| <b>FUNCTION - RECREATION<br/>CULTURE AND RELIGION</b>                       |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| <b>Category - Recreation and sporting services</b>                          |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| Department of Cultural Affairs and Sport (Programme 13.4)                   | 286 587            | 241 628            | 264 421            | 283 828                              | 302 669                                  | 302 669                        | 377 715              | 362 693    | 354 528    |
| <b>Total for Category - Recreation and sporting services</b>                | 286 587            | 241 628            | 264 421            | 283 828                              | 302 669                                  | 302 669                        | 377 715              | 362 693    | 354 528    |
| <b>Category - Cultural services</b>                                         |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| Department of Cultural Affairs and Sport (Programmes 13.1 to 13.3)          | 630 200            | 632 574            | 641 935            | 674 864                              | 666 030                                  | 666 030                        | 725 321              | 764 719    | 762 628    |
| <b>Total for Category - Cultural services</b>                               | 630 200            | 632 574            | 641 935            | 674 864                              | 666 030                                  | 666 030                        | 725 321              | 764 719    | 762 628    |
| <b>TOTAL FOR FUNCTION - RECREATION CULTURE AND RELIGION</b>                 | 916 787            | 874 202            | 906 356            | 958 692                              | 968 699                                  | 968 699                        | 1 103 036            | 1 127 412  | 1 117 156  |

**Table A.8 Details of provincial payments and estimates by policy area (continued)**

| GFS function<br>R'000                                                       | Outcome            |                    |                    | Main<br>appro-<br>piation<br>2025/26 | Adjusted<br>appro-<br>piation<br>2025/26 | Revised<br>estimate<br>2025/26 | Medium-term estimate |            |            |
|-----------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------------------------|------------------------------------------|--------------------------------|----------------------|------------|------------|
|                                                                             | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 |                                      |                                          |                                | 2026/27              | 2027/28    | 2028/29    |
| <b>FUNCTION - EDUCATION</b>                                                 |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| <b>Category - Pre-primary and primary education</b>                         |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| Department of Education<br>(Programme 5.2.1 and 5.5)                        | 13 160 065         | 14 190 469         | 15 239 245         | 16 050 372                           | 15 810 403                               | 15 850 298                     | 17 017 144           | 17 880 849 | 18 372 983 |
| <b>Total for Category - Pre-primary and primary education</b>               | 13 160 065         | 14 190 469         | 15 239 245         | 16 050 372                           | 15 810 403                               | 15 850 298                     | 17 017 144           | 17 880 849 | 18 372 983 |
| <b>Category - Secondary education</b>                                       |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| Department of Education<br>(Programme 5.2.2)                                | 7 259 469          | 8 011 312          | 8 500 054          | 8 740 900                            | 8 765 956                                | 8 765 956                      | 9 526 263            | 9 989 944  | 10 210 914 |
| <b>Total for Category - Secondary education</b>                             | 7 259 469          | 8 011 312          | 8 500 054          | 8 740 900                            | 8 765 956                                | 8 765 956                      | 9 526 263            | 9 989 944  | 10 210 914 |
| <b>Category - Subsidiary service to education</b>                           |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| Department of Education<br>(Programme 5.3)                                  | 143 544            | 145 282            | 153 355            | 167 043                              | 167 043                                  | 167 043                        | 173 057              | 178 768    | 184 309    |
| <b>Total for Category - Subsidiary service to education</b>                 | 143 544            | 145 282            | 153 355            | 167 043                              | 167 043                                  | 167 043                        | 173 057              | 178 768    | 184 309    |
| <b>Category - Education not definable by level</b>                          |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| Department of Education<br>(Programmes 5.1, 5.2.3, 5.2.4, 5.4, 5.6 and 5.7) | 7 565 853          | 7 997 058          | 7 452 050          | 8 300 788                            | 7 994 779                                | 7 954 884                      | 8 391 709            | 7 667 319  | 7 950 286  |
| <b>Total for Category - Education not definable by level</b>                | 7 565 853          | 7 997 058          | 7 452 050          | 8 300 788                            | 7 994 779                                | 7 954 884                      | 8 391 709            | 7 667 319  | 7 950 286  |
| <b>TOTAL FOR FUNCTION - EDUCATION</b>                                       | 28 128 931         | 30 344 121         | 31 344 704         | 33 259 103                           | 32 738 181                               | 32 738 181                     | 35 108 173           | 35 716 880 | 36 718 492 |
| <b>FUNCTION - SOCIAL PROTECTION</b>                                         |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| <b>Category - Social security services</b>                                  |                    |                    |                    |                                      |                                          |                                |                      |            |            |
| Social Development (Vote 7)                                                 | 2 356 498          | 2 474 962          | 2 489 663          | 2 725 610                            | 2 759 830                                | 2 759 830                      | 2 897 367            | 3 001 502  | 3 068 484  |
| <b>Total for Category - Social security services</b>                        | 2 356 498          | 2 474 962          | 2 489 663          | 2 725 610                            | 2 759 830                                | 2 759 830                      | 2 897 367            | 3 001 502  | 3 068 484  |
| <b>TOTAL FOR FUNCTION - SOCIAL DEVELOPMENT</b>                              | 2 356 498          | 2 474 962          | 2 489 663          | 2 725 610                            | 2 759 830                                | 2 759 830                      | 2 897 367            | 3 001 502  | 3 068 484  |
| <b>TOTAL: BY FUNCTION</b>                                                   | 77 423 953         | 81 037 271         | 84 184 315         | 87 986 378                           | 89 725 586                               | 89 724 929                     | 93 537 884           | 94 770 080 | 97 505 522 |

