



Western Cape
Government

Provincial Treasury

Budget

Overview of Provincial Revenue and Expenditure

2020

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and Expenditure**

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Foreword

A constrained economic and fiscal environment alongside increasing demands for government services sets the context for the 2020 Budget. Despite these challenging circumstances, the Western Cape Government remains committed to fulfilling the role of a competent state and formulating a Budget that is responsive to the needs of all those living in the Western Cape.

To this end, we reviewed and strengthened our Western Cape Government Fiscal Strategy and made the required adjustments to the 2020 Budget approach and process with the objective of maintaining fiscal sustainability and delivering on the policy imperatives of this government.

The 2019 - 2024 Provincial Strategic Plan outlines the Vision Inspired Priorities of the Western Cape Government and sets the course toward "A safe Western Cape where everyone prospers". Over the next five years, the Western Cape Government will build safe and cohesive communities, boost the economy and job creation, empower our people, promote mobility and spatial transformation while driving innovation within a culture of a truly competent state.

The 2020 Budget is the main policy tool which will enable the delivery of the 2019 - 2024 Provincial Strategic Plan. To effectively deliver on the objectives of the 2020 Budget we will strengthen key partnerships with the local and national spheres of government, private sector and civil society.

In aggregate, the 2020 Provincial Budget provides for total expenditure amounting to R71.619 billion in 2020/21, R74.887 billion in 2021/22, and R78.308 billion in 2022/23.

I would like to thank the Provincial Cabinet, Heads of Department, the Provincial Treasury and key partners for your valued contributions to the 2020 Budget.



DAVID MAYNIER
MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES
DATE: 10 March 2020

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Acronyms

AEPRE	Adjusted Estimates of Provincial Revenue and Expenditure
AfCFTA	Africa Continental Free Trade Agreement
APFYD	Agricultural Partnership for Youth Development
ASEZ	Atlantis Special Economic Zone
BER	Bureau for Economic Research
CASP	Comprehensive Agriculture Support Programme
CBD	Central Business District
CIPC	Companies and Intellectual Property Commission
CKD	Central Karoo District
CoE	Compensation of Employees
COPC	Community Oriented Primary Care
COVID-19	Coronavirus
CPI	Consumer Price Index
CWD	Cape Winelands District
DEF	Data and Evidence Framework
ECD	Early Childhood Development
EPRE	Estimates of Provincial Revenue and Expenditure
ePS	eProcurement System
EPWP	Expanded Public Works Programme
Fed	US Federal Reserve Bank
GBV	Gender-Based Violence
GDE	Gross Domestic Expenditure
GDP	Gross Domestic Product
GDPR	Regional Gross Domestic Product
GRB	Gender Responsive Budgeting
GRD	Garden Route District
GRPBMEA	Gender-responsive Planning, Budgeting, Monitoring, Evaluation and Auditing
G&S	Goods and Services
HIV/AIDS	Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome
HSDG	Human Settlements Development Grant

ICT	Information and Communication Technology
IPP	Independent Power Producer
IGR	Inter-governmental Relations
IDZ	Industrial Development Zone
JDMA	Joint District and Metro Approach
LEAP	Law Enforcement Advancement Plan
LURITS	Learner Unit Record Information Tracking System
IMF	International Monetary Fund
MERO	Municipal Economic Review and Outlook
MOD	Mass Participation, Opportunity and Access, Development and Growth
MTBPC	Medium Term Budget Policy Committee
MTBPS	Medium Term Budget Policy Statement
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MVL	Motor Vehicle Licence
NDP	National Development Plan
NGO	Non-Governmental Organisation
NHI	National Health Insurance
NPI	Non-Profit Institutions
OAPMII	Overview of Adjusted Provincial and Municipal Infrastructure Investment
OPMII	Overview of Provincial and Municipal Infrastructure Investment
OPRE	Overview of Provincial Revenue and Expenditure
PDIA	Problem Driven Iterative Adaptation
PERO	Provincial Economic Review and Outlook
PES	Provincial Equitable Share
PFMA	Public Finance Management Act
PG MTEC	Provincial Government Medium Term Expenditure Committee
PoCA	Payments for Capital Assets
PPI	Producer Price Index
PRASA	Passenger Rail Agency of South Africa
PSP	Provincial Strategic Plan
PWDG	Province Wide Data Governance
RSEP	Regional Socio-Economic Project

SAA	South African Airways
SARB	South African Reserve Bank
SARS	South African Revenue Service
SAPS	South African Police Service
SBIDZ	Saldanha Bay Industrial Development Zone
SCM	Supply Chain Management
SDGs	Sustainable Development Goals
SETA	Skills Education Training Authorities
SEZ	Specific Economic Zone
SMMEs	Small, Medium, and Micro Enterprises
Stats SA	Statistics South Africa
STEAMAC	Science, Technology, Engineering, Arts, Mathematics, Agriculture, and coding and Cloud computing
STEM	Science, Technology, Engineering, Mathematics
STI	Sexually Transmitted Infections
T&S	Transfers and Subsidies
TB	Tuberculosis
TVET	Technical Vocational Education and Training
UHC	Universal Health Coverage
UIF	Unemployment Insurance Fund
UK	United Kingdom
US	United States
VIP	Vision Inspired Priority
WCD	West Coast District
WCED	Western Cape Education Department
WoW!	Western Cape on Wellness

1

Economic overview

In brief

- Global economic growth is set to improve to 3.3 per cent in 2020 and 3.4 per cent in 2021, from 2.9 per cent in 2019.
- The South African economy grew by an estimated 0.3 per cent in 2019. Economic growth is expected to improve modestly to 0.6 per cent in 2020 and 1.2 per cent in 2021, as household and government consumption expenditure remain under pressure.
- The Western Cape economy is estimated to grow at 0.6 per cent in 2019, from an estimated 0.2 per cent in 2018, with an average growth rate of 1.6 per cent expected between 2020 and 2024.
- Risks facing the South African economy include the impact of the coronavirus on global trade; strained global trade relations; intermittent electricity supply and a possibility of a sovereign credit rating downgrade.
- National unemployment grew to 29.1 per cent by the fourth quarter of 2019. Western Cape unemployment remained the lowest nationally, at 20.9 per cent.
- Considerable efforts are made to improve the economic growth prospects of the Western Cape and South Africa. The 2019 - 2024 Provincial Strategic Plan, and in particular its Vision Inspired Priority 2: Growth and Jobs, puts the regional economy at the centre.

■ Introduction

This chapter considers the current global, national and provincial economic landscape, provides for projected economic performance over the medium term and highlights some of the efforts to restart the South African economy.

A slowdown in global economic growth in 2019 was experienced in advanced, emerging and developing economies. A recovery is however expected in 2020 and will continue into 2021, led by accelerated growth in emerging and developing economies.

Economic growth in South Africa has also eased, to an estimated 0.3 per cent in 2019 and is expected to grow only modestly beyond 2020. Nationally, growth will be supported by, amongst others, measures to strengthen the macroeconomic framework to deliver greater certainty and transparency on key public policies, and measures to lower the cost of borrowing.

The Western Cape economy is closely linked to that of South Africa and the global economy and is therefore also impacted by the same risks and constraints. However, regional economic plans and efforts by the Western Cape Government will likely see provincial economic growth exceed that of the national economy over the forecast period, with an average growth rate of 1.6 per cent between 2020 and 2024.

In addition to efforts made nationally to position South Africa for economic growth and to address issues of social and economic exclusion, the Western Cape Government has prioritised growth and jobs in its 2019 - 2024 Provincial Strategic Plan. More information on the provincial efforts are included in Chapter 4 of this publication.

■ Macroeconomic outlook

Global economic outlook

According to the International Monetary Fund (IMF), global growth is estimated to have eased to 2.9 per cent in 2019, from 3.6 per cent in 2018. A mild recovery to 3.3 per cent and 3.4 per cent growth is projected for 2020 and 2021 (see Table 1.1).

In advanced economies, growth slowed to 1.7 per cent in 2019, from 2.2 per cent in 2018. Stable growth of 1.6 per cent is forecast for 2020 and 2021. In contrast, economic output in emerging and developing economies is expected to increase to 4.4 per cent and 4.6 per cent in 2020 and 2021, respectively. This follows an economic growth rate of 3.7 per cent estimated for 2019.

Following growth of 2.9 per cent in 2018, economic output in the United States (US) expanded at a more subdued 2.3 per cent in 2019¹. Underpinning the slowdown was noticeably weaker growth in fixed investment and declining industrial production. According to the US Federal Reserve Bank (Fed), industrial production fell by 0.5 per cent year-on-year in the fourth quarter of 2019. In contrast, household and government consumption supported economic growth. The softer growth profile in the US contributed, along with benign inflation, to the Fed's decision to lower the policy interest

Emerging economy growth expected to accelerate in 2020

¹ This is based on the advanced estimate for GDP for the fourth quarter of 2019.

rate by a cumulative 75 basis points in 2019. Economic growth in the US is expected to moderate further to 2.0 per cent in 2020 and 1.7 per cent in 2021 as fiscal support starts to wane.

In the Euro Area, growth slipped to 1.2 per cent in 2019, from 1.9 per cent in 2018. Much of this was due to poor performance from the largest economy in the region, Germany. Economic output in Germany is estimated to have risen by only 0.5 per cent in 2019, from 1.5 per cent in 2018. This slowdown reflects a marked decline in manufacturing output led by the automotive sector. Growth in the Euro Area is expected to reach 1.3 per cent in 2020 and 1.4 per cent in 2021.

Moderate improvement in economic growth in Euro Area expected

In the United Kingdom (UK), the general election in December 2019 provided a firm Brexit mandate, which officially occurred on 31 January 2020, lifting some of the uncertainty. An orderly transition from the European Union is expected. This underpins the growth forecast of 1.4 per cent and 1.5 per cent for 2020 and 2021, respectively. In 2019, UK economic output rose by 1.3 per cent.

Table 1.1 Global economic outlook, 2020 - 2021

	2019e	2020f	2021f		2019e	2020f	2021f
World output	2.9	3.3	3.4				
Advanced economies	1.7	1.6	1.6	Emerging economies	3.7	4.4	4.6
US	2.3	2	1.7	Brazil	1.2	2.2	2.3
Japan	1	0.7	0.5	Russia	1.1	1.9	2
Euro Area	1.2	1.3	1.4	India	4.8	5.8	6.5
Germany	0.5	1.1	1.4	China	6.1	6.0	5.8
France	1.3	1.3	1.3	Sub-Saharan Africa	3.3	3.5	3.5
UK	1.3	1.4	1.5	Nigeria	2.3	2.5	2.5

e denotes estimate; f denotes forecast

Source: International Monetary Fund, 2020

Economic growth in China eased to 6.1 per cent in 2019 from 6.6 per cent in 2018. Structural changes underlie the slowdown as China becomes less reliant on state infrastructure and export-led growth. In addition, US/China trade tensions also weighed on the economy over the last two years. The economic strain caused by these tensions is likely to wane with a partial rollback of previous tariffs and the suspension of the introduction of any additional tariffs as part of the recently signed "Phase One" trade deal between the US and China. Economic output is projected to increase to 6.0 per cent in 2020 and before declining marginally to 5.8 per cent in 2021.

US trade tensions and COVID-19 expected to weigh on Chinese economy

The recent coronavirus, or COVID-19, outbreak is expected to have an impact on the Chinese economy, with a ripple effect across global supply chains. The full impact of the outbreak on the Chinese and global economies is still unknown, with a robust estimate likely only possible once the outbreak has reached its peak. Initial estimates by JP Morgan however suggests that the 2020 first quarter global growth rate will be reduced to just 1.3 per cent, before returning to pre-outbreak levels.

India's economy underperformed relative to expectations in 2019 with estimated growth of 4.8 per cent compared to the IMF's forecast in January 2019 of 7.5 per cent. The economy is forecast to post better growth in 2020 (5.8 per cent) and 2021 (6.5 per cent) on the back of increased monetary and fiscal stimulus.

Improved growth expected in sub-Saharan Africa

In sub-Saharan Africa, growth of 3.3 per cent is estimated for 2019, from 3.2 per cent in 2018. The region's biggest economies, South Africa and Nigeria, both underperformed. A slight acceleration in the region's growth rate to 3.5 per cent is predicted for 2020 and 2021.

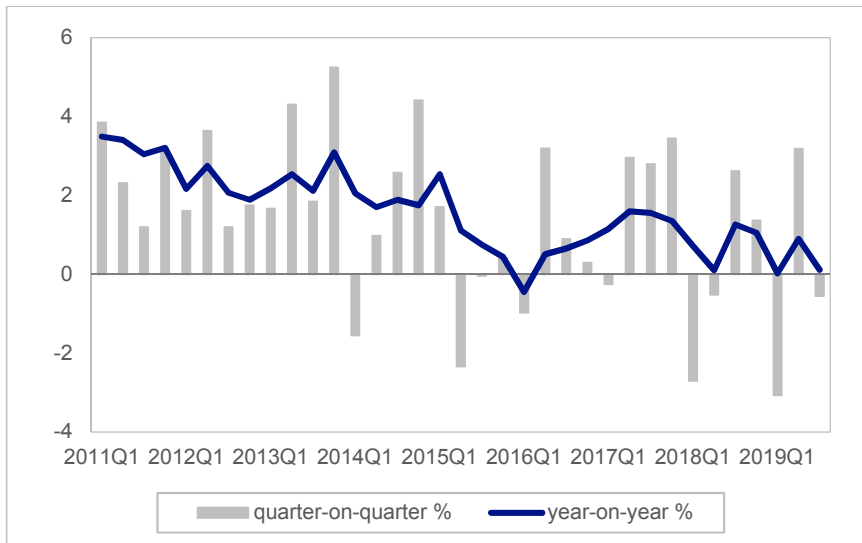
South Africa's economic outlook

Statistics South Africa (Stats SA) data revealed that domestic economic activity contracted by 0.6 per cent on a quarterly basis in the third quarter of 2019² (see Figure 1.1). This followed growth of 3.2 per cent quarter-on-quarter in the second quarter. Contractions in mining, manufacturing and transport, storage and communications sector activity in the third quarter of 2019 saw each sector subtracting 0.5 of a percentage point off overall quarterly GDP growth for that quarter. In contrast, the trade, catering and accommodation and general government sectors provided some support.

Fixed investment buoyed by private sector in third quarter

On the expenditure side, slower growth on Gross Domestic Expenditure (GDE) was experienced in 2019, despite a surge in private sector fixed investment in the third quarter of 2019. The 10.8 per cent quarter-on-quarter growth in private investment, largely the result of initiatives related to the Independent Power Producer (IPP) programme, was however insufficient to offset slower growth in household consumption, government consumption and inventories.

² All quarterly data in this section is seasonally adjusted and annualised.

Figure 1.1 South African real GDP growth, 2011Q1 – 2019Q3

Source: Statistics South Africa, 2019

Disappointing South African economic performance in 2019Q4

Recently released fourth quarter data points to a quarterly contraction in domestic economic activity of 1.4 per cent in the fourth quarter of 2019. This followed a downwardly adjusted decline of 0.8 per cent quarter-on-quarter in the third quarter, placing the domestic economy in a technical recession. Contractions were observed across most sectors with Transport, storage and communications and Trade, catering and accommodation being the main contributors to the overall quarterly GDP reduction.

Source: Statistics South Africa, 2020

According to the Bureau for Economic Research (BER), the South African economy is estimated to have expanded by only 0.3 per cent in 2019. This is slower than the 0.8 per cent recorded in 2018. Growth is predicted to accelerate somewhat to 0.6 per cent in 2020 and 1.2 per cent in 2021. The baseline view, importantly, includes a sovereign credit rating downgrade by Moody's to sub-investment grade during 2020. However, the impact on Gross Domestic Product (GDP) - due to expected capital outflows - is likely to be less pronounced than previously thought. The National Treasury has forecast domestic growth at 0.9 per cent in 2020, 1.3 per cent in 2021 and 1.6 per cent in 2022.

Domestic growth expected to recover moderately in 2020

Table 1.2 South African macroeconomic forecast for selected variables, 2020 - 2021

	2019e	2020f	2021f
Final household consumption expenditure	1.2	1.0	1.2
Government consumption expenditure	1.5	1.0	0.6
Gross fixed capital formation	-0.2	-0.4	1.3
Real GDE	1.3	0.8	1.2
Total exports	-2.0	1.9	2.0
Total imports	1.5	2.4	1.9
Real GDP	0.3	0.6	1.2
Inflation (annual averages)			
CPI (Headline)	4.1	4.6	4.6
PPI (Final manufactured goods)	4.6	4.2	4.9
R/US\$	14.45	15.07	15.31
R/Euro	16.17	16.88	17.37
R/Pound sterling	18.43	19.75	20.36

e denotes estimate; f denotes forecast

Forecast as at 4 February 2019

Source: Bureau for Economic Research, 2020

Opportunities for growth as AfCFTA comes into effect

The African Continental Free Trade Agreement (AfCFTA), which comes into effect in July 2020, may provide some further impetus to national economic growth over the medium term. In addition to providing an opportunity to tap into the economic growth potential of the continent, the agreement also paves the way to phase out the administratively burdensome process of emigration through the South Africa Reserve Bank and attract Foreign Direct Investment by raising the exempt amount for foreign remuneration.

Impact of the coronavirus on the South African economy

With over 95 000 confirmed cases, 3 286 confirmed deaths, and over 50 countries with confirmed cases of the COVID-19 by 5 March 2020, the scale of the impact remains unknown and will be dependent on the duration and intensity of the crisis. As the world's second-largest economy and leading trading nation, the economic fallout from COVID-19 on China threatens global growth, with countries and companies already reeling from lost revenue and disrupted supply chains resulting from China's factory shutdowns and countries extending travel restrictions.

The economic impact of the COVID-19 on the South African economy is linked to the contraction expected in the Chinese economy. Every 1 percentage point decline in Chinese growth is estimated to result in a 0.2 percentage point reduction in South African economic growth. This calculation is based on the anticipated impact of trade disruption on the national economy through the adverse effect on South Africa's export revenues and disruption of import-dependent manufacturing and retail supply chains. Bearing the brunt of the impact will be the mining and tourism sectors, as well as automotive production and the retail sector.

Source: World Health Organization, PwC, World Economic Forum, 2020

Consumer spending

Recent personal income tax announcements by the national Minister of Finance may provide some relief and positively influence consumer spending in 2020. Growth in real household spending is estimated to have declined to 1.2 per cent in 2019, from 1.8 per cent in 2018. The slowdown is predicted to continue into 2020. Growth of only 1.0 per cent is expected, rising to 1.2 per cent in 2021. This is due to still weak employment creation in both private and government sectors, as well as lower private sector wage rates. The BER forecasts a marginal decline in the real private sector wage rate in 2020. Credit extension, which helped buoy consumer spending in 2019, is likely to come under renewed pressure in 2020 and to a lesser degree in 2021 due to a tightening of credit standards in the wake of the anticipated sovereign credit rating downgrade by Moody's.

Consumer spending likely to remain under pressure

Investment

Overall, total fixed investment is forecast to decrease by 0.4 per cent in 2020, following a 0.2 per cent decline in 2019, before rising by 1.3 per cent in 2021. Private sector fixed investment benefitted from a marked increase in activity related to renewable energy projects in 2019. This is expected to continue into 2020, albeit at a slower pace. However, more broadly, low business confidence is likely to remain a drag on private sector investment appetite over the medium term.

Low business confidence continues to weigh on private sector investment

After contracting in 2018, data for the first three quarters of 2019 suggests that another decline in public sector fixed investment is likely for 2019. Looking ahead, shrinking government infrastructure budgets, due largely to capacity weaknesses in the public sector, will weigh on investment by general government in 2020 and 2021. For public corporations, the outlook is somewhat more optimistic, but only due to the lower base of growth. The real (seasonally adjusted and annualised) value of fixed investment by public corporations is estimated to be almost 30 per cent lower in 2019 compared to 2015.

Efforts to boost domestic investment include several reforms that will be implemented over the coming years, such as:

- Energy: Prioritising the stabilisation of the electricity supply through the restructuring of the energy sector and investment into critical maintenance of current infrastructure and accelerating Bid Window 4 and 5 for the renewable energy programme and enabling municipalities to purchase electricity from IPPs;

Reforms to be implemented to boost investment

- Infrastructure: Expanding the construction of new infrastructure and the maintenance of existing municipal infrastructure and a package of blended finance mega-projects as part of the Infrastructure Fund based in the Development Bank of Southern Africa;
- Small business development: Creation of an Innovation Fund, Industrial Business Incentives, refurbishment of 27 industrial parks in townships and rural economies, and small business incentive programmes; and
- Reducing the cost of doing business: the introduction of BIZPortal to streamline the registration of businesses with the Companies and Intellectual Property Commission (CIPC), South African Revenue Service (SARS), the Unemployment Insurance Fund (UIF) and the Compensation Fund in one day.

Attracting investment for accelerated economic growth

Economic growth results from expanding the production of goods and services, consumer expenditure or international demand, or a combination of these elements. By investing in factories, associated equipment and other inputs, an economy's production capacity is increased, stimulating the supply side of the economy. Investment is also a key enabler of innovation which can improve the productive capacity of capital, labour, as well as living conditions.

The Western Cape Government has prioritised allocating sufficient resources towards stimulating growth and job creation through trade and investment promotion and destination marketing initiatives. Over the last 5 years, these interventions executed through Wesgro have resulted in:

- the leveraging of R8.61 billion investments and R1 billion in Outward Foreign Direct Investment into the rest of Africa, securing 3 143 jobs;
- tabling R16 billion in exports;
- adding R2 billion in business tourism value;
- hosting 321 international association conferences; and retention as the #1 destination in Africa over the past 10 years;
- generating R5 billion through film productions, resulting in 7 984 jobs in the film industry; and
- a positive narrative on the Western Cape and improved confidence in the Province's business and tourism brand.

Source: Wesgro, 2020

Exchange rate

Following on a strong end to 2019, the rand exchange rate has been under pressure so far in 2020. This pressure and associated volatility is likely to continue with the forthcoming Moody's sovereign credit rating review potentially leading to a further currency weakening. However, assuming global financial conditions remain accommodative, the impact of a sovereign credit rating downgrade on domestic financial markets may be less than previously assumed. From current levels of around R14.50/\$, the rand is projected to weaken towards an average of R15.30/\$ in the second quarter of 2020, and to stabilise at these levels through the end of 2021. These projections however have not taken into account the impact of the COVID-19 outbreak.

Credit rating downgrade expected to further weaken rand

Inflation

The current South African Reserve Bank (SARB) inflation target band of 3 to 6 per cent seeks to ensure price stability and support economic growth. Inflation surprised on the downside in 2019 averaging 4.1 per cent, compared to 4.7 per cent in 2018. Most notably, food inflation remained lower than expected and housing rental inflation has also undershot projections.

Muted inflation pressure is expected to remain a feature of the domestic landscape although the latest figure for December 2019 ticked up to 4.0 per cent year-on-year, from 3.4 per cent in November 2019. Inflation is forecast to average close to the midpoint of the SARB's target at 4.6 per cent in 2020 and 2021. Moderate inflation outcomes over the next few years will assist in lowering the cost of capital to firms, households and the public sector.

Inflation expected to remain stable at near target midpoint

After the 25 basis point cut in January 2020, the repo rate is predicted to be unchanged through 2020 and 2021, subject to an inflation rate outcome of 4.6 per cent as projected.

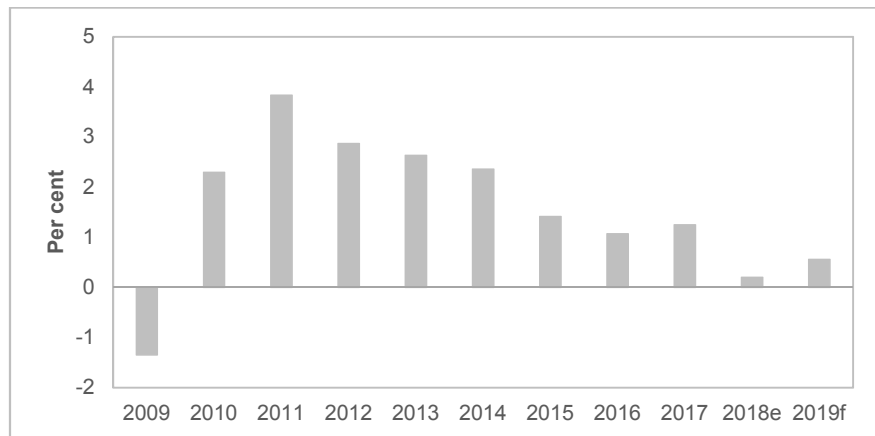
■ Developments in the Western Cape economy

According to Stats SA, the Western Cape economy expanded by 1.2 per cent in 2017³, with growth estimated to have slowed to only 0.2 per cent in 2018. The main reason for this slowdown was a drought-related contraction in agricultural output as well as food and beverage manufacturing (agri-processing). Agri-processing carries a large weight in overall manufacturing in the region, causing the factory sector to contract.

Moderate WC growth recovery in 2019

Better rainfall in 2019, resulting in higher dam levels, will likely see growth in these sectors recover in 2019 and 2020. However, it is unlikely that production will return to pre-drought levels over the forecast horizon. The estimated decline in agriculture-related output in 2018 was partly offset by growth in the finance, insurance, real estate and business services (2.0 per cent) and general government (1.4 per cent) sectors.

Figure 1.2 Western Cape economic growth performance, 2009 - 2019



e denotes estimate; f denotes forecast

Source: Bureau for Economic Research, Statistics South Africa, 2020

■ Economic outlook for the Western Cape

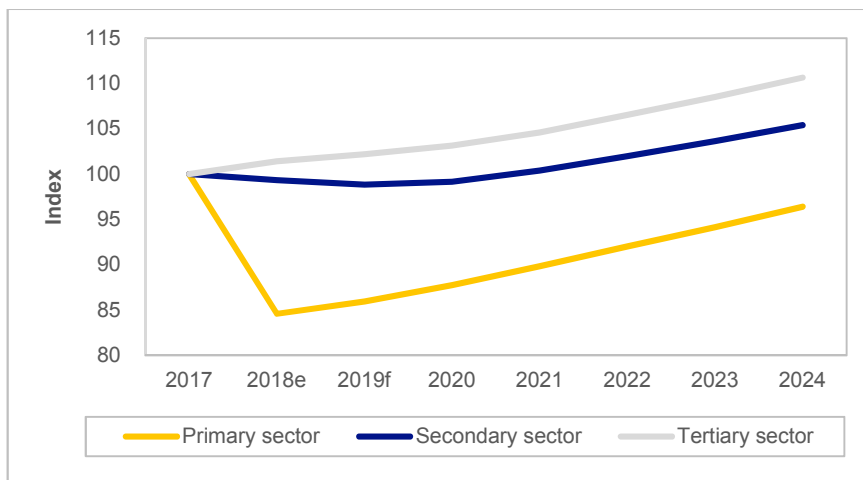
Overall economic activity is estimated to have risen by 0.6 per cent in 2019, and is forecast to reach 0.8 per cent in 2020. While still weak, growth in the region is likely to exceed the national average. Over the five-year horizon (2020 to 2024), average annual growth in economic output of 1.6 per cent is forecast (see Table 1.3).

³ The 2017 figure is the most recent official figure available as official provincial GDP figures at the time of writing.

From a sector perspective, the tertiary sector is likely to remain the biggest driver of growth (see Figure 1.3). The Finance, insurance, real estate and business services sector - the largest sector in the Province accounting for 31.0 per cent of GDP in 2017 in constant terms - is forecast to grow at an average annual rate of 2.0 per cent between 2020 and 2024. The Wholesale and retail trade, catering and accommodation sector is predicted to increase by an average of 1.8 per cent over the five-year forecast horizon.

Finance sector remains key driver of provincial growth

Figure 1.3 Western Cape economic forecast, sector comparison (2017 – 2024)⁴



e denotes estimate; f denotes forecast

Source: Statistics South Africa, Quantec/Bureau for Economic Research, 2020

Agriculture, forestry and fishing is expected to be the fastest growing sector with an average annual increase of 2.4 per cent between 2020 and 2024. However, as mentioned earlier, this will not be enough to recoup the loss in production as a result of the drought in 2017 and 2018. Mining and quarrying, a small sector in the region, is expected to grow by less than 1.0 per cent on average between 2020 and 2024.

Growth in the secondary sector, which comprises of the Manufacturing, Electricity, gas and water, and Construction sectors, is also predicted to be subdued. Average growth of 1.4 per cent is expected for the Manufacturing sector between 2020 and 2024. Similar growth is forecast for the Construction sector although, in this instance, growth is expected to be slower over the short term and noticeably faster towards the end of the forecast period. Output in the Electricity, gas and water sector is predicted to rise by only 0.7 per cent on average over the five-year forecast horizon.

Electricity and construction sectors to contract in 2020

⁴ The GDP level of the three sectors is equalised to 100 in 2017 and subsequent years show the relative performance of the sectors without taking account of the size of the sector.

Table 1.3 Western Cape economic growth forecast per sector, 2020 - 2021, and 2020 - 2024 average growth forecast

Description	2019e	2020f	2021f	Average growth 2020 - 2024
Agriculture, forestry and fishing	1.8	2.2	2.5	2.4
Mining and quarrying	-1.2	0.5	1.1	0.9
Manufacturing	-0.1	0.9	1.4	1.4
Electricity, gas and water	-1.1	-0.2	0.5	0.7
Construction	-1.5	-1.3	1.0	1.3
Wholesale and retail trade; catering and accommodation	0.7	0.5	1.3	1.8
Transport, storage and communication	0.6	0.5	1.2	1.4
Finance, insurance, real estate and business services	1.0	1.4	2.0	2.0
Community, social and personal services	0.5	0.5	0.3	0.5
General government services	0.9	0.7	1.0	1.1
All industries at basic prices	0.6	0.8	1.4	1.6

e denotes estimate; f denotes forecast

Forecast as at 4 February 2019

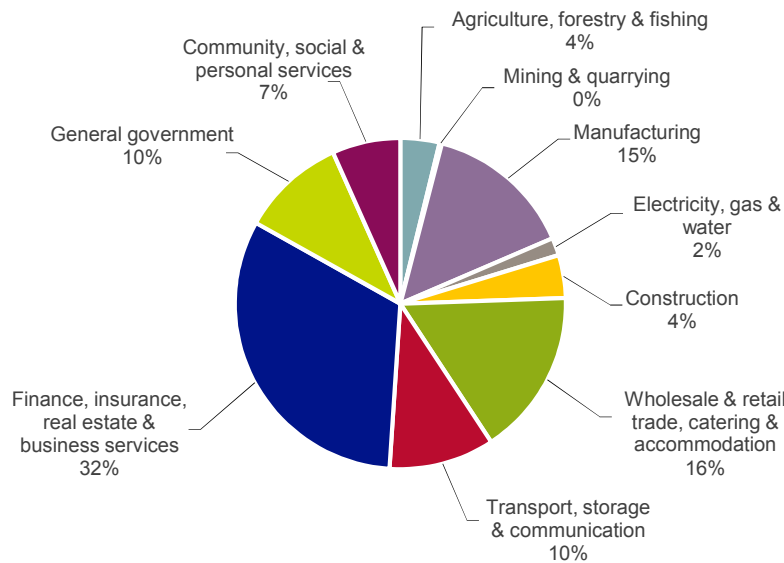
Source: Bureau for Economic Research/Quantec research, 2020

Western Cape economic performance exceeds expectations

Data released by Stats SA in March 2020 showed that Western Cape GDP was approximately R2 billion more than expected due to a less severe impact of the drought on agriculture and agribusiness output. As such, much of the (positive) difference was registered in the agriculture, forestry and fishing and manufacturing sector. This does suggest that the recovery estimated for 2019, i.e. the recovery in the agriculture and related sectors following an initial estimate of a weaker performance in those sectors in 2018, is likely to be less pronounced. Nonetheless, softer growth, i.e. lower than 0.6 per cent, or a growth slowdown in 2019 would be in line with the national performance.

Source: Bureau for Economic Research, 2020

The sectors' relative share of the Western Cape economy is not expected to change significantly over the forecast period. The Finance, insurance, real estate and business services sector will remain the largest sector in the Province. The relative share of this sector is expected to increase by 1 percentage point to 32 per cent by 2024, as the General government services sector share declines by the same proportion to 10 per cent. The relative share of the remaining sectors is expected to remain the same.

Figure 1.4 Western Cape relative sectoral share, 2024f

Source: Bureau for Economic Research/Quantec research, 2020

Risks to the outlook

The outlook for the Western Cape economy is subject to a number of risks, which are predominantly on the downside and are of both an international and national nature. The most notable are:

- The impact of the COVID-19 outbreak, which originated in mainland China, but has spread to other parts of the world. This will affect China's economic performance but, given supply chain and trade links, also global growth. The net effect is difficult to gauge as the decline in retail spending and tourism may be countered by increased spending on public health and infrastructure. Given the Western Cape's well-developed tourism industry, the Province may be more severely impacted should global tourism be affected for a prolonged period.
- Global trade dynamics remaining strained. Despite the signing of the Phase One deal between the US and China, trade relations remain tense, not only between these two nations but increasingly between the US and the Euro Area.
- Continued load-shedding in South Africa. Intermittent load-shedding is expected for at least the next two years, with the Centre for Scientific and Industrial Research estimating load-shedding likely to continue for the next 5 years. The magnitude and frequency thereof is difficult to explicitly forecast (and therein lies the risk). This can be both an upside (if less severe and infrequent) and a downside (if severe and often) risk to growth. However, a clear upside risk could be the faster

WC outlook subject to global and domestic risks

completion, and integration into the existing grid, of energy from renewable power sources.

■ Labour market dynamics

South African unemployment and employment

According to the latest Quarterly Labour Force Survey published by Stats SA, there were more than 38.7 million people in South Africa of working age in the fourth quarter of 2019 (Table 1.4). This is an increase of almost 600 000 people, or 1.6 per cent, from a year earlier. Of this cohort, 59.8 per cent were economically active, i.e. part of the labour force, using the narrow definition of unemployment. Based on the expanded definition of unemployment, the labour force participation rate was 9.4 percentage points higher at 69.2 per cent.

While the working age population expanded over the 12-month period, employment was stagnant at 16.4 million in the fourth quarter of 2019. This means that the employment-to-population ratio declined by 0.9 percentage points over the year to 42.4 per cent. During 2019, only slightly more than two out of five working age adults were employed.

Rapid increase in national unemployment in 2019

2019 was therefore a year during which unemployment increased rapidly. The unemployed numbered over 6.7 million in the fourth quarter of 2019, up by 587 000 from the same quarter in 2018. This is an increase of 9.6 per cent over the period, which is one of the worst performances since 2008.