**Table A.9 Summary of Expanded Public Works Programme (EPWP) payments and estimates**

| Outcome                                              |                    |                    |                    |                            |                                |                     | Medium-term estimate                  |           |         |         |         |
|------------------------------------------------------|--------------------|--------------------|--------------------|----------------------------|--------------------------------|---------------------|---------------------------------------|-----------|---------|---------|---------|
| Provincial department<br>R'000                       | Audited<br>2022/23 | Audited<br>2023/24 | Audited<br>2024/25 | Main<br>appro-<br>priation | Adjusted<br>appro-<br>priation | Revised<br>estimate | Change<br>from<br>Revised<br>estimate | 2026/27   | 2025/26 | 2027/28 | 2028/29 |
|                                                      |                    |                    |                    | 2025/26                    | 2025/26                        | 2025/26             |                                       |           |         |         |         |
| 1. Department of the Premier                         |                    |                    |                    |                            |                                |                     |                                       |           |         |         |         |
| 2. Provincial Parliament                             |                    |                    |                    |                            |                                |                     |                                       |           |         |         |         |
| 3. Provincial Treasury                               |                    |                    |                    |                            |                                |                     |                                       |           |         |         |         |
| 4. Police Oversight and<br>Community Safety          | 34 514             | 28 425             | 35 104             | 31 902                     | 33 007                         | 33 007              | 30 690                                | ( 7.02)   | 25 794  | 24 599  |         |
| 5. Education                                         | 96 635             | 104 703            | 98 934             | 102 463                    | 102 463                        | 102 463             | 106 464                               | 3.90      | 100 790 | 103 915 |         |
| 6. Health and Wellness                               | 176 508            | 184 641            | 184 018            | 184 307                    | 184 307                        | 184 307             | 189 431                               | 2.78      | 186 807 | 192 949 |         |
| 7. Social Development                                | 4 978              | 4 548              | 3 021              | 3 761                      | 3 911                          | 3 911               | 3 290                                 | ( 15.88)  |         |         |         |
| 8. Mobility                                          |                    |                    | 2 432              | 2 079                      | 2 079                          | 2 079               |                                       | ( 100.00) |         |         |         |
| 9. Environmental Affairs and<br>Development Planning | 31 429             | 32 192             | 32 742             | 33 707                     | 33 707                         | 33 707              | 35 377                                | 4.95      | 33 460  | 34 497  |         |
| 10. Infrastructure                                   | 16 351             | 6 019              | 4 852              | 2 079                      | 2 079                          | 2 079               | 5 655                                 | 172.01    |         |         |         |
| 11. Agriculture                                      | 2 174              | 2 182              | 2 531              | 2 775                      | 2 775                          | 2 775               | 2 656                                 | ( 4.29)   |         |         |         |
| 12. Economic Development and<br>Tourism              |                    |                    |                    |                            |                                |                     |                                       |           |         |         |         |
| 13. Cultural Affairs and Sport                       | 14 577             | 21 535             | 31 674             | 26 660                     | 26 660                         | 26 660              | 27 860                                | 4.50      | 29 114  | 30 421  |         |
| 14. Local Government                                 |                    |                    |                    |                            |                                |                     |                                       |           |         |         |         |
| Total EPWP                                           | 377 166            | 384 245            | 395 308            | 389 733                    | 390 988                        | 390 988             | 401 423                               | 2.67      | 375 965 | 386 381 |         |
| Financed from:                                       |                    |                    |                    |                            |                                |                     |                                       |           |         |         |         |
| Equitable share                                      | 318 714            | 339 113            | 350 078            | 351 570                    | 352 675                        | 352 675             | 363 171                               | 2.98      | 375 965 | 386 381 |         |
| Conditional Grants                                   | 58 452             | 45 132             | 45 230             | 38 163                     | 38 313                         | 38 313              | 38 252                                | ( 0.16)   |         |         |         |
| Other                                                |                    |                    |                    |                            |                                |                     |                                       |           |         |         |         |
| Total EPWP                                           | 377 166            | 384 245            | 395 308            | 389 733                    | 390 988                        | 390 988             | 401 423                               | 2.67      | 375 965 | 386 381 |         |