Table 1.4 Labour market trends, 2018Q4 to 2019Q4

	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	Change (2018Q4 - 2019Q4)	
						Absolute	Relative (per cent per annum)
Western Cape							
<i>Aggregates (thousands)</i>							
Working age population	4 597	4 619	4 642	4 664	4 686	90	2.0
Employment	2 520	2 520	2 497	2 494	2 518	-3	-0.1
Narrow unemployment	601	610	642	683	665	64	10.6
Narrow labour force	3 121	3 130	3 139	3 177	3 182	61	2.0
Expanded unemployment	755	741	780	809	801	46	6.1
Expanded labour force	3 276	3 261	3 278	3 303	3 319	43	1.3
Non-searching unemployed	154	131	139	125	137	-18	-11.5
<i>Rates (per cent)</i>							
Employment-to-population ratio	54.8	54.5	53.8	53.5	53.7	-1.1	
Narrow unemployment	19.3	19.5	20.4	21.5	20.9	1.6	
Expanded unemployment	23.1	22.7	23.8	24.5	24.1	1.1	
Narrow LFPR	67.9	67.8	67.6	68.1	67.9	0.0	
Expanded LFPR	71.3	70.6	70.6	70.8	70.8	-0.4	
South Africa							
<i>Aggregates (thousands)</i>							
Working age population	38 134	38 283	38 433	38 582	38 727	594	1.6
Employment	16 529	16 291	16 313	16 375	16 420	-108	-0.7
Narrow unemployment	6 139	6 201	6 655	6 734	6 726	587	9.6 *
Narrow labour force	22 668	22 492	22 968	23 109	23 146	478	2.1 *
Expanded unemployment	9 706	9 994	10 226	10 272	10 381	675	7.0 *
Expanded labour force	26 235	26 286	26 539	26 647	26 801	566	2.2 *
Non-searching unemployed	3 567	3 794	3 571	3 538	3 655	88	2.5
<i>Rates (per cent)</i>							
Employment-to-Population Ratio	43.3	42.6	42.4	42.4	42.4	-0.9	†
Narrow unemployment	27.1	27.6	29.0	29.1	29.1	2.0	*
Expanded unemployment	37.0	38.0	38.5	38.5	38.7	1.7	*
Narrow LFPR	59.4	58.8	59.8	59.9	59.8	0.3	
Expanded LFPR	68.8	68.7	69.1	69.1	69.2	0.4	

Source: Own calculations, Statistics South Africa, 2020

Since 2008, there have only been six quarters in which year-on-year increases in unemployment have exceeded 500 000, three of which were in 2019. The fourth quarter of 2019 is essentially tied with the fourth quarter of 2016 in terms of the absolute increase in the ranks of the unemployed, and ranks second behind the fourth quarter of 2016 in proportional terms. Despite a decline in the number of non-searching unemployed, expanded unemployment has increased rapidly (7.0 per cent). This is due to more people actively searching for work, increasing the number of narrow unemployed. By the fourth quarter of 2019, the narrow unemployment rate was 29.1 per cent, up 2.0 percentage points over the 12-month period,

29.1 per cent national unemployment rate

while the expanded unemployment rate was 1.7 percentage points higher at 38.7 per cent.

Western Cape unemployment and employment

Within the context of the weak national labour market performance, the Western Cape has performed relatively better. However, Table 1.4 shows that movements have tended to represent a deterioration in labour market conditions.

WC unemployment rate at 20.9 per cent

The provincial labour force grew by 2.0 per cent during the year, slightly faster than the national growth rate, while employment ended the period virtually unchanged at just over 2.5 million. This meant that the Province's employment-to-population ratio declined slightly from 54.8 per cent to 53.7 per cent. In the fourth quarter of 2019, there were 665 000 unemployed people in the Western Cape, yielding a narrow unemployment rate of 20.9 per cent. The expanded unemployment rate was 24.1 per cent, 14.6 percentage points lower than the national average.

Youth unemployment

Countries around the world are grappling with the challenge of youth unemployment. In South Africa, which generally has a high rate of unemployment, this problem is particularly severe. In the fourth quarter of 2019, youth aged 15 - 34 years numbered 20.4 million; of these 10.2 million were economically active (i.e. the labour force participation rate was 50.0 per cent). However, while the national unemployment rate was 29.1 per cent, it was as high as 58.1 per cent amongst 15 - 24 year olds and 35.6 per cent amongst 25 - 35 year olds. Overall, then, the youth unemployment rate was 41.5 per cent in the fourth quarter of 2019.

WC youth unemployment relatively lower than national

In the Western Cape, while unemployment rates are generally lower on average, youth remain more likely to be unemployed than older working age cohorts. The youth unemployment rate in the Western Cape in the fourth quarter of 2019 was 31.2 per cent compared to 13.2 per cent for those aged 35 - 64 years. Youth unemployment in the Province however remains significantly lower than is the case nationally.

Targeted initiatives aimed at reducing youth unemployment

To address youth unemployment necessitates fundamentally changing how youth are prepared for future employment. This includes providing shorter, more flexible courses in specific skills that employers in fast-growing sectors need, as well as developing new and innovative ways to support youth entrepreneurship and self-employment.

As announced in the 2020 State of the Nation Address, 1.0 per cent of South Africa's national budget will be top-sliced to address the national crisis of youth unemployment. Government will be launching 5 prototype sites in 5 provinces that will grow to a national network reaching 3 million young people through multiple channels. The network would allow young people to receive active support, information and work readiness training to increase their employability and match themselves to opportunities.

Further efforts to empower youth and reduce unemployment within this cohort at both national and provincial level include the establishment of the Jobs Fund, scaling up the youth employment service, working with Technical and Vocational Education and Training colleges and the private sector to ensure that more learners receive practical experience in the workplace to complete their training, as well as matching and job placement of youth. Further detail on youth specific the initiatives by the Western Cape Government is included in Chapter 4.

Socio-economic profile of the Western Cape

Understanding the demographic trends of a population is key to adequately planning for the delivery of the appropriate level of services. The population of the Western Cape grew by 1.8 per cent between 2018 and 2019 to an estimated 6.844 million people. The increasing population growth rate of the Province can largely be attributed to a relatively longer life expectancy and relatively higher rates of in-migration experienced by the Province.

WC population estimated at 6.844 million

Table 1.5 Selected Western Cape socio-economic indicators, 2014 - 2019

Year	Population	Annual growth rate	Education			Financial Year	Health		Crime		
			Learner enrolment numbers in Public Ordinary Schools	Learner numbers writing Grade 12	Learner numbers passing Grade 12		Maternal in-facility mortality ratio ¹	HIV mother-to-child transmission rate (%)	Murder (y-o-y growth, %)	Sexual assault (y-o-y growth, %)	Robbery at residential premises (y-o-y growth, %)
2014	6 209 261	2.09%	963 441	47 709	39 237	2014/15	55.4	1.4	9.7	-0.5	14.9
2015	6 338 897	2.07%	984 073	53 721	45 496	2015/16	71.0	1.0	1.2	-3.2	19.3
2016	6 470 621	2.06%	998 925	50 847	43 725	2016/17	58.8	0.8	2.7	-0.2	-0.5
2017	6 596 979	1.93%	1 021 492	48 867	40 440	2017/18	57.2	0.2	12.6	-0.6	8.9
2018	6 721 215	1.87%	1 044 595	50 754	41 350	2018/19	69.2	0.3	6.6	-0.5	-1.4
2019	6 844 272	1.81%	1 064 268	50 404	41 502	2019/20	-	-	-	-	-

Notes: ¹Deaths per 100 000 live births

Sources: Statistics South Africa, Western Cape Department of Education, Department of Health, South African Police Service

Higher levels of education are positively related to increased levels of socio-economic development. The aim of the basic education system is to ensure that every learner attains a National Senior Certificate. The number of learners writing the Grade 12

examination has increased by just over 450 learners each year on average over the last six years, and is indicative of improved retention rates in the Province. The proportion of those learners passing the exam has averaged 83.5 per cent over this period. In 2019, 41 502 (82.3 per cent) of learners who wrote matric passed, an improvement on the 81.5 per cent pass rate in 2018. Of the 15 419 learners who wrote mathematics, 8 112 (52.6 per cent) attained a score of 40 per cent and above; and of the 9 982 learners who wrote physical science, 6 283 (62.9 per cent) attained a score of 40 per cent and above.

WC population has highest life expectancy

Life expectancy in the Western Cape has continued to improve, and remains the highest in the country. Despite the continued expansion of the HIV and TB diagnosis and treatment campaigns, these diseases remain among the top 10 causes of death and premature mortality. Interpersonal violence was the leading cause of premature mortality, highlighting the escalation in violence in the Province. Despite an increase in in-facility mortality, there has been progress in respect of maternal, infant and child health outcomes. Notable is the success observed in the prevention of mother-to-child transmission of HIV, which has declined from 1.4 per cent on 2014/15 to 0.3 per cent in 2018/19, as well as progress in HIV diagnosis, treatment access and retention.

Access to basic services is relatively high in the Province. According to the 2018 General Household Survey published by Stats SA, 87.5 per cent of Western Cape households were connected to the mains electricity supply, while 88.7 per cent of households had their refuse removed at least once a week. Western Cape households also enjoyed the highest proportion of access to tap water either inside their dwellings, off site or onsite (98.7 per cent) and adequate sanitation (93.8 per cent).

Increased incidence of violent crime

The incidence of violent crime has increased in the Western Cape over the last several years. The murder rate has increased by 25 per cent since 2014/15 to 3 974 cases reported in 2018/19. Robbery at residential premises was 27.4 per cent higher than that recorded in 2014/15. In contrast, a decline in reported sexual assault cases of 9.2 per cent has been observed over the same period. It should be noted that the latter crime category is known to be heavily under-reported. Most crimes are committed in the most densely populated area in the Province, i.e. the Cape Metro.

Implications of the economic outlook

The global economy remained strained in 2019, as growth in both advanced and emerging economies slowed. While growth is expected to improve in 2020 and 2021, continually strained global

trade tensions may impact negatively on the forecast. The as yet unknown impact of the COVID-19 outbreak may further impact on global growth. As a relatively small open economy, South Africa would be particularly vulnerable to lower than projected growth in the global economy.

Nationally, the demand side of the economy is expected to remain under pressure as weak private and public employment growth, coupled with low private sector wage growth continues to weigh on consumer spending growth. Tightening of credit standards, following the anticipated ratings agency credit rating downgrade, is also expected to limit credit extension. Slower consumer spending may impact more severely on the Western Cape given the services orientated nature of the Province's economy.

Slower consumer spending to impact on WC economy

The anticipated sovereign credit rating downgrade is expected to negatively impact on the rand. The associated currency depreciation could however boost the Western Cape's tourism sector as international holidaymakers reap the benefits of lower relative costs.

As government fixed investment declines, private sector investment becomes a greater lever with which to reignite provincial economic growth. Interventions such as providing a regulatory environment that reduces the administrative burden and the cost of doing business are important factors in attracting investment in a climate of already low business confidence.

New markets provide further opportunities for economic growth. The exploration of new markets is particularly important given the uncertainties surrounding the impact of Brexit on exports to the UK, which would largely be dependent on trade arrangements entered into, and how similar it will be with the agreement South Africa has in place with Europe. Slower demand from the UK as a result of Brexit may lower the value of exports uniformly. In the Western Cape, the agriculture and agribusiness sectors are most vulnerable to lower export demand. Continued trade and export promotion, including the identification and active pursuit of new markets is therefore a high priority.

Exploration of new markets necessary

The intermittent load-shedding expected over the foreseeable future, and uncertainty on the frequency thereof, is also expected to weigh on growth. The stability of Eskom is a key risk to growth over the short to medium term. The exploration of alternate energy sources as well as support to independent energy providers is therefore imperative for future economic growth in the Province.

*Supporting Green
Technology innovation*

The effect of climate change has been acutely experienced in the Province, where the recent drought and fires have had a significant impact on an already weakened economic position. Climate change therefore remains a significant risk for the Province. The support and expansion of the green economy in the Province may bring both economic opportunities and assist in mitigating the impact of climate change. This includes supporting innovation and attracting investment in the Green Technology space, as well as renewable energy and water resilience initiatives.

*Intergovernmental
response to address
crime*

The effects of crime on society includes feelings of fear and the breakdown of social associations due to habitual avoidance of certain places deemed unsafe. Crime also causes damage to the economy in the form of reducing investor sentiment, depreciating property values, increasing liability to the fiscus, and fewer employment opportunities available in the surrounding community, amongst others. Partnerships with national and local law enforcement and community ownership of safety is therefore imperative.

Slow economic growth will likely negatively impact on the national fiscus. The continued under-collection of national revenue, will lead to further reliance on debt to close the gap between revenue and expenditure. To minimise this dependency, expenditure will continue to be curtailed and impact on service delivery in the face of growing demand for services. To ensure continued service delivery in the Western Cape, safeguarding the sustainability of the provincial fiscus is paramount.

*Leveraging resources for
meaningful impact*

The strained fiscal environment highlights the need for strategic partnerships with stakeholders across government, the private sector, non-profit organisations and civil society. In addition to these partnerships enabling leveraging of resources, they facilitate local solutions to local problems and greater collaboration and joint responsibility and accountability in driving initiatives and programmes that effect change in and have a meaningful impact on the economy and society.

Conclusion

Global, national and provincial economic growth is expected to remain modest over the short term, albeit that the provincial economic growth forecasts are more optimistic than that of the national economy. Should the risks to the national outlook materialise, it would have a substantial impact on the economy, as well as the fiscal position of government.

Given the challenging global and national economic conditions, innovative and concerted efforts and ways to restart the economy are required, sustain current service delivery and manage imminent risks. The implementation of the Western Cape Government Fiscal Strategy over the 2020 MTEF provides a foundation for a stable and sustainable fiscal resource base with which the Western Cape Government can pursue policies and strategies toward the realisation of its vision of a safe Western Cape where everyone prospers.

2

Fiscal Strategy and Response

In brief

- The national government's fiscal position has been eroded by: reduced revenue collection; expenditure pressures arising from state-owned company bail-outs; and the size of the public sector wage bill.
- The 2020 MTEF provincial fiscal and service delivery risks include general economic and fiscal weaknesses, increased provincial population growth rates and the associated service demand pressures; social ills and climate change; energy and resource resilience.
- The Western Cape Government's fiscal response to these risks includes prioritising the stabilisation of service delivery levels; while driving the budget policy priorities in support of the 2019 - 2024 Provincial Strategic Plan (PSP).
- Over the 2020 MTEF, the Western Cape Government will continue to apply its institutionalised Fiscal Strategy and budget policy principles that are responsive to service delivery.
- The 2020 Budget is the result of extensive consultation with stakeholders.

Introduction

The national government's fiscal position has been severely affected by lower economic growth. This has resulted in higher than expected revenue shortfalls, while further bail-outs of state-owned companies required the reallocations of limited resources. In addition, the higher debt-to-GDP ratio has increased the debt service costs. These dynamics threaten the national fiscal sustainability and demanded more decisive action by the three spheres of government.

Efforts to reduce government debt include reductions to national and sub-national budget baselines, which impacts on governments' ability to provide services to a growing population that already faces high levels of unemployment.

Failure to contain growth in the public sector wage bill has resulted in continued crowding-out of non-personnel expenditure which could impact service delivery. This is particularly critical in a provincial government context where, uncalibrated cut backs could result in the scaling back of infrastructure budgets, which will invariably have a negative impact on the pace of future economic growth.

The 2020 Budget is an expression of the Western Cape Government's fiscal and policy response to the current national and provincial economic and fiscal climate. It prioritises the stabilisation of service delivery and supports the implementation of programmes and initiatives in the 2019 - 2024 Provincial Strategic Plan, whilst responding to existing and emerging service delivery and fiscal risks.

This Chapter provides a broad synopsis of the provincial fiscal and service delivery risks; the Western Cape Government Fiscal Strategy; and the budget process that was followed to derive the 2020 Western Cape Budget proposals.

The 2020 Budget Context

Provincial fiscal and service delivery risks

In addition to the identified national risks, several key provincial and transversal service delivery risks are worth noting.

Constrained fiscus places pressure on service delivery

The weak economic and fiscal environment will continue to place pressure on service delivery. National fiscal risks and the need for urgent debt consolidation continues to create uncertainties on future transfers to the Province.

The practical implications are that provincial governments must reprioritise expenditures and reconfigure programmes and projects to critical service delivery functions and improve expenditure efficiencies.

Given the projected growth outlook, existing service delivery pressures are likely to be exacerbated by reduced financing of baselines.

Significant pressure on the provincial purse may arise from the uncertainty on the outcomes of the upcoming wage negotiations and associated implications.

One of the key areas of risk relate to the cost of personnel, which will require a pragmatic approach to effectively manage the staff complement of the Western Cape Government and to gain improved productivity of existing staff.

In addition, increasing population growth and urbanisation, accompanied by high levels of unemployment create significant service delivery pressures on frontline services. These pressures are particularly evident in education where learner enrolment has continued to rise without a corresponding increase in the number of educators. In the health sector, a rise in the population results in a more complex provincial disease profile and the impact on public health system's ability to respond adequately to the growing service demands.

Population growth contributes to service delivery pressures

Responding to these pressures require a delicate balance between personnel numbers and other sources of expenditure, noting the workload pressures that already exist.

Similarly, climate change, energy and resource resilience give rise to a range of consequences that affect not only the environment, but also the economy and livelihoods of the residents of the Western Cape.

Drought and water insecurity because of climate change continue to be risks in the Central Karoo, parts of the Garden Route, Overberg and West Coast districts.

The rolling black outs which are expected to continue have a negative impact on economic productivity, employment, households and the delivery of essential government services. These risks necessitate exploring alternative energy resources to ensure an energy-secure Western Cape. In mitigating the risk of energy insecurity, the Western Cape will consider a diversification of energy sources and increased energy efficiency in the Province.

Energy crisis requires diversification of provincial energy sources

The current wave of state-owned company failures in South Africa poses a threat to several key provincial social and economic objectives which are contingent upon well-functioning national enablers. These enablers include efficient and effective freight transport systems and a set of market conducive regional and international terms of trade.

Weak strategic partnerships between the Western Cape Government and key enabling institutions such as Transnet, National Ports Authority and the Department of Trade and Industry are risks to economic growth levels in the Province.

Western Cape Government Fiscal Strategy

Government is expected to deliver on a number of legally mandated and policy endorsed services to the public. This demand for services needs to be balanced with the available resources, including the need to manage the fiscal pressures arising from the prolonged economic downturn.

Western Cape Government Fiscal Strategy promotes stabilisation of service delivery levels

In response to these needs and resource limitations, the Western Cape Government will continue to implement the Western Cape Fiscal Strategy. This is aimed at preserving the sustainability of public finances and creating sufficient fiscal space to absorb adverse supply shocks. The Strategy guides the formulation of a risk responsive provincial Budget that optimises service delivery outcomes informed by the core provincial mandates and priorities.

WCG Fiscal Strategy principles and elements have been applied to the 2020 Budget

The Strategy consists of key fiscal and budget policy principles as well as core elements which promote a responsive provincial Budget to ensure optimal service delivery, and address economic and fiscal risks.

These fiscal and budget policy principles are:

- **Fiscal Sustainability;** which prioritises the continuous and stable delivery of services in key provincial government programmes despite possible budget reductions arising from a weak economic and fiscal environment.
- **Fiscal Consolidation and productivity efficiency;** which focuses on the reduction of government expenditure or the rate by which government expenditure increases, in a responsible manner, whilst simultaneously increasing government revenues. Reducing expenditure, while achieving the same or more outputs is central to much needed efficiencies and requires finding the appropriate mix between expenditure items such as Compensation of Employees (CoE), Goods and Services (G&S), Transfer Payments and the Infrastructure investment and renewal.
- **Fiscal Discipline;** which requires departments and entities to remain within aggregate budget limits and avoid unauthorised, irregular, fruitless and wasteful expenditure.

- **Allocative Efficiency**; which aims to achieve a balanced allocation of resources that reflects the priorities of government and programme effectiveness based on evidence, with a greater focus on reprioritisation and trade-offs.

Fiscal and budget policy elements:

The Western Cape Government Fiscal Strategy is built on 3 elements: a balanced budget, expenditure management and revenue management. The **balanced budget** refers to a budgeting approach that maintains a sustainable balance between revenue and expenditure. **Expenditure management** refers to the management CoE and G&S budgets, and strengthening the rules on transfer payments to find the optimal expenditure mix that achieves the sustainable and efficient expenditure levels. **Optimising revenue** collection through domestic resource mobilisation, provincial own revenue enhancement and continuous engagement with the National Treasury on the responsiveness of the fiscal framework is encapsulated in the revenue management element of the Fiscal Strategy.

Fiscal and budget policy elements support the budget policy principles

To support the Western Cape Government Fiscal Strategy, it is important to ensure that the budget processes, main and adjustments, are effectively used to ensure that budgets are sustainable and able to respond to service delivery, economic and fiscal risks.

Finding mechanisms to innovatively fund government programmes should remain on the agenda. This must include deepening engagements with national and local government on the appropriateness and responsiveness of the Fiscal Transfer System, as well as exploring opportunities to better leverage government assets to support infrastructure investment.

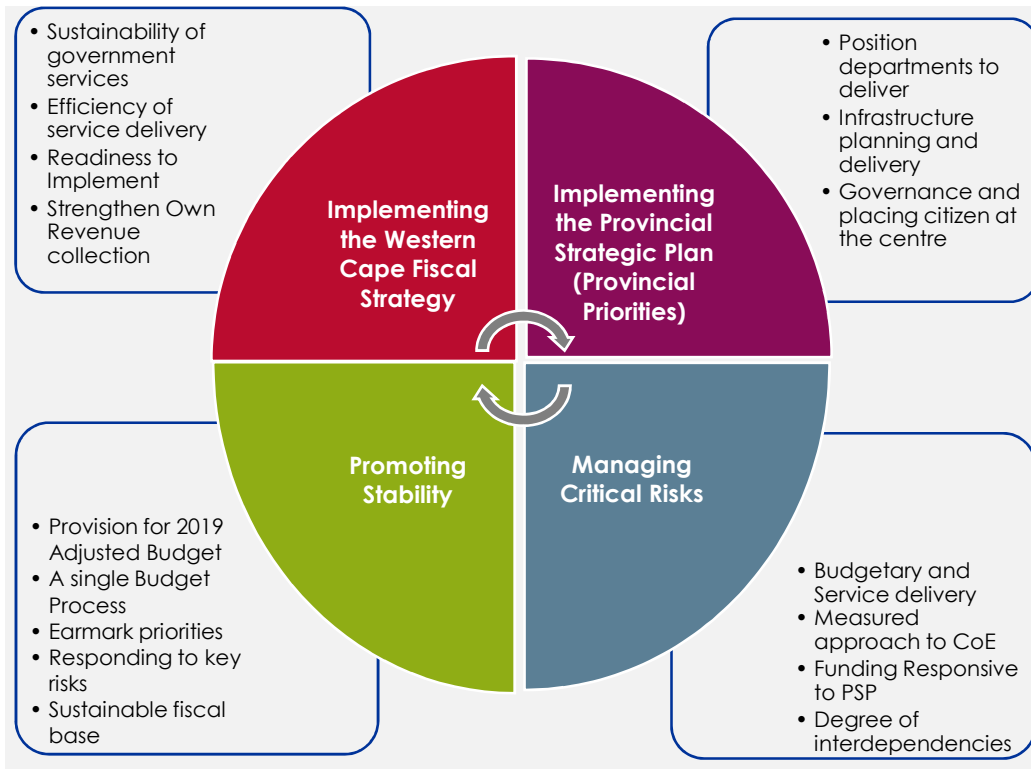
While the Province has limited room to drastically increase its own revenue base, own revenue collection and efforts to optimise collections remain high on the provincial agenda.

Further allocation Principles for the 2020 Budget:

The provincial Cabinet approved the principles that informed the allocation of resources following 2020 Budget deliberations; these principles take account of the constrained economic and fiscal environment and the development of the 2019 - 2024 Provincial Strategic Plan as illustrated in Figure 2.1.

Budget principles approved by provincial cabinet

Figure 2.1 2020 Budget Policy Principles



■ The 2020 Budget Process

Arriving at a fundable set of priorities is both a technical and political exercise that aims to address economic and social challenges within the communities we live.

The technical process that underpin the budget relate to the feasibility and extent to which priorities can be funded and effectively executed.

The Medium Term Budget Policy Committee (MTBPC) and Provincial Government Medium Term Expenditure Committee (PG MTEC) engagements provide the necessary platforms for achieving technical and political coherence of the Budget.

These engagements with stakeholders have contributed towards formulating budgets and service delivery plans which respond to the economic, social and environmental needs of the Western Cape whilst supporting the greater vision of a safe Western Cape where everyone prospers. The milestones in the 2020 Budget process are illustrated in Figure 2.2.

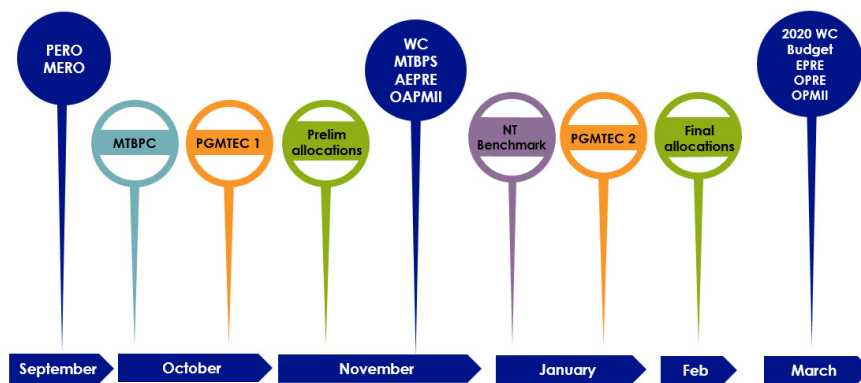
Central to these interactions on the budget, is the responsibility of delivering functions and services across the national, provincial and local spheres of Government. The budget

The 2020 Budget is the result of extensive consultation with stakeholders

process itself allows for robust interrogation of policy priorities and the activities required to achieve the desired outcomes.

The Western Cape Government is committed to the continuous refinement of the Integrated Service Delivery approach to the budget process through strengthening synergies with key partners involved in policy, planning, budgeting and implementation across spheres of government.

Figure 2.2 Key elements of the policy, planning, budgeting and implementation cycle



Gender Responsive Budgeting

While significant progress has been made in advancing the socio-economic status of women and improving gender equality since 1994, women and girls are still disproportionately saddled with multi-dimensional poverty, inequality, gender based discrimination and a plethora of social problems such as gender based violence.

Gender Responsive Budgeting (GRB) has gained momentum in South African public finance policy as a tool for gender mainstreaming and embedding of gender equality. The GRB approach disaggregates the budget to identify disparities between resources allocated amongst men and women and uses budgetary commitments to close the gaps.

The institutionalisation of GRB has started at both national and provincial levels of government and a process is in place to extend and strengthen it across all spheres of government. A draft Framework on Gender-Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing (GRPBMEA) has been developed by the National Department of Women, Youth and Persons with Disabilities.

Draft GRPBMEA management framework has been developed

Over the 2020 MTEF the Western Cape Government will continue to support GRB initiatives that promote the vision of a non-sexist and equal society enshrined in the Constitution.

Conclusion

With the protracted period of low economic growth and tighter fiscal space, the Western Cape Government has applied its Fiscal Strategy and budget principles to arrive at a Budget that prioritises the preservation of current service delivery levels, mitigating current and future fiscal risk to the extent possible, while supporting the implementation of the 2019 - 2024 PSP.

The detailed application of the fiscal framework through priority linked departmental spending plans is outlined in Chapter 4: Budget Policy Priorities and Spending Plans.

3

Budget aggregates

In brief

- Total provincial revenue for 2020/21 amounts to R73.511 billion of which the provincial equitable share amounts to R55.208 billion, conditional grants amount to R13.191 billion, provincial own revenue amounts to R2.620 billion and financing amount to R1.858 billion.
- The Western Cape's share (relative to other provinces) of the total provincial equitable share funds increases from approximately 10.2 per cent to 10.4 per cent over the 2020 MTEF. The increased share is due to the data updates informing the provincial equitable share formula that reflects ongoing population growth in the provinces.
- Additional resources strengthen policy priorities as it relates to the 2019 – 2024 Provincial Strategic Plan and the five Vision Inspired Priorities of safe and cohesive communities, growth and jobs, empowering people, mobility and spatial transformation and innovation and culture.
- Total provincial expenditure for 2020/21, inclusive of direct charges, amounts to R71.664 billion of which current payments amounts to R55.112 billion, transfers and subsidies amount to R11.564 billion, payments for capital assets amount to R4.937 billion and payments for financial assets amounts to R6.812 million.
- The introduction of personnel upper limits in 2016 are part of maintaining and managing the wage bill at sustainable levels. This will continue over the 2020 MTEF through the implementation of the Compensation of Employees' Reduction Strategy.
- Current cost containment and efficiency initiatives in Goods and Services are supported by strategic sourcing methodologies in the procurement planning process. These initiatives are designed to leverage efficiency gains and economies of scale through focused commodity strategies and support to provincial departments and entities.

Introduction

National transfers, which include the Provincial Equitable Share and conditional grants, are the primary revenue sources for provincial expenditure. Any growth in these transfers is predominately to strengthen budget policy priorities and mitigate the effects of inflation.

Transfers to provincial governments are under pressure by weak economic performance, constrained energy supply, escalating levels of unemployment, lower than anticipated tax returns, higher interest payments, the need to stabilise growth in national debt and unbudgeted support to state-owned enterprises.

Budget policy priorities funded through the Provincial Equitable Share and conditional grants target improvements in quality of education, health and social development and to step up investment in the built environment infrastructure. Total resources available to the Western Cape are projected to grow at an average annual rate of 5.5 per cent over the 2020 MTEF.

The Western Cape's share (relative to other provinces) of the total Provincial Equitable Share funds increases from approximately 10.2 per cent to 10.4 per cent over the 2020 MTEF. The increased share is due to the data updates informing the Provincial Equitable Share formula and accounts for the growth in the population and thus service delivery pressures.

Provincial Own Revenue collection and financing through the Provincial Reserves augment national transfers. The utilisation of reserves assists with forward planning and enable the Province to respond to economic uncertainty and service delivery pressures. These reserves are also used to smooth expenditure particularly as it relates to infrastructure delivery.

Own revenue projections over the 2020 MTEF will remain flat. This overall trend in projections is attributed to policy and other developments within the two largest own revenue sources (hospital patient fees and motor vehicle license fees).

The overall fiscal envelope is tight with very limited room for expansion of current services. However, through the Western Cape Government Fiscal Strategy, it provides for sustainable government service delivery for the people it serves.

Provincial revenue

Provinces were required to collectively reduce their expenditure levels by R20.3 billion due to ongoing fiscal pressure on national government. This amount is made up of R13 billion in direct conditional grants and R7.3 billion from the Provincial Equitable Share (PES).

National budget revenue and therefore provincial budget revenue estimates are determined by the projected economic and fiscal outlook over the medium term. One determinate of the outlook is the Consumer Price Index (CPI) inflation rate. The inflation rate is used to determine the extent to which the growth rate in provincial revenue happens over the MTEF.

As such, the impact of these reductions was partially off-set by lower than anticipated inflation rate projections. This was reduced from the 5.5 per cent that was initially indicated in the National Treasury Guidelines to 4.8 per cent indicated in the 2019 National Medium Term Budget Policy Statement.

Furthermore, an additional reduction of R5.17 billion of the PES is effected on Compensation of Employees.

Despite these reductions, the Western Cape still receives a growing share of the PES due to population growth and have amongst the fastest rate of PES growth across provinces.

Over the 2020 MTEF, the total provincial revenue available to the Western Cape Government amounts to R232.195 billion with R73.511 billion in 2020/21, R77.126 billion in 2021/22 and R81.558 billion in 2022/23.

Total provincial revenue amounts to R232.195 billion over the 2020 MTEF

National transfers, which includes the PES and conditional grants, amount to R218.574 billion over the 2020 MTEF with R68.398 billion in 2020/21, R72.852 billion in 2021/22 and R77.324 billion in 2022/23. This equates to a growth rate of 6.3 per cent between 2019/20 and 2020/21.

Table 3.1 Provincial receipts and payments, 2016/17 - 2022/23

R'000	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				2020/21	% Change from Revised estimate 2019/20	2021/22	2022/23
Provincial receipts										
Transfer receipts from national	51 953 544	56 200 292	59 636 541	64 099 177	64 346 130	64 346 130	68 398 139	6.30	72 852 273	77 323 899
Equitable share	41 062 437	44 470 213	47 447 464	51 290 593	51 290 593	51 290 593	55 207 631	7.64	59 276 313	63 194 019
Conditional grants	10 891 107	11 730 079	12 189 077	12 808 584	13 055 537	13 055 537	13 190 508	1.03	13 575 960	14 129 880
Financing	1 966 165	1 956 157	1 760 566	1 297 133	1 962 909	1 962 909	1 857 830	(5.35)	972 070	893 918
Asset Finance Reserve	436 250	663 852	354 049	674 791	935 339	935 339	786 604	(15.90)	439 211	324 439
Provincial Revenue Fund	1 529 915	1 292 305	1 406 517	622 342	1 027 570	1 027 570	1 071 226	4.25	532 859	569 479
Provincial Revenue Fund (Tax receipts)	603 276	632 328	664 267	602 305	602 305	603 647	634 736	5.15	669 649	701 791
Provincial own receipts	2 459 954	2 494 780	2 870 751	2 339 456	2 406 216	2 642 291	2 620 376	(0.83)	2 631 941	2 637 934
Total provincial receipts	56 982 939	61 283 557	64 932 125	68 338 071	69 317 560	69 554 977	73 511 081	5.69	77 125 932	81 557 542
Provincial payments and provisions										
Provincial payments	55 473 528	59 292 804	62 940 646	67 148 484	67 963 413	68 065 511	71 619 070	5.22	74 886 572	78 308 140
Current payments	41 422 271	44 539 832	47 427 858	51 427 207	51 648 948	51 725 596	55 111 687	6.55	58 204 111	61 110 480
Transfers and subsidies	9 113 405	9 909 398	10 209 298	10 451 325	10 954 980	10 951 064	11 563 925	5.60	11 834 221	12 185 436
Payments for capital assets	4 916 382	4 807 101	5 276 603	5 263 297	5 350 572	5 369 908	4 936 646	(8.07)	4 841 015	5 004 669
Payments for financial assets	21 470	36 473	26 887	6 655	8 913	18 943	6 812	(64.04)	7 225	7 555
Provincial provisions	36 663	37 430	39 320	1 189 587	1 076 738	1 076 738	1 892 011	75.72	2 239 360	3 249 402
Direct charge	36 663	37 430	39 320	43 000	45 151	45 151	45 357	0.46	47 997	50 301
Unforeseen and unavoidable				232 628	167 628	167 628	208 498	24.38	219 965	230 523
Service Load Pressures				502 788	502 788	502 788	500 780	(0.40)	528 322	553 682
Fiscal Stabilisation				361 171	361 171	361 171	1 084 626	200.31	1 387 424	2 356 574
Acquisition of Property Reserve				50 000			52 750		55 652	58 323
Total provincial payments and provisions	55 510 191	59 330 234	62 979 966	68 338 071	69 040 151	69 142 249	73 511 081	6.32	77 125 932	81 557 542
Surplus (Deficit)	1 472 748	1 953 323	1 952 159		277 409	412 728	-	(100.00)	-	-
Provincial Revenue Fund (Tax receipts) includes:										
Casino taxes	524 384	537 498	554 193	537 572	537 572	537 572	565 028	5.11	596 105	624 718
Horse racing taxes	51 303	58 608	74 100	31 280	31 280	32 622	34 416	5.50	36 311	38 053
Liquor licence fees	27 589	36 222	35 974	33 453	33 453	33 453	35 292	5.50	37 233	39 020
Total Provincial Revenue Fund (Tax receipts)	603 276	632 328	664 267	602 305	602 305	603 647	634 736	5.15	669 649	701 791

The PES, which is the largest source of funding available to the Province, grows by 7.6 per cent between 2019/20 and 2020/21 to R55.208 billion in 2020/21, R59.276 billion in 2021/22 and R63.194 billion in 2022/23.