# Glossary

## Term

## Definition

### **Adjusted Appropriation**

Budget amendments approved during the financial year to address unforeseen circumstances or changed priorities.

### **Alternative and Blended Finance (ABF)**

The strategic use of limited funds from the fiscus combined with financing from multilateral institutions, development finance institutions and the private sector to enhance the development impact of infrastructure.

### **Baseline**

The initial allocations used during the budget process, derived from the previous years forward estimates.

### **Blended Finance**

The strategic use of limited funds from the fiscus to mobilise financing from multilateral institutions, development finance institutions and the private sector to enhance the development impact of infrastructure.

### **Budget Facility for Infrastructure (BFI)**

A facility that supports the execution of national priority projects by establishing specialised structures, procedures and criteria for committing fiscal resources to public infrastructure spending.

### **Budget Policy**

The means by which government directs and adjusts its overall and differentiated levels of spending in order to foster and influence a nation's economy and social welfare.

### **Business Process Outsourcing (BPO)**

A subset of outsourcing that involves the contracting of the operations and responsibilities of a specific business process to a third-party service provider.

### **Catalytic Infrastructure**

The construction of physical infrastructure, which is necessary to unlock development and create long-term employment.

### **Child Protection Services**

To ensure the safety and well-being of children through a continuum of care and protection services.

### **Climate Change**

A long-term shift in global or regional climate patterns attributed directly or indirectly to human activity.

| Term                                          | Definition                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Climate Finance</b>                        | Climate finance involves funding directed towards mitigating and adapting to climate change impacts. It aims to support transformational actions that enable progress towards climate-resilient, low-carbon development paths.                                                                                                                                                       |
| <b>Concessional Funding</b>                   | Concessional funding is below market rate funding provided by major financial institutions, such as development banks and multilateral funds, to developing countries to accelerate development objectives.                                                                                                                                                                          |
| <b>Conditional Grants</b>                     | Allocations of money from one sphere of government to another, conditional on certain services being delivered or on compliance with specified requirements.                                                                                                                                                                                                                         |
| <b>Contractor Development Programme (CDP)</b> | A programme which forms part of the Expanded Public Works Programme (EPWP), and aims to develop skills and promote business sustainability for emerging contractors in the construction industry.                                                                                                                                                                                    |
| <b>Cost of Living Adjustment</b>              | An increase in income that keeps up with the cost of living.                                                                                                                                                                                                                                                                                                                         |
| <b>District Development Model</b>             | The District Development Model consists of a process by which joint and collaborative planning is undertaken at local, district and metropolitan levels by all three spheres of government resulting in a single strategically focused One Plan for each of the 44 districts and 8 metropolitan geographic spaces in the country, wherein the district is seen as the landing strip. |
| <b>Early Childhood Development (ECD)</b>      | Services geared toward the physical, psychological, cognitive, and social development of a child from birth through to school-going age.                                                                                                                                                                                                                                             |
| <b>Ease of Doing Business</b>                 | A measurement of how conducive the regulatory environment is for business operations.                                                                                                                                                                                                                                                                                                |
| <b>Economic Expansion</b>                     | A period of rising economic activity, characterised by increased production, employment, and spending, often measured by a rise in real Gross Domestic Product (GDP).                                                                                                                                                                                                                |
| <b>e-Learning</b>                             | A learning system based on formalised teaching but with the help of electronic resources.                                                                                                                                                                                                                                                                                            |
| <b>Equitable Resource Allocation</b>          | It is an initiative that aims to allocate funds to the primary health platform at a geographical basis applying a risk-adjusted capitation index and output data.                                                                                                                                                                                                                    |