Conditional grants, which is the second largest revenue source available to fund provincial expenditure, only increases by 1.0 per cent between 2019/20 and 2020/21. These Grants amount to R13.191 billion in 2020/21, R13.576 billion in 2021/22 and R14.130 billion in 2022/23.

■ Provincial equitable share

WC PES accounts for 76.5 per cent of total Budget revenue over the 2020 MTEF

The PES accounts for approximately 76.5 per cent of the Province's available resource envelope over the 2020 MTEF. The components which make up the formula are aligned to the Province's core service delivery mandates and represents a proxy for the relative demand for government services, mainly in education, health and social services. Table 3.2 highlights the components and weightings of the PES formula, their key determinants and data sources they rely on to objectively inform them. The formula is an unconditional transfer allocated to provinces and is updated annually.

Table 3.2 Summary of Provincial Equitable Share component data used

PES component	Key determinants or variables	Data source
Education (48%)	School age cohort School enrolment data	<ul style="list-style-type: none"> ● 2019 Mid-Year Population Estimates ● 2019 LURITS
Health (27%)	Risk-adjusted capitation index and output data from public hospitals	<ul style="list-style-type: none"> ● 2019 Mid-year Population Estimates ● Insured population (2018 GHS) ● Risk adjusted index ● Patient load data (DHIS 2017/18 - 2018/19)
Poverty (3%)	Weighted share of poorest 40 per cent of South African households	<ul style="list-style-type: none"> ● 2019 Mid-Year Population Estimates ● Income and Expenditure Survey 2010/11
Economic activity (1%)	Share of Regional Gross Domestic Product	<ul style="list-style-type: none"> ● GDP-R 2017
Basic (16%)	Provincial Share of Population	<ul style="list-style-type: none"> ● 2019 Mid-year Population Estimates
Institutional (5%)	Fixed costs of running a provincial government not related to a province's population	<ul style="list-style-type: none"> ● Distributed equally and not based on population numbers

Provincial equitable share formula and data updates

The education component has the highest weighting (48 per cent) in the PES formula and draws heavily on learner enrolment data. The data collection is supported by the Learner Unit Record Information Tracking System (LURITS). The second data source to inform the education component is the cohort of the population between 5 – 17 year olds. This data is drawn from the Mid-year Population Estimates. To ensure that the formula remains responsive to inter-provincial changes, the individual PES components are subject to annual technical data updates. In this way, those provinces that experience higher growth in the demand for services and/or population changes relative to other provinces are compensated. The impact of data updates on the formula are phased-in over the three-year MTEF period, to smooth the impact of these data changes on individual provinces.

The full impact of the data updates on the PES sees the Western Cape's relative weighted average share of available PES funding change from 10.2 per cent for the 2019 MTEF to 10.4 per cent for the 2020 MTEF. Over the 2020 MTEF, this translates into an additional R2.188 billion or R395.459 million in 2020/21, R652.596 million in 2021/22 and R1.141 billion in 2022/23.

WC PES funding increases from 10.2 per cent to 10.4 per cent over the 2020 MTEF

Funding for policy priorities

Included as part of the PES transfer, although allocated separately from the formula discussed above, are allocations for interventions around Gender-Based Violence (GBV) and sexually transmitted infections (STIs), human immunodeficiency virus (HIV) and tuberculosis (TB), Sanitary Dignity Project and additions for the employment of social workers. Such adjustments typically occur when a new function or additional funding is transferred to provinces and national government wants to indicate separately how much funding has been reprioritised from national government and allocated to each province for this specific purpose.

Allocations for Gender-Based Violence, STI's, HIV and TB, Sanitary Dignitary Project and employment of social workers included in the provincial equitable share

Over the 2020 MTEF, R59.715 million is allocated to sustain the employment of social workers in areas with a high prevalence of GBV, substance abuse and issues affecting children.

Additional funding of R17.041 million has been allocated over the 2020 MTEF, to assist in efforts to address the social and structural drivers of HIV, TB and STIs and GBV. The additional funding will assist the Province in continuing its support to non-profit organisations in implementing social behaviour change.

Further, R31.531 million has been provided over the 2020 MTEF, to continue the roll-out of the project to improve access to sanitary products for indigent girl learners, which was first added to the PES in

2019/20. These funds are divided across provinces in terms of the proportion of Grade 4 - 12 girl learners in quintile 1 - 3 schools in each province.

■ Conditional grants

WC conditional grant allocations amount to R40.896 billion over the 2020 MTEF

Conditional grant allocations give effect to national priorities. Provincial conditional grant allocations amount to R40.896 billion over the 2020 MTEF with R13.191 billion in 2020/21, R13.576 billion in 2021/22 and R14.130 billion in 2022/23 (see Table 3.3).

Conditional grant allocations to the Western Cape, show the realignment of conditional grants, as some have merged, while others shifted to accommodate reprioritisation and the strained fiscal environment.

However, these provisions also accommodate the shifting of funds from less performing projects nationally and across provinces.

In recent financial years, these arrangements have been taken up in the annual Division of Revenue Act. There has been the reallocation of funds within underperforming projects in the Human Settlements Development Grant from other provinces to the Western Cape.

In a similar vein, imminent funding commitments by the Hospital Revitalisation Grant for the construction of the Klipfontein and the Tygerberg Hospital will further benefit the Province.

Table 3.3 highlight that the largest conditional grants are located within the health sector totalling R6.908 billion in 2020/21, with the National Tertiary Services Grant being the single largest conditional grant accounting for 26.0 per cent of the total Provincial conditional grant allocation in 2020/21. This is followed by the Human Settlements Development Grant and the HIV, TB, Malaria and Community Outreach Grant accounting for 14.5 per cent and 14.2 per cent respectively.

Excluding the individual departmental allocations of the Expanded Public Works Programme (EPWP) Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces, the smallest individual Grant to the Province is the Land Care Programme Grant: Poverty Relief and Infrastructure Development which accounts for less than 1 per cent of total conditional grant funding.

Table 3.3 Provincial conditional grant allocations, 2016/17 - 2022/23

Vote and grant R'000	Outcome			Main appro- piation 2019/20	Adjusted appro- piation 2019/20	Revised estimate 2019/20	Medium-term estimate		
	Audited 2016/17	Audited 2017/18	Audited 2018/19				2020/21	2021/22	2022/23
Vote 4: Community Safety	3 144	3 328	7 957	3 920	3 920	3 920	4 961		
Social Sector EPWP Incentive Grant for Provinces	3 144	3 328	7 957	3 920	3 920	3 920	4 961		
Vote 5: Education	1 463 927	1 556 193	1 488 697	1 596 533	1 625 293	1 625 293	1 610 176	1 599 859	1 674 243
Education Infrastructure Grant	1 079 173	1 149 111	1 021 731	1 109 331	1 134 505	1 134 505	1 091 162	1 082 712	1 133 077
Maths, Science and Technology Grant	27 841	30 217	29 682	34 416	37 317	37 317	35 479	37 474	38 651
HIV and AIDS (Life Skills Education) Grant	18 717	17 710	22 043	21 800	21 800	21 800	19 878	20 758	21 164
Learners with Profound Intellectual Disabilities Grant		11 401	25 521	26 198	26 883	26 883	28 499	30 176	31 175
National School Nutrition Programme Grant	316 999	337 363	357 097	385 202	385 202	385 202	412 548	428 739	450 176
Social Sector EPWP Incentive Grant for Provinces	18 677	8 242	30 402	17 101	17 101	17 101	20 016		
Expanded Public Works Programme Integrated Grant for Provinces	2 520	2 149	2 221	2 485	2 485	2 485	2 594		
Vote 6: Health	5 244 906	5 447 079	5 896 230	6 497 650	6 538 034	6 538 034	6 907 928	7 304 890	7 634 781
National Tertiary Services Grant	2 706 888	2 876 410	3 049 130	3 221 651	3 221 651	3 221 651	3 426 618	3 560 969	3 704 846
Health Facility Revitalisation Grant	733 366	567 389	717 226	812 626	812 626	812 626	698 793	690 199	729 795
Statutory Human Resources Training and Development Grant	510 716	542 700	574 177	741 618	767 785	767 785	881 370	912 513	946 285
<i>of which:</i>									
<i>Statutory Human Resources Component</i>				135 284	161 451	161 451	245 023	254 558	263 943
<i>Training and Development Component</i>	510 716	542 700	574 177	606 334	606 334	606 334	636 347	657 955	682 342
National Health Insurance Grant	20 675				19 510	19 510	19 480	20 239	20 985
HIV, TB, Malaria and Community Outreach Grant	1 267 206	1 454 773	1 531 535	1 685 517	1 685 517	1 685 517	1 867 472	2 120 970	2 232 870
<i>of which:</i>									
<i>Community Outreach Services Component</i>			96 769	112 766	126 392	126 392	179 583	194 535	205 103
<i>HIV and AIDS Component</i>				1 509 757	1 485 031	1 485 031	1 599 596	1 833 285	1 930 080
<i>Tuberculosis Component</i>				62 994	74 094	74 094	66 458	70 114	73 795
<i>Human Papillomavirus Vaccine Component</i>			19 599	20 697	15 404	15 404	21 835	23 036	23 892
Social Sector EPWP Incentive Grant for Provinces	3 731	3 334	2 447	13 495	13 495	13 495	12 195		
Expanded Public Works Programme Integrated Grant for Provinces	2 324	2 473	2 116	2 046	2 046	2 046	2 000		
Vote 7: Social Development	9 916	44 437	51 709	40 479	40 479	40 479	87 152	91 285	101 631
Early Childhood Development Grant		18 770	38 312	40 479	40 479	40 479	87 152	91 285	101 631
<i>of which:</i>									
<i>Subsidy Component</i>		18 198	30 925	32 655	32 655	32 655	78 802	89 523	99 789
<i>Maintenance Component</i>		572	7 968	7 824	7 824	7 824	8 350	1 762	1 842
Social Worker Employment Grant		9 729	11 912						
Social Sector EPWP Incentive Grant for Provinces	9 916	15 938	1 485						

Table 3.3 Provincial conditional grant allocations, 2016/17 - 2022/23 (continued)

Vote and grant R'000	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimate		
	Audited 2016/17	Audited 2017/18	Audited 2018/19				2020/21	2021/22	2022/23
Vote 8: Human Settlements	2 004 237	2 330 132	2 072 278	2 141 006	2 326 694	2 326 694	1 978 034	2 034 862	2 115 812
Human Settlements Development Grant	2 000 811	2 326 758	2 018 903	2 073 610	2 172 110	2 172 110	1 907 551	1 577 433	1 631 174
Expanded Public Works Programme Integrated Grant for Provinces	3 426	3 374	3 014	2 986	2 986	2 986	2 531		
Title Deeds Restoration Grant			50 361	64 410	64 410	64 410	67 952		
Provincial Emergency Housing Grant					87 188	87 188			
Informal Settlements Upgrading Partnership Grant for Provinces								457 429	484 638
Vote 9: Environmental Affairs and Development Planning	3 815	4 385	3 991	3 717	3 717	3 717	3 678		
Expanded Public Works Programme Integrated Grant for Provinces	3 815	4 385	3 991	3 717	3 717	3 717	3 678		
Vote 10: Transport and Public Works	1 716 320	1 879 462	1 972 824	2 058 702	2 058 702	2 058 702	2 150 948	2 079 940	2 120 283
Provincial Roads Maintenance Grant	830 729	940 089	1 007 414	1 040 051	1 040 051	1 040 051	1 067 344	947 296	992 470
Expanded Public Works Programme Integrated Grant for Provinces	14 691	16 452	12 586	12 469	12 469	12 469	10 008		
Public Transport Operations Grant	870 900	922 921	952 824	1 006 182	1 006 182	1 006 182	1 073 596	1 132 644	1 127 813
Vote 11: Agriculture	220 966	236 363	457 326	216 373	208 494	208 494	169 138	180 747	186 640
Land Care Programme Grant: Poverty Relief and Infrastructure Development	4 106	4 380	46 678	5 255	6 677	6 677	5 045	5 451	5 732
Comprehensive Agricultural Support Programme (CASP) Grant	164 199	134 572	314 832	150 261	150 261	150 261	111 555	118 856	122 797
Disaster Management Grant: Agriculture		40 000	38 000						
Ilima/Letsema Projects Grant	50 593	55 349	55 662	58 779	49 478	49 478	50 464	56 440	58 111
Expanded Public Works Programme Integrated Grant for Provinces	2 068	2 062	2 154	2 078	2 078	2 078	2 074		
Vote 13: Cultural Affairs and Sport	223 876	228 700	238 065	250 204	250 204	250 204	278 493	284 377	296 490
Mass Participation and Sport Development Grant	52 889	52 702	52 828	56 064	56 064	56 064	83 491	85 711	87 517
Community Library Services Grant	164 162	171 264	176 624	186 763	186 763	186 763	186 126	198 666	208 973
Expanded Public Works Programme Integrated Grant for Provinces	2 771	3 238	3 057	2 909	2 909	2 909	3 098		
Social Sector EPWP Incentive Grant for Provinces	4 054	1 496	5 556	4 468	4 468	4 468	5 778		
Total Conditional grants	10 891 107	11 730 079	12 189 077	12 808 584	13 055 537	13 055 537	13 190 508	13 575 960	14 129 880

Changes to conditional grants

Health

HIV, TB, Malaria and Community Outreach Grant

This Grant funds many of the largest programmes in the health sector. Given the scope of the Grant, the necessary flexibility exists to reprioritise within and across the programmes. A number of changes affect this Grant. Firstly, funds have been reprioritised from the HIV and Aids component to cover a shortfall on the salaries of Community Health Workers in the Community Outreach Services component. Secondly, the Human Papillomavirus Vaccine (HPV) Grant has been merged into this Grant, and a separate component has been created within the Grant to fund HPV vaccinations. Thirdly, from 2021/22, two new components for Mental Health and Oncology will be introduced with funds reprioritised from the National Health Insurance (NHI): Personal Services component (NHI Indirect Grant).

Statutory Human Resources, Training and Development Grant

The Human Resources Capacitation Grant and the Health Professions Training and Development Grant have been merged to create a new Statutory Human Resources, Training and Development Grant. The new grant will have two components; the Health Professions Training and Development component will continue to fund the training of health science trainees (previously funded from the Health Professions Training and Development Grant) and the Statutory Human Resources component which will fund intern and community service posts (originally funding in the Human Resources Capacitation Grant as well as some posts that were funded from the PES).

National Health Insurance Grant

The contracting of health professionals in the former National Health Insurance pilot districts will be funded in the National Health Insurance Direct Grant.

Social Development

Early Childhood Development Grant

Additional funds have been added to the Early Childhood Development (ECD) Grant to increase the subsidy that is paid for children attending ECD centres and to provide access for additional children to access ECD services.

The allocation of funds in the maintenance component of the Early Childhood Development Grant from 2021/22 onwards will be informed by the outcomes of the infrastructure assessments that need to be conducted in each province.

Human Settlements

Title Deeds Restoration Grant phased back into the Human Settlements Development Grant

The Title Deeds Restoration Grant is scheduled to come to an end in 2020/21 and phased back into the Human Settlements Development Grant from 2021/22 onwards.

Provinces will continue with their programmes to eliminate title deeds backlogs, funded from the Human Settlements Development Grant until all backlogs have been cleared; at which time the remaining funding may be used for any other housing-related expenditure.

New windows in the Urban Settlements Development Grant

In 2019/20, windows for the upgrading of informal settlements were introduced, where a portion of the Urban Settlements Development Grant would be ring-fenced for the upgrading of informal settlements.

Provinces and local authorities however experienced issues related to planning and associated technical issues.

Furthermore, there has not been enough time for provinces and municipalities to properly assess the performance of these new windows and the possibility of transforming these into actual conditional grants. It was eventually agreed that the new windows would be extended for one additional financial year before new informal settlement grants are introduced. The new informal settlements upgrading windows are consequently going to be extended until 2020/21 so that more time can be spent evaluating the performance of the windows.

Agriculture

Comprehensive Agricultural Support Programme

There has been a downward revision in the funding for the Comprehensive Agricultural Support Programme over the 2020 MTEF as resources have been reprioritised towards the national Department of Agriculture, Forestry and Fisheries for it to improve its laboratory capacity, border controls and inspections.

*Transport and Public Works**Provincial Roads Maintenance Grant*

Funding has been reprioritised from the Provincial Roads Maintenance Grant in the 2020/21 and set aside as a provisional allocation for disaster recovery.

■ Provincial own receipts

Provincial departments collect 'own revenue' to support their service delivery mandates. This is in addition to PES and conditional grants. Provincial departments are empowered by Section 228 of the Constitution to collect customs duties, user charges and certain narrow-based taxes as Own Revenue.

Own Revenue comprises less than 4 per cent of the total revenue envelope but is important in enabling service delivery in the Province. Other broad-based taxes such as company and personal taxes are exclusively collected by the national government, which allows some of the proceeds to fund grants to provinces.

Total Own Revenue is projected to decrease over the 2020 MTEF at an annual average rate of 0.1 per cent from a Revised Estimate of R2.642 billion in 2019/20 to R2.638 billion in 2022/23.

The largest sources of Own Revenue collected in the Western Cape in 2020/21 are motor vehicle licence fees and hospital patient fees contributing 71.3 per cent and 15.8 per cent of the Own Revenue budget respectively.

Gambling taxes and liquor licence fees are no longer considered Own Revenue of the responsible departments due to a ruling made by the Auditor-General South Africa (AGSA). As a result, the responsible departments now act as conduits where the funds are transferred from its source into the Provincial Revenue Fund. Both gambling taxes and liquor licence fees are now classified as 'Provincial Revenue Fund: Tax Receipts' and are indicated in Table 3.1.

Table 3.4 highlights the Own Revenue budgets for Provincial departments from 2016/17 to 2022/23. The two largest contributors to Own Revenue collection in the Province are the departments of Transport and Public Works and Health.

WC own receipts less than 4 per cent of total Budget revenue over 2020 MTEF

Table 3.4 Provincial own receipts by vote, 2016/17 - 2022/23

Vote R'000	Outcome			Main appropriation 2019/20	Adjusted appropriation 2019/20	Revised estimate 2019/20	Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				% Change from Revised estimate			
							2020/21	2019/20	2021/22	2022/23
1. Department of the Premier	3 373	4 080	1 955	1 899	1 899	1 899	2 002	5.42	2 112	2 213
2. Provincial Parliament	327	944	409	817	817	1 280	821	(35.86)	75	78
3. Provincial Treasury	4 117	8 766	6 785	1 411	1 411	69	73	5.80	76	80
4. Community Safety	14 181	390	554	444	444	444	469	5.63	495	519
5. Education	38 696	30 714	23 755	28 401	28 401	28 401	24 710	(13.00)	25 171	25 693
6. Health	543 622	571 574	677 391	485 142	544 178	586 795	509 884	(13.11)	509 884	509 884
7. Social Development	2 078	2 521	1 380	1 130	1 130	1 130	1 192	5.49	1 258	1 318
8. Human Settlements	172 295	92 011	255 557	63 360	63 360	135 601	66 845	(50.70)	70 521	73 906
9. Environmental Affairs and Development Planning	7 798	3 702	2 848	2 704	2 104	2 704	2 742	1.41	2 783	2 917
10. Transport and Public Works	1 584 998	1 722 214	1 835 444	1 721 193	1 727 943	1 837 399	1 976 870	7.59	1 982 887	1 982 887
11. Agriculture	40 062	48 480	53 356	29 781	30 576	33 813	31 419	(7.08)	33 147	34 738
12. Economic Development and Tourism	1 059	4 424	4 747	333	333	931	351	(62.30)	371	388
13. Cultural Affairs and Sport	47 121	3 900	3 789	2 738	3 517	8 154	2 889	(64.57)	3 047	3 194
14. Local Government	227	1 060	2 781	103	103	3 671	109	(97.03)	114	119
Total provincial own receipts	2 459 954	2 494 780	2 870 751	2 339 456	2 406 216	2 642 291	2 620 376	(0.83)	2 631 941	2 637 934

Tax receipts and fees

Motor vehicle licence fees

The main driver of Own Revenue collection in the Department of Transport and Public Work is Motor Vehicle License (MVL) fees. These fees are collected on an agency basis by municipalities across the Province and paid over to the Department of Transport and Public Works.

WC Motor vehicle license fees increases by 4.5 per cent from 1 April 2020

An increase in MVL fee tariffs of 4.5 per cent will be implemented effective from 1 April 2020 across vehicle tare categories. The tariff increase is below the projected inflation rate.

Taking vehicle growth and the new tariff increases into account will see MVL fees increase from R1.694 billion in 2019/20 to R1.867 billion in 2020/21

Hospital patient fees

Hospital patient fees grow on average by 1.7 per cent over the 2020 MTEF

Hospital patient fees are expected to grow at an annual average growth rate of 1.7 per cent from R394.262 million in 2019/20 to R414.369 million in 2022/23.

It is noted that hospital patient fees for the medical uninsured and often unemployed patients are limited. Given the current economic environment this revenue source will be severely under pressure.

Casino and Horse racing taxes

Gambling taxes make a considerable contribution towards the Provincial Fiscus. These funds are sourced from amongst the five casinos located within the Province, limited pay-out machines, horse racing and other forms of gambling as well as annual licence and registration fees administered by the Western Cape Gambling and Racing Board (WCGRB).

Revenue from this source amounts to R1.895 billion over the 2020 MTEF with R599.445 million in 2020/21, R632.415 million in 2021/22 and R662.771 million in 2022/23.

Liquor licence fees

Liquor license fees are administered by the Western Cape Liquor Authority (WCLA). Liquor licence fees are estimated to increase at an annual average growth rate of 5.3 per cent from R33.453 million in 2019/20 to R39.020 million in 2022/23.

The WCLA together with the Department of Community Safety has been implementing increases in liquor licence fee tariffs since 2017. After five years of no increases, tariffs have been increasing annually. The reason for the tariff increases is to allow the WCLA to expand on its ability to deliver on its mandate of oversight of the liquor industry and help in its contribution towards the reduction in alcohol harms in the Province.

Table 3.5 Provincial own receipts by source, 2016/17 - 2022/23

Receipts R'000	Outcome			Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				2020/21	% Change from Revised estimate 2019/20	2021/22	2022/23
Tax receipts	1 433 664	1 572 067	1 684 941	1 617 482	1 617 482	1 693 651	1 867 454	10.26	1 867 454	1 861 914
Sales of goods and services other than capital assets	629 555	643 527	685 835	589 539	590 380	640 758	618 219	(3.52)	626 969	635 936
Transfers received	118 815	87 988	115 872	35 103	94 918	94 335	36 821	(60.97)	36 071	36 071
Fines, penalties and forfeits	9 836	6 000	7 025	4 005	3 405	6 891	4 111	(40.34)	4 222	4 010
Interest, dividends and rent on land	29 271	52 736	14 266	4 390	4 380	13 085	4 049	(69.06)	4 176	4 299
Sales of capital assets	3 760	846	6 905		1	374		(100.00)		
Financial transactions in assets and liabilities	235 053	131 616	355 907	88 937	95 650	193 197	89 722	(53.56)	93 049	95 704
Provincial own receipts	2 459 954	2 494 780	2 870 751	2 339 456	2 406 216	2 642 291	2 620 376	(0.83)	2 631 941	2 637 934

Provincial reserves give effect to the WCG Fiscal Strategy

■ Financing and reserves

Provincial reserves give effect to the Western Cape Government Fiscal Strategy to ensure that the Province is sheltered against revenue reductions emanating from reductions to the PES and conditional grants and is able to respond to service load pressures, unforeseen and unavoidable events and to support the purchases of immovable assets such as property and buildings for government use.

The Fiscal Stabilisation Reserve exists to deal with possible volatility in the fiscal framework particularly with regards to the PES. The allocations for this Reserve amounts to R1.085 billion in 2020/21, R1.387 billion in 2021/22 and R2.357 billion in 2022/23.

The Service Load Pressures Reserve deals with potential increases in demand for services predominantly for frontline services in health, education, and other social services. This Reserve has been allocated R500.780 million in 2020/21, R528.322 million in 2021/22 and R553.682 million in 2022/23.

The Unforeseen and Unavoidable Expenditure Reserve relates mainly to events that are unexpected and that requires immediate funding. Examples of this are natural disasters such as flooding or fires which demand an immediate response by emergency services. An allocation of R208.498 million in 2020/21, R219.965 million in 2021/22 and R230.523 million in 2022/23 is set aside for this purpose.

■ Provincial expenditure

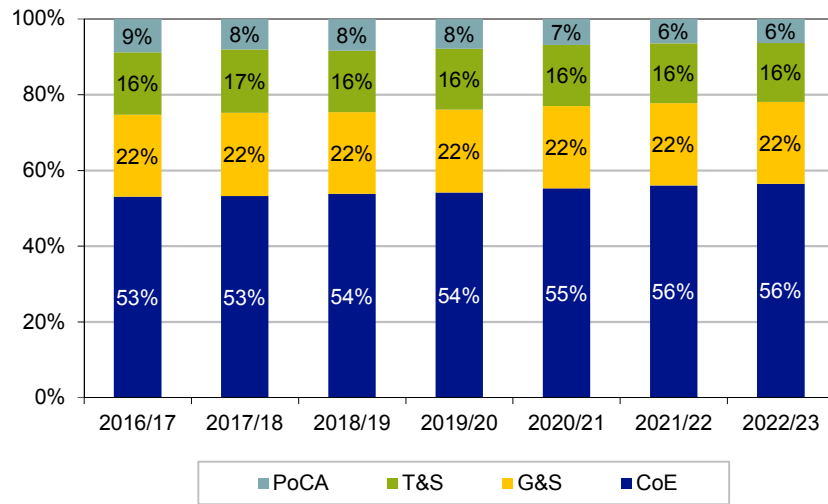
Total provincial expenditure for 2020/21, inclusive of direct charges, amounts to R71.664 billion. This is an increase of 5.2 per cent from the 2019/20 revised estimate. The main spending categories, as shown in Table 3.6, consists of current payments (R55.112 billion), transfers and subsidies (R11.564 billion), payments for capital assets (R4.937 billion) and payments for financial assets (R6.812 million).

Table 3.6 Provincial payments and estimates by economic classification, 2016/17 - 2022/23

Economic classification R'000	Outcome			Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				% Change from Revised estimate	2020/21	2019/20	2021/22
Current payments	41 422 271	44 539 832	47 427 858	51 427 207	51 648 948	51 725 596	55 111 687	6.55	58 204 111	61 110 480
Compensation of employees	29 405 044	31 507 071	33 826 231	36 847 170	36 763 426	36 778 784	39 548 329	7.53	41 946 012	44 175 216
Goods and services	12 017 186	13 032 742	13 601 443	14 579 917	14 885 402	14 946 692	15 563 223	4.12	16 257 963	16 935 126
Interest and rent on land	41	19	184	120	120	120	135	12.50	136	138
Transfers and subsidies to	9 113 405	9 909 398	10 209 298	10 451 325	10 954 980	10 951 064	11 563 925	5.60	11 834 221	12 185 436
Provinces and municipalities	1 549 777	1 756 543	1 742 892	1 835 064	2 097 350	2 097 478	2 413 268	15.06	2 366 232	2 430 698
Departmental agencies and accounts	520 101	475 675	534 969	609 546	624 116	624 245	618 759	(0.88)	636 153	671 298
Higher education institutions	940	10 950	12 509	10 000	10 500	10 500	11 600	10.48	5 000	5 000
Foreign governments and international organisations	429	312	395	299	299	299	295	(1.34)	312	330
Public corporations and private enterprises	1 149 195	1 185 642	1 436 303	1 250 893	1 272 222	1 266 028	1 218 675	(3.74)	1 276 456	1 278 121
Non-profit institutions	3 672 910	3 821 303	4 165 933	4 337 322	4 354 907	4 359 264	4 842 652	11.09	5 126 618	5 304 112
Households	2 220 053	2 658 973	2 316 297	2 408 201	2 595 586	2 593 250	2 458 676	(5.19)	2 423 450	2 495 877
Payments for capital assets	4 916 382	4 807 101	5 276 603	5 263 297	5 350 572	5 369 908	4 936 646	(8.07)	4 841 015	5 004 669
Buildings and other fixed structures	4 080 902	3 928 545	4 192 182	4 448 470	4 352 859	4 320 125	4 009 871	(7.18)	4 043 343	4 179 908
Machinery and equipment	788 721	814 805	1 022 369	782 666	912 357	956 262	888 392	(7.10)	758 742	784 082
Biological assets					16	16		(100.00)		
Land and subsoil assets	11 990	26 110	32 957	7 800	35 959	36 014	8 200	(77.23)	8 650	9 100
Software and other intangible assets	34 769	37 641	29 095	24 361	49 381	57 491	30 183	(47.50)	30 280	31 579
Payments for financial assets	21 470	36 473	26 887	6 655	8 913	18 943	6 812	(64.04)	7 225	7 555
Total economic classification	55 473 528	59 292 804	62 940 646	67 148 484	67 963 413	68 065 511	71 619 070	5.22	74 886 572	78 308 140
Direct charge	36 663	37 430	39 320	43 000	45 151	45 151	45 357	0.46	47 997	50 301
Total economic classification (including direct charge)	55 510 191	59 330 234	62 979 966	67 191 484	68 008 564	68 110 662	71 664 427	5.22	74 934 569	78 358 441

Current payments consist of the two biggest budget spending items, namely, Compensation of Employees (CoE) and Goods and Services (G&S), which amounts to 55 per cent and 22 per cent of the 2020/21 budget respectively. The remaining budget is spent on Transfers and Subsidies (T&S) at 16 per cent and Payments for Capital Assets (PoCA) at 7 per cent.

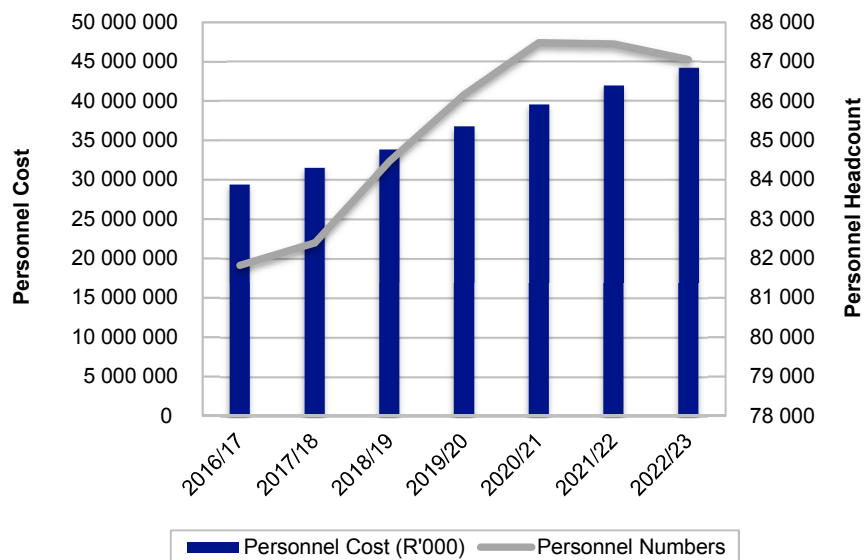
Figure 3.1 Percentage share of economic classification to total provincial budget, 2016/17 - 2022/23



■ Compensation of employees

Over the past three financial years, CoE has been a key lever in bringing about fiscal consolidation as part of the Western Cape Government Fiscal Strategy. This will continue to be the case. Careful management of CoE is essential to ensure the long term fiscal sustainability of the Western Cape Government. One of the key uncertainties in crafting the 2020 Budget has been the outcome of the current wage negotiations. This has necessitated a cautious approach to additional CoE allocations over the 2020 MTEF.

Figure 3.2 Western Cape Government personnel data, 2016/17 - 2022/23



In 2020/21, total provincial personnel is projected to reach a headcount of 87 482 people costing R39.548 billion. Figure 3.2 illustrates the Province's cautious budget approach to CoE over the 2020 MTEF in response to the uncertain outcome of the current wage negotiations.

As illustrated in Table 3.7, personnel grows by a headcount of 1 318 staff from 2019/20 to 2020/21. This is mainly in response to ensuring service delivery continues within frontline services' departments.

The increase in 2020/21, is predominately due to 429 posts for educators and related professionals, 386 posts for professional nurses and medical related staff, 247 posts for transport and public works personnel and 133 social worker posts. In Transport and Public Works, the provision of 247 posts are in support of the significant infrastructure investment made over the 2020 MTEF and includes the construction of education and health facilities together with economic infrastructure.

Part of maintaining and managing the wage bill at sustainable levels has been the introduction of personnel upper limits in 2016. This will continue over the 2020 MTEF considering the benefits reaped in bringing about fiscal discipline and fiscal consolidation. However, the need to further contain the wage bill, as part of fiscal consolidation, requires a more comprehensive Compensation of Employees' Reduction Strategy to be implemented over the 2020 MTEF, including:

Personnel upper limits introduced in 2016 will continue over the 2020 MTEF

- The termination of performance bonus allocations in 2021/22. Further work will be done towards finding sustainable and practical non-monetary performance rewards in the Western Cape public service;
- Limiting overtime spend through planning and implementing stricter controls and protocols;
- Leave pay-outs to be managed and proper leave planning encouraged; and
- Institutionalisation of committees to moderate changes to the organisational design of provincial departments with the aim of ensuring that personnel numbers are tailored to departmental goals in line with the overall personnel upper limits.

It's intended that this will further support and assist in managing and curtailing the public sector wage bill as a whole.

It remains key though that personnel budgets are efficiently managed since it's a primary resource in meeting the Western Cape Government's objectives. Paramount is also finding a balance between managing the wage bill downwards, while at the same time ensuring there's ongoing investment in personnel to continue delivering quality services.