| Term                                         | Definition                                                                                                                                                                                                                                                            |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Equitable Share</b>                       | The allocation of revenue to the national, provincial and local spheres of government as required by the Constitution.                                                                                                                                                |
| <b>Expenditure Reviews</b>                   | A process that applies a stringent approach to scrutinise programme effectiveness and ensure greater value for public money.                                                                                                                                          |
| <b>Family Strengthening Programme</b>        | To protect families from violence and build resilience through evidence-based parenting programmes, family support, marriage counselling, and subsidised shelter for unhoused families.                                                                               |
| <b>Financial Management Capability Grant</b> | To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).                                                                                                               |
| <b>Financial Year</b>                        | The 12 months according to which companies and organisations budget and account.                                                                                                                                                                                      |
| <b>Fiscal Consolidation</b>                  | Concrete policies aimed at reducing government deficits and debt accumulation.                                                                                                                                                                                        |
| <b>Fiscal Environment</b>                    | The overall conditions and policies related to government finances, including taxation, spending, and borrowing, that shape the economic climate.                                                                                                                     |
| <b>Fiscal Framework</b>                      | A framework for integrating fiscal policy and budgeting over the medium term by linking a system of aggregate fiscal forecasting to a disciplined process of maintaining detailed medium term budget estimates by ministries reflecting existing government policies. |
| <b>Fiscal Policy</b>                         | Policy on taxation, spending and borrowing by government.                                                                                                                                                                                                             |
| <b>Gender Responsive Budgeting (GRB)</b>     | A budget or expenditure arrangement which is structured in a manner that ensures that women and men benefit equitably from financial resources.                                                                                                                       |
| <b>Green Economy</b>                         | An economy that aims at reducing environmental risks and ecological scarcities, and that aims for sustainable development without degrading the environment.                                                                                                          |
| <b>Gross Domestic Product (GDP)</b>          | The total monetary value of all finished goods and services produced within a country's borders over a specific period, usually a quarter or a year. It is a key indicator of a nation's economic performance and is used to measure economic growth.                 |

| Term                                               | Definition                                                                                                                                                                                                                                                                   |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Gross Domestic Product by Region (GDPR)</b>     | The total monetary value of all final goods and services produced within a specific geographic area (a region) during a given period, used to measure the economic output and performance of that region.                                                                    |
| <b>Inclusive Economic Growth</b>                   | Economic growth that benefits all segments of society, including marginalised and disadvantaged groups.                                                                                                                                                                      |
| <b>Industrial Development Zone</b>                 | Designated sites linked to an international air or sea port, supported by incentives to encourage investment in export-oriented manufacturing and job creation.                                                                                                              |
| <b>Inflation</b>                                   | An increase in the general level of prices.                                                                                                                                                                                                                                  |
| <b>Joint District Metro Approach (JDMA)</b>        | The JDMA envisages the three spheres of government (national, provincial and local) to converge, using inter-governmental engagements, to develop similar Western Cape strategic, developmental and planning priorities with aligned budgets to accelerate service delivery. |
| <b>Medium Term Budget Policy Statement (MTBPS)</b> | A government policy statement which communicates the policy goals of government.                                                                                                                                                                                             |
| <b>Medium Term Expenditure Framework (MTEF)</b>    | The three-year spending plans of national and provincial governments published at the time of the Budget.                                                                                                                                                                    |
| <b>Medium Term Strategic Framework (MTSF)</b>      | Government's strategic plan for the five-year electoral term.                                                                                                                                                                                                                |
| <b>Municipal Disaster Response Grant</b>           | The main objective of the grant is to proactively respond to the immediate needs after a disaster has occurred at a municipal level in order to deal with its consequences.                                                                                                  |
| <b>National Budget</b>                             | The projected revenue and expenditure that flow through the National Revenue Fund. It does not include spending by provinces or local government from their own revenues.                                                                                                    |
| <b>National Development Plan (NDP)</b>             | A planning framework prepared by the National Planning Commission that aims to eliminate poverty and reduce inequality by 2030.                                                                                                                                              |