Table 3.7 Personnel numbers and cost by vote, 2016/17 - 2022/23

Cost in Rmillion	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF				
	2016/17		2017/18		2018/19		2019/20				2020/21		2021/22		2022/23		2019/20 - 2022/23				
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Filled posts	Additional posts	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Costs growth rate	% Costs of	Total
Votes																					
Department of the Premier	1 256	544 460	1 264	572 959	1 264	595 640	1 197		1 197	618 905	1 203	692 066	1 202	741 770	1 202	788 400	0.1%	7.2%	100.0%		
Provincial Parliament	95	53 291	107	57 544	107	63 580	115		115	72 795	119	84 535	119	89 022	119	93 518	0.9%	7.2%	100.0%		
Provincial Treasury	312	157 405	353	171 172	334	176 277	283	76	359	187 355	408	217 005	441	238 616	422	252 614	5.5%	10.5%	100.0%		
Community Safety	384	129 430	337	134 674	329	142 184	365		365	157 804	378	171 100	378	180 791	378	191 854	1.2%	6.7%	100.0%		
Education	40 611	14 133 743	40 915	15 178 886	41 313	16 352 318	41 709	243	41 952	17 686 538	42 381	18 912 196	42 381	20 057 145	42 381	21 232 146	0.3%	6.3%	100.0%		
Health	31 384	11 833 864	31 505	12 660 391	33 132	13 515 392	33 805		33 805	14 774 428	34 191	15 792 971	33 958	16 652 665	33 560	17 426 269	(0.2%)	5.7%	100.0%		
Social Development	2 180	678 650	2 200	737 386	2 221	798 173	2 447		2 447	885 337	2 580	1 006 677	2 580	1 060 218	2 580	1 128 319	1.8%	8.4%	100.0%		
Human Settlements	475	195 774	475	209 221	473	225 164	459	39	498	248 287	498	267 206	498	287 415	498	301 211		6.7%	100.0%		
Environmental Affairs and Development Planning	436	190 418	384	202 998	373	218 835	354	33	387	230 727	411	244 947	407	259 670	405	273 735	1.5%	5.9%	100.0%		
Transport and Public Works	2 447	737 031	2 503	776 230	2 508	867 260	2 307	184	2 491	969 737	2 738	1 123 140	2 862	1 237 895	2 862	1 297 288	4.7%	10.2%	100.0%		
Agriculture	996	326 389	1 120	347 048	1 113	376 267	1 176	57	1 233	410 955	1 160	424 013	1 220	446 486	1 264	469 702	0.8%	4.6%	100.0%		
Economic Development and Tourism	211	104 660	242	115 365	245	125 927	265		265	140 529	351	165 221	345	214 375	336	224 344	8.2%	16.9%	100.0%		
Cultural Affairs and Sport	624	182 456	585	193 577	660	202 422	647		647	218 529	647	246 386	647	266 682	647	283 440		9.1%	100.0%		
Local Government	413	137 473	402	149 620	406	166 792	374	29	403	176 858	417	200 866	417	213 262	399	212 376	(0.3%)	6.3%	100.0%		
Total²	81 824	29 405 044	82 392	31 507 071	84 478	33 826 231	85 503	661	86 164	36 778 784	87 482	39 548 329	87 455	41 946 012	87 053	44 175 216	24.6%	6.3%	100.0%		
Direct charge against the Provincial Revenue Fund	31	35 671	31	37 430	31	38 234	31		31	40 635	31	42 293	31	44 196	31	46 185		4.4%	33.8%		

¹ Personnel numbers includes all filled posts together with those posts additional to the approved establishment.

² Total excludes direct charge.

Goods and services

For the 2020/21 budget, G&S amounts to 21.7 per cent of total expenditure or R15.563 billion. This G&S allocation is a 4.1 per cent increase from the 2019/20 revised estimate of R14.947 billion. CPI inflation of 4.8 per cent for 2020/21 and 2021/22 and 4.7 per cent for 2022/23 was used in the budget process. Further, medical inflation, that continues to exceed CPI inflation by an estimated 2 per cent each year, was also considered where possible, especially, by the Department of Health.

The G&S budget continues to reflect opportunities for procurement efficiencies and prudent spending. Current cost containment and efficiency initiatives are supported by strategic sourcing methodologies in the procurement planning process to leverage efficiency gains and economies of scale. This is focused on commodity specific strategies, support to provincial departments and entities, and the use of

technology as an enabler to improve Supply Chain Management (SCM) performance. The continuous building of the business intelligence competence is necessary to support procurement decision making and better SCM information management, particularly in fast changing markets.

The R15.563 billion G&S budget is mainly allocated to the departments of Health (R8.069 billion), Education (R2.628 billion) and Transport and Public Works (R2.712 billion).

The bulk of the G&S budget provision is for:

- Payments for property maintenance, municipal and security services (G&S item: Property Payments: R3.052 billion);
- Purchasing Medical Supplies (R1.721 billion) and Medicine (R1.670 billion);
- Contracting medical services and maintenance of road infrastructure (Contractors: R1.191 billion); and
- Buying nutrition services, for learners at education facilities, as well as medical/ nursing staff services (Agency and Outsourced Services, R1.081 billion).

Over and above current cost containment measures, further initiatives will be implemented in the Province to effect cost savings and efficiencies. These include:

- *e-Procurement System*: the development of an in-house eProcurement System (ePS); the introduction of a system for benchmark pricing; an automated enterprise wide procurement planning toolkit; and a catering sourcing strategy;
- *Travel and events cost management*: transversal contract for travel and accommodation is being explored including a move to an online booking tool; possible caps on travel kilometre claims; and further caps on catering costs;
- *Facilities management*: investigate strategies to bring down utility costs of government buildings; improving the existing sourcing strategy; and maintenance of existing framework agreement;
- *Identify opportunities for partnering with the private sector*: target commodities conducive for partnerships with the private sector that will result in cost savings such as renal dialysis for the Department of Health; and

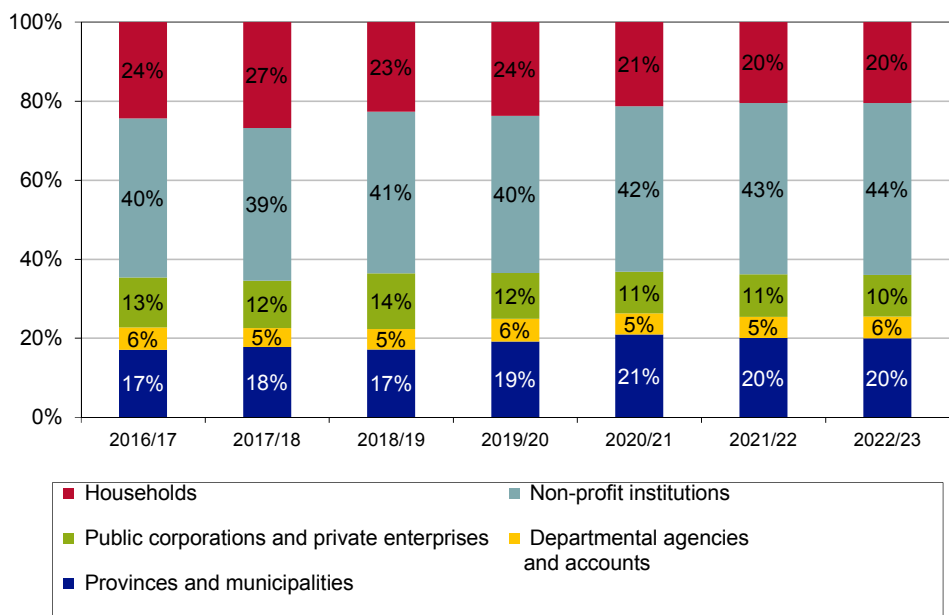
- *Cost containment strategy management:* reporting, monitoring and disclosure: enforce mandatory disclosure of cost containment strategies, indicators and targets for all departments and public entities. Introduce mandatory quarterly reporting requirements for all departments and entities based on comparable indicators.

Transfers and subsidies

Transfers and subsidies amounts to R11.564 billion in 2020/21

In 2020/21, T&S amounts to R11.564 billion of which R4.843 billion or 41.9 per cent is transferred to Non-Profit Institutions (NPIs).

Figure 3.3 Provincial transfers and subsidies: Percentage share per item, 2016/17 - 2022/23



The Departments of Education (50.9 per cent) and Social Development (28.6 per cent) are the major contributors to the 2020/21 transfers to NPIs. The Department of Education transfers relates to schools in respect of the norms and standards allocations as prescribed by the South African Schools Act and amounts to R2.464 billion.

Transfers by the Department of Social Development amount to R1.383 billion in 2020/21 to fund various NPI programmes. These programmes are linked to the Western Cape Government's Vision Inspired Priority (VIP) 1: Safe and Cohesive Communities and VIP 3: Empowering People. Children, youth and adults with disabilities are amongst the most vulnerable groups within communities whose rights must be protected and environments created to enable them to develop to their fullest potential. This is done through the creation of nurturing, supportive and safe environments for children and families.

Total transfers to households constitutes R2.459 billion or 21.3 per cent of the total transfers and subsidies allocation in 2020/21. The Human Settlements Development Grant (HSDG), funds housing developments in the Province and is the main contributor to transfers to households. Of the total HSDG R1.908 billion allocation in 2020/21, an amount of R1.789 billion (93.8 per cent) is allocated to households.

Transfers to provinces and municipalities account for R2.413 billion or 20.9 per cent of the total transfers allocation in 2020/21. The increase reflected over the 2020 MTEF is a result of transfers made to the City of Cape Town for the Law Enforcement Advancement Project (*'Boots on the ground'*) linked to the Western Cape Government VIP 1: Safe and Cohesive Communities. This supports training and deployment of additional law enforcement officers and investigators in high crime priority areas.

Transfers to public entities

The principles of the Western Cape Government Fiscal Strategy also apply to the Western Cape public entities. Transfers to provincial public entities and government business enterprises constitutes 6.4 per cent of all transfers made by the Province.

Provincial public entities and provincial government business enterprises will receive a total R742.041 million in 2020/21 from various provincial departments. This total amount represents a decrease of R124.151 million (14.3 per cent) from the 2019/20 revised estimate of R866.192 million. This is mainly due to the effects of the prior once-off allocations in 2019/20 for drought to Casidra and for the leasing of land to Saldanha Bay Industrial Development Zone (SBIDZ).

Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro) receives an additional allocation of R41.700 million in 2020/21 to be used specifically and exclusively towards promoting and upscaling initiatives to propel economic growth, job creation and destination marketing initiatives in the Western Cape. A major focus is placed on promoting and growing the Province's export market through trade and investment promotion over the 2020 MTEF. This funding is linked to VIP 2: Growth and Jobs.

Table 3.8 Summary of departmental transfers to public entities and business enterprises by transferring vote, 2016/17 – 2022/23

Public entities (transferring vote) R'000	Outcome			Main appropriation 2019/20	Adjusted appropriation 2019/20	Revised estimate 2019/20	Medium-term estimate		
	Audited 2016/17	Audited 2017/18	Audited 2018/19				2020/21	2021/22	2022/23
Major Public Entity									
South African Broadcasting Corporation Limited (Various Votes)	136	117	164	257	243	236	261	301	308
National Public Entities									
SETA	11 640	12 396	15 103	15 983	15 983	16 053	16 808	17 676	18 572
Vote 5: Education	6 850	7 268	9 400	9 927	9 927	9 927	10 403	10 902	11 414
Vote 6: Health	4 790	5 128	5 703	6 056	6 056	6 126	6 405	6 774	7 158
Housing Development Agency (HDA)									
Vote 8: Human Settlements									
Social Housing Regulatory Authority (SHRA)									
Vote 8: Human Settlements									
Water Research Commission									
Vote 8: Human Settlements									
South African Revenue Services									
Vote 11: Agriculture	71	4	39	50	504	509	50	48	47
National Agricultural Marketing Council									
Vote 11: Agriculture	500		500				550	588	603
National Empowerment Fund									
Vote 12: Economic Development and Tourism		2 000	5 000	5 000	10 000	10 000			
Artscape									
Vote 13: Cultural Affairs and Sport	190	173	175	175	175	175	183	196	204
Provincial Government Business Enterprises									
Casidra SOC Ltd	241 541	259 079	475 470	211 865	242 728	236 430	127 367	138 597	144 865
Vote 9: Environmental Affairs and Development Planning	3 500								
Vote 11: Agriculture	235 041	259 079	475 470	206 865	242 728	236 430	127 367	138 597	144 865
Vote 12: Economic Development and Tourism	3 000			5 000					
Western Cape Public Entities									
Western Cape Cultural Commission									
Vote 13: Cultural Affairs and Sport	420	1 183	1 506	524	524	524	561	600	627
Western Cape Gambling and Racing Board									
Vote 3: Provincial Treasury	9 908	19 707	26 864	37 092	37 663	37 663	27 744	31 872	33 402
Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro)	76 004	77 962	95 350	118 663	131 713	131 713	180 206	182 425	199 113
Vote 1: Department of the Premier	500						5 000		
Vote 11: Agriculture	1 277	1 287	2 951	2 500	2 500	2 500	2 500	2 500	2 500
Vote 12: Economic Development and Tourism	74 227	76 675	92 399	116 163	129 213	129 213	172 706	179 925	196 613
Western Cape Language Committee									
Vote 13: Cultural Affairs and Sport	242	221	247	258	258	276	279	279	306
Western Cape Liquor Authority									
Vote 4: Community Safety	36 016	38 370	42 702	42 108	42 108	42 108	42 277	44 144	45 688
Western Cape Nature Conservation Board	249 717	274 050	290 531	314 474	314 474	314 474	302 187	312 705	324 905
Vote 9: Environmental Affairs and Development Planning	249 717	274 050	290 531	314 474	314 474	314 474	302 187	312 705	324 905
Western Cape Saldanha Bay IDZ Licencing Company (SOC) Ltd									
Vote 12: Economic Development and Tourism	130 224	48 155	55 632	74 187	74 187	74 187	42 566	40 054	41 977
Not listed in PFMA, but indicated as a public entity in Estimates of Provincial Expenditure									
Heritage Western Cape									
Vote 13: Cultural Affairs and Sport	3 000	1 611	1 736	1 844	1 844	1 844	1 002	1 002	1 097
Total	759 209	733 028	1 011 019	822 480	872 404	866 192	742 041	770 487	811 714

Payments for capital assets

The Western Cape Government intends spending R4.937 billion in 2020/21 on capital assets. The majority of the spending will be incurred by the Departments of Transport and Public Works (R2.966 billion), Education (R912.869 million) and Health (R892.853 million). These three departments account for R4.772 billion or 96.7 per cent of the total provincial capital asset allocation in 2020/21.

Provision for payments for capital assets amounts to R4.937 billion for 2020/21

Infrastructure expenditure is discussed in the 2020 Overview of Provincial and Municipal Infrastructure Investment (OPMII).

The category, Machinery and Equipment mainly makes provision for medical, transport, construction and maintenance equipment. For 2020/21, the Province intends spending R888.392 million or 18.0 per cent of the total capital assets allocation of this category.

Managing risks

Despite the negative economic and fiscal outlook, the Western Cape Government has made a concerted effort to ensure that service delivery continues. The risk will be managed as follows:

- Allocating resources adequately to continue with the current level of services being provided;
- Focussing on projects that have high positive economic and social impact;
- CoE management of upper limits and control of new recruitments;
- Research on new sources of revenue;
- Improved integrated planning to avoid duplication of services;
- Improved contract management to avoid overpricing of projects, escalation of costs and defaulting contractors;
- Elimination of inefficiencies through the ongoing evaluation of departmental baselines;
- Continuation of the implementation of controls necessary to drive cost containment measures;
- Exploring opportunities to decrease expenditure on international travel and subsistence and travel allowances; and
- Limits on overtime spending through planning and implementing stricter controls and protocols.

Conclusion

The weak economic and fiscal environment continues to place pressure on both provincial revenue and spending over the 2020 MTEF. For this reason, it is imperative to have the correct revenue and expenditure mix to achieve the efficiency and effectiveness of government spending for the residents of the Western Cape. The Western Cape Government will respond to the weaker economic and fiscal environment through the continued implementation of the Western Cape Government Fiscal Strategy. This seeks to ensure a responsive, credible, and sustainable Budget to mitigate the economic and fiscal risks and ensure that the budget policy priorities are implemented to respond to both the economic and socio-economic environment over the 2020 MTEF.

4

Budget policy priorities and spending plans

In brief

- The 2020 Budget gives effect to the Vision Inspired Priorities included in the 2019 - 2024 Provincial Strategic Plan.
- The budget policy priorities and spending plans demonstrate the Western Cape Government's commitment to respond to and mitigate service delivery and budgetary risks despite the current fiscal, economic and socio-economic environment.
- The 2020 Budget is focused on creating a safe Western Cape where everyone prospers by placing specific emphasis on ensuring safe and cohesive communities; stimulating economic growth and job creation; ensuring resource resilience; empowering people; enhancing mobility and spatial transformation; and promoting an innovative and performance culture in the public service.
- The Western Cape Government is committed to operating in an integrated manner through its Joint District and Metro Approach (JDMA) together with local municipalities and the City of Cape Town. This will, over time, result in more efficient and effective service delivery across the Province.

Introduction

In the context of tightening fiscal constraints, it is now more important than ever that expenditure is targeted at key policy priorities that will have the greatest positive impact on the residents of the Western Cape.

The 2020 Budget and related budget policy priorities and spending plans give effect to the 2019 - 2024 Provincial Strategic Plan (PSP). This chapter sets out the Western Cape Government's budget response to its policy priorities as outlined in the Western Cape 2019 Medium Term Budget Policy Statement. It is aimed at maximising the impact of government programmes to further

enhance the quality of lives of the residents in the Province, and to give effect to the Western Cape Government's vision of a safe Western Cape where everyone prospers.

The Budget acknowledges that the PSP and its policy priorities are located within the global and national policy context which resonates in the Province's five Vision Inspired Priorities (VIPs) over the 2019 – 2024 period. This approach necessitated an integrated government, where the three spheres of government collaborate with private sector and Non-Governmental Organisations (NGOs) to achieve the desired impact of collective service delivery for the benefit of residents.

Departmental budgets implemented transversally across VIPs

In communicating the extent of the provincial resource allocations towards the identified priorities; the VIPs are led by clusters of relevant sector departments. For budget purposes, discretion was applied to locate the priority allocations with the specific sector departments. However, it is important to note that departmental budgets are implemented transversally and that all Western Cape provincial departments contribute in many instances, to more than one of the five VIPs.

■ Global, national and provincial policy context

The 2019 – 2024 PSP has been developed within the context of other long-term strategic imperatives. At a global level, the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development provide the policy context, while the African Union's Agenda 2063 highlights seven aspirations for the continent that are aligned to the SDGs: an integrated Africa, a prosperous Africa, a democratic Africa, a peaceful Africa, which has a strong cultural identity and is people-driven and an international dynamic force.