| Term                                            | Definition                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Outcomes Fund</b>                            | An outcomes fund is a tool to pool resources for rewarding successful social outcomes. It supports various outcomes-based contracts and welcomes impact investments to finance service delivery upfront. The fund pays out only if agreed-upon social outcomes are achieved, promoting accountability and efficiency in addressing social issues.                 |
| <b>Per Capita</b>                               | A term used to indicate an average or a measurement calculated for each individual in a group.                                                                                                                                                                                                                                                                    |
| <b>Presidential Youth Employment Initiative</b> | A mass public employment intervention, that is used as the channel to address poverty alleviation, skilling of youth, reduction of youth unemployment and creation of social values.                                                                                                                                                                              |
| <b>Primary Budget Surplus</b>                   | A primary budget surplus occurs when a government's revenue, excluding borrowing, exceeds its expenses, not including interest payments on debt. This financial status indicates a surplus of funds available after meeting all non-interest expenditures, reflecting a position of fiscal health and stability before accounting for the cost of debt servicing. |
| <b>Project Preparation Facility</b>             | A bespoke Project Preparation Facility (PPF) established by Provincial Treasury to assist departments with project preparation costs of certain categories of infrastructure projects to improve project preparation.                                                                                                                                             |
| <b>Provincial Own Receipts</b>                  | Refers to taxes/fees and/or user charges, which a provincial department receives.                                                                                                                                                                                                                                                                                 |
| <b>Provincial Spatial Development Framework</b> | A forward planning document that spatially indicates the long-term growth development path of the municipalities. It co-ordinates the spatial implications of all strategic sectors of a municipality and gives physical effect to the vision, goals and objectives of the municipal IDP while informing land use management.                                     |
| <b>Public Entities</b>                          | Companies, agencies, funds and accounts that are fully or partly owned by government or public authorities and are regulated by law.                                                                                                                                                                                                                              |

| Term                                        | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Semigration</b>                          | To move from one part of the country to another.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Social Impact Bond (SIB)</b>             | A SIB is an innovative financing tool that focuses on achieving specific social outcomes. In a SIB, private investors fund social services upfront, and the government or another outcomes payer reimburses investors only if the agreed-upon social outcomes are achieved. This model shifts the financial risk of new social interventions from the public to the private sector, encouraging investment in preventive and early intervention services that might otherwise be underfunded. |
| <b>Socio-economic</b>                       | The combination or interaction of social and economic factors, encompassing elements like income, education, occupation, and social status.                                                                                                                                                                                                                                                                                                                                                   |
| <b>Spatial Planning</b>                     | A strategic process that organises and coordinates how the economy, society, and the built environment operate in space, aiming for long-term, sustainable, and complementary development.                                                                                                                                                                                                                                                                                                    |
| <b>Sustainable Development Goals (SDGs)</b> | A collection of 17 interlinked global goals designed to be a blueprint to achieve a better and more sustainable future for all. The SDGs were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.                                                                                                                                                                                                                                            |
| <b>Thusong Programme</b>                    | To enhance residents trust and participation by prioritising youth empowerment, community empowerment, socio-economic opportunities, and improved access to government services and information.                                                                                                                                                                                                                                                                                              |
| <b>Urbanisation</b>                         | The process of an increasing proportion of a population residing in urban areas, meaning cities and towns, compared to rural areas, driven by factors like job opportunities and perceived better quality of life.                                                                                                                                                                                                                                                                            |
| <b>Vote Transfers</b>                       | The movement of funds from one budget category or government entity to another.                                                                                                                                                                                                                                                                                                                                                                                                               |

**Term****Definition****Wage Bill**

The total amount of money that the public sector pays to its employees.

**Western Cape Climate Change Response Strategy Vision 2050**

Describes a climate future that the Western Cape Province will strive towards.

**Western Cape Fiscal Strategy**

A strategy that informs the formulation of a risk responsive provincial Budget that optimises service delivery outcomes informed by the core provincial mandates and priorities.

**Whole-of-Government Approach**

Refers to the joint activities performed by diverse ministries, public administrations and public agencies in order to provide a common solution to particular problems or issues.

**Whole-of-Society Approach**

A whole-of-society approach mobilises the resources, knowledge, creativity, and concerns of all role players in government, the private sector, and civil society to drive socio-economic development and address policy challenges.

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