Aligned to these two international agendas, the National Development Plan (NDP) 2030 sets out the road map to eliminate poverty and reduce inequality by 2030. The Medium Term Strategic Framework (MTSF) 2019 – 2024 provides an NDP Implementation Plan and Monitoring Framework for the next five years. The MTSF outlines the following themes:

- A Capable, Ethical and Developmental State;
- Economic Transformation and Job Creation;
- Education, Skills and Health;
- Consolidating the Social Wage through Reliable and Quality Basic Services;

- Spatial Integration, Human Settlements and Local Government;
- Social Cohesion and Safe Communities; and
- A Better Africa and World.

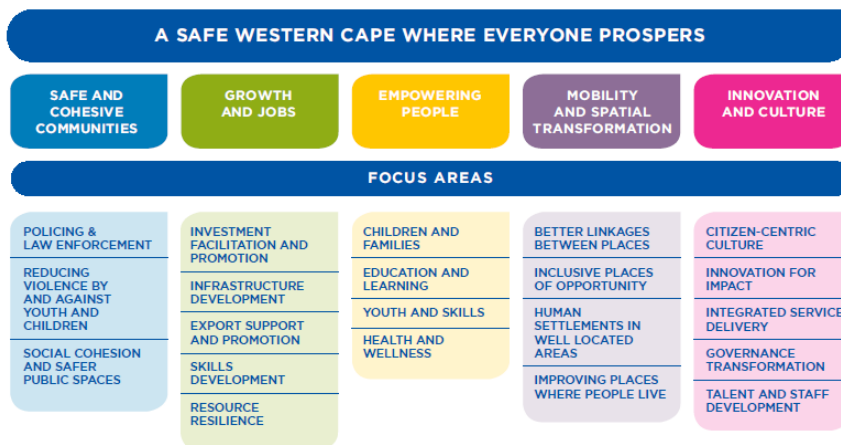
Medium term provincial budget policy priorities

Key transversal themes and considerations that have been incorporated in the PSP and departmental plans include: taking a citizen centric approach; the need for long term strategic and development planning; safety and security; infrastructure development and maintenance; addressing gender responsiveness, equality and Gender-Based Violence; encouraging innovations to support service delivery and strengthen governance; skills and youth development; climate change and resource resilience; spatial transformation and integration; an improved regulatory environment; and developing partnerships and opportunities for collaboration. Food security has also been acknowledged as an important cross-cutting theme.

The 2020/21 financial year will be the first year of implementation of the PSP. The PSP will be reviewed on an annual basis. The PSP is part of an iterative and responsive policy, planning and budgetary process. The 2020 Medium Term Expenditure Framework (MTEF) aims to support delivery towards creating a safe Western Cape where everyone prospers, through allocating resources to the policy priorities as set out in the PSP (Figure 4.1). Note that not all initiatives require additional resources, and that they may have existing allocations within baselines.

Allocating resources towards policy priorities as set out in the PSP

Figure 4.1 2019 - 2024 Provincial Strategic Plan: Vision Inspired Priorities



■ Safe and Cohesive Communities

Safety is the number one priority for the WCG

The Western Cape Government has allocated an amount totalling R4.047 billion exclusively towards enhancing safety and crime prevention initiatives over the 2020 MTEF. This priority aims to achieve safe and cohesive communities in the Western Cape with a desired impact, over time, of a reduction in violent crime as measured by a decrease in the murder rate. This policy priority will implement an evidence-based and holistic transversal response to violence in the Province with a sense of urgency. In addition, people's perceptions of safety should also improve.

Most WCG departments have been allocated a safety priority

The Western Cape Safety Plan is being rolled-out in priority precincts with an integrated approach to the enhancement of law enforcement and violence prevention, through social, spatial and economic interventions. The Plan further allows for the enhancement of law enforcement capacity in targeted areas and also places a large focus on violence prevention programmes. Most Western Cape Government departments have been allocated a safety priority towards violence prevention. This is to ensure that residents are safe and that children grow up in safe and healthy environments, schools are safe places of learning, neighbourhoods are safe and opportunities are available as an alternative to crime. In delivering on this policy priority a Safety Cabinet has been established, which consists of the Western Cape Government and partners including the City of Cape Town, the South African Police Service (SAPS), the Department of Correctional Services, and the Department of Justice amongst other.

VIP 1 interventions which are unpacked in the Western Cape Safety Plan, have been grouped into three inter-dependent focus areas, namely:

- Enhanced capacity and effectiveness of policing and law enforcement;
- Strengthened youth-at-risk referral pathways and child and family-centered initiatives to reduce violence; and
- Increased social cohesion and safety of public spaces.

Enhanced capacity and effectiveness of policing and law enforcement

The urgent safety concerns in the Western Cape require that law enforcement capacity be enhanced in targeted priority precincts. A key intervention, in partnership with the City of Cape Town, is to fund, train, and deploy additional law enforcement officers and investigators to increase data-driven law enforcement in high crime priority areas. Substantial allocations have been made towards safety programmes. A total of R1.167 billion has been allocated to enhance the capacity of law enforcement in the Province and crime prevention initiatives in support of the Law Enforcement Advancement Programme (LEAP) over the 2020 MTEF. The first 500 of 3 000 law enforcement officers have already been recruited and trained for deployment. A further 500 will be trained and deployed in 2020/21.

Enhancing law enforcement capacity and crime prevention initiatives in the Province

The law enforcement officers will be supported by the effective allocation of police resources through the use of data, evidence and community consultation in Police Needs and Priorities sessions. Court Watching Briefs currently operational in all 42 courts in the Western Cape will enhance its support to the Criminal Justice System by deploying investigating officers to prepare court dockets for prosecution.

The City of Cape Town will support this VIP by supporting the Western Cape Government through providing substantial contributions towards implementing safety enhancement and crime prevention initiatives across the Province over the 2020 MTEF. This support has been underpinned by the Inter-Governmental Relations (IGR) Transfer Payment Agreement (TPA) which has already been approved.

Building on the foundation of the Department of Transport and Public Works' Integrated Transport Hub, a technology-enabled data system will be developed to support a consolidated safety information system to coordinate the data-driven approach. The Department of Transport and Public Works is allocated an additional R120 million over the 2020 MTEF for specialised skills required by provincial traffic services to fully integrate the Transport Hub technology into operations.

Increasing effectiveness of planning, regulation and enforcement through the Transport Hub

The Department of Transport and Public Works also receives an additional R157.315 million over the 2020 MTEF toward the Transport Hub to increase the effectiveness of planning, regulation, enforcement, monitoring and management of transport across the Province through the smart use of information.

The development of technology in the enforcement space will enhance and expand the footprint of existing enforcement operations, which include the eNFORCE system and Operation Jugular to enable the immediate detection of road traffic infringements, contraventions and crime; unroadworthy, unlicensed, and off-route vehicles; cloned number plates; fatigued drivers and vehicles known to be involved in crime. Additional traffic officers and the establishment of a Highway Patrol and Interception Unit will, in addition to improving road safety more broadly, target trafficking associated with the illicit economy and influences of crime. Through the Interception Unit, instant alerts will be sent to handheld devices of officers for rapid response and interception.

Reducing crime affecting tourists

The Western Cape Tourism Safety Strategy and the planned District Rural Safety Plan will improve collaboration on safety in tourism hotspots. To this end, the Department of Economic Development and Tourism is allocated an additional amount of R31.463 million over the 2020 MTEF towards implementing tourism safety initiatives, targeted at reducing crime affecting tourists and improving safety at tourist attractions and tourism businesses such as tour operators, venues and guides.

Strengthened youth-at-risk referral pathways and child and family-centered initiatives to reduce violence

Addressing individual and relational risks of violent crime

Increasing the safety and cohesiveness of communities cannot be developed without addressing individual and relational risk factors of violent crime. The specific interventions focused on the top murder precincts in the Province include a comprehensive First 1000 Days programme by health practitioners, specifically to mothers and caregivers at risk. A child and youth risk reduction strategy to identify, assess and provide psychosocial and specialised social welfare support to children and youth at risk at 95 primary and secondary schools in 11 major crime/murder hotspots in the Province will be developed and implemented.

Deployment of Chrysalis Academy graduates to youth hubs

The Chrysalis Academy is a youth development academy regarded as a flagship project in innovative youth development in the Province. The Chrysalis Academy will focus on student participation from high priority areas in outdoor adventure leadership programmes and deploying graduates to Youth Hubs. Over the 2020 MTEF, the Department of Community Safety is allocated an additional amount of R22.063 million towards the expansion of the Chrysalis programmes.

A key intervention to reduce violence is to address upstream factors such as alcohol and drug abuse. As part of the Western Cape Alcohol-Related Harms Reduction Policy, amendments to the Western Cape Liquor Act will strengthen the Western Cape Liquor Authority's and law enforcement agencies' ability to combat illegal alcohol trading.

As a cross cutting issue, integrated initiatives aimed at reducing the factors contributing to Gender-Based Violence (GBV) will be implemented. GBV initiatives will be implemented 365 days of the year, within designated crime hotspot areas as well as rural areas experiencing high levels of GBV.

Gender-Based Violence initiatives will be implemented 365 days a year

Support will also be provided to municipalities with capacity-building actions on gender mainstreaming. Externally focused initiatives include, amongst other, provision of shelters for victims of violence and human trafficking; trauma support for victims of violence and sexual offences; emotional containment services for victims of sexual offences at Thuthuzela Care Centres and sexual offences court support services. Medical services will be provided to survivors of sexual offences, domestic violence, and human trafficking. R70.563 million has been ringfenced over the 2020 MTEF toward initiatives to address GBV. Compliance with the Domestic Violence Act by the SAPS will also be monitored and GBV will be a key theme in Policing Needs and Priorities reports. Internal initiatives will include support to provincial staff through training in sexual harassment policies and gender mainstreaming.

Increased social cohesion and safety of public spaces

A safe and healthy living environment is a precondition for creating safe and cohesive communities. An expert team will audit strategic areas to identify opportunities for crime prevention. Focus will be placed on Informal Settlements Upgrading Programme which aim to improve access roads, lighting, social amenities, and basic services in crime hotspots. The Western Cape Government will support municipalities with the installation of safety infrastructure. Safe transport infrastructure-focused initiatives, such as increasing the number of rail enforcement officers and additional initiatives to secure the rail network, road traffic enforcement and the Safely Home campaign, will increase safety of road and public transport spaces.

Improving safety on public transport infrastructure

The Safely Home campaign utilises high-impact messaging and communication through multiple media platforms with the aim of changing the behaviour of road users. Additional transport safety initiatives include amongst other: the provision of a 24/7 traffic law enforcement service; focusing law enforcement on driver fitness,

vehicle fitness, pedestrian safety and crime prevention; conducting road safety education and awareness interventions to educate the public on road safety matters; promoting legal compliance through weighing vehicles to minimise road damage; the expansion of Random Breath Testing in conjunction with municipal partners and in alignment with the increasing use of mobile Evidentiary Breath Alcohol Testing units; and the expansion of the District Safety Plans programme in the Central Karoo, Cape Winelands and the Garden Route. Over the 2020 MTEF, R1.362 billion is allocated toward traffic law enforcement within the Department of Transport and Public Works.

Managing safety and security risks through area-based security risk management

The Western Cape Government will also manage its own safety and security risks through an area-based security risk management approach, deployment of Security Support Teams and schools' security perimeter fencing. Schools as a community resource and after school programmes re-oriented to youth-at-risk, along with community-based sports and cultural activities in targeted precincts, will provide safe spaces and build social cohesion. The Western Cape Government will target 2 850 at-risk youth as part of the After School Programme in 2020/21, and 8 000 by 2023.

A school-based violence prevention programme will be implemented to ensure a safe learning environment. The programme includes School Resource Officers that are assigned to schools located in high priority areas on a long-term basis.

Growth and Jobs

Creating an enabling environment to stimulate growth and jobs

By driving competitiveness in the Province, it is envisaged that the Western Cape will become an investment destination of choice due to a more skilled labour force, excellent infrastructure, and improved productivity. R32.402 billion is allocated over the 2020 MTEF toward initiatives supporting this vision. Achieving this impact requires the efforts of all stakeholders in the Western Cape, which includes, local government, national government, the private sector, and households, as well as international partners.

VIP 2 identifies five priority areas for boosting economic development, these are:

- Investment facilitation and promotion;
- Infrastructure development;
- Growing the economy through export growth;
- Creating opportunities for job creation through skills development; and

- Creating an enabling environment for economic growth through resource resilience.

Investment facilitation and promotion

The Western Cape Government aims to position the Province as the most competitive region in Africa and a leading investment destination through investment, promotion and business retention, by removing obstacles to investment, attracting investment through catalytic infrastructure, and securing energy supply within the Province, to support this vision, the Western Cape Government has allocated a total of R899.759 million over the 2020 MTEF.

Positioning the WC as the leading investment destination

Improving the ease of doing business, by reducing red tape has been one of the flagship initiatives in Western Cape Government, by saving businesses more than R1 billion in the previous five-year cycle. The Western Cape Government's role is to improve the business environment and make it easier for enterprises from the smallest township Small Medium and Micro Enterprises (SMMEs) to the largest foreign investors to do business.

The Department of Economic Development and Tourism receives an allocation of R102.184 million over the 2020 MTEF towards upscaling Ease of Doing Business initiatives. Focus will be placed on reducing binding and systemic constraints to investment and cutting red tape across all three spheres of government. This includes supporting municipalities with ease of doing business initiatives and the development of initiatives at a municipal level to ensure appropriate traction for improved regional spread of doing business over the 2020 MTEF. Further, an Ease of Doing Business Index has been developed, and will be introduced to assess and communicate red tape reduction improvements.

Ease of doing business initiatives to be upscaled and "ease of doing business" index to be introduced

Another key intervention is attracting investment in catalytic infrastructure through supporting catalytic infrastructure projects aimed at attracting investment and improving the competitiveness of the economy. Over the 2020 MTEF, the Department of Economic Development and Tourism is allocated an amount of R405.319 million towards the Saldanha Bay Industrial Development Zone (SBIDZ), the Atlantis Special Economic Zone (ASEZ), and Design and Innovation. The funding is allocated to support the development of economic infrastructure that can attract investment, thereby growing the Western Cape economy and creating jobs.

*Promoting and propelling
Tourism Destination
Marketing initiatives*

Over the 2020 MTEF, an additional R55.868 million is allocated to Wesgro, towards promoting and propelling Tourism Destination Marketing initiatives which will contribute towards making the Western Cape a leading tourist destination. These initiatives will contribute to the increased awareness, attractiveness and accessibility of the Province.

Infrastructure development

The Western Cape Government has allocated a total of R27.068 billion over the 2020 MTEF towards the provision of infrastructure, such as roads, rail, ports, and water supply, as a key enabler of economic growth and the advancement economic competitiveness of the Western Cape. While not all of these are directly within the control of the Provincial Government, the Western Cape Government will play an active role in engaging with national government and relevant stakeholders on these issues.

*Infrastructure remains key
to grow the economy
and create jobs*

For those areas that are in our direct control, such as provincial roads, the Western Cape Government will ensure that the budget for infrastructure provision and maintenance is safeguarded despite the challenging fiscal environment. Particular focus will be placed on the maintenance and protection of core provincial infrastructure and investment in resource resilient infrastructure, with a special focus on infrastructure with the greatest service delivery impact and most serious risk of failure. The Department of Transport and Public Works is allocated R26.599 billion over the 2020 MTEF, toward, amongst other, the building and maintenance of infrastructure.

The Department of Transport and Public Works is allocated an additional R121.630 million over the 2020/21 and 2021/22 financial years in support of the improvement of Immoveable Asset Management. The system will provide an integrated and more cost-effective approach in terms of the design and construction process as well as for life-cycle and facility management processes for all Western Cape Government owned properties.

In support of the planning preparation towards the construction of a new facility at 13 Dorp Street in the City of Cape Town, the Department of Transport and Public Works is allocated an additional R20 million over the 2020/21 and 2021/22 financial years. In addition, R47.479 million is allocated for the construction of phase 2 of the office block for Government Motor Transport facility on Rusper Street in Maitland in the City of Cape Town. The Department of Transport and Public Works is also allocated an additional R72.900 million in 2020/21, in relation to the

refurbishment of office accommodation for the Western Cape Department of Education.

Investing in resource resilient infrastructure will enable the private sector to utilise natural resources to its full potential, grow the economy and create additional employment opportunities. Over the 2020 MTEF, the Department of Agriculture will embark on key infrastructure projects in the rural economy that will protect and increase water supply to local farmers and small towns. The Department of Agriculture further receives an allocation of R35.200 million toward canal maintenance in the Matzikama area and increasing the water capacity of the Brandvlei dam. In contributing towards protecting and maintaining the Province's natural assets/resources an additional allocation of R116.590 million is allocated to CapeNature exclusively towards infrastructure upgrades and scheduled maintenance over the 2020 MTEF.

Investing in resource resilient infrastructure

The Western Cape Government will release non-strategic assets that can be better utilised by the private sector, with gains from the release of assets invested in the maintenance or development of our strategic assets. The Western Cape Government will support municipalities to reduce underspending on infrastructure and carry out medium- to long-term planning, as well as with the identification and project preparation of catalytic economic infrastructure that is linked to the respective municipalities' growth and development strategies.

Further detail on building and maintaining infrastructure as well as infrastructure development is contained in the 2020 Overview of Provincial and Municipal Infrastructure Investment publication.

Growing the economy through export growth

The Western Cape Government has allocated R336.694 million over the 2020 MTEF which aim to grow exports and increase competitiveness through new market and product identification and the promotion of products and services to both new and existing markets. This will involve identifying and addressing legislative and regulatory barriers to businesses, driving down the costs of doing business, and the removal of physical export obstacles such as an inefficient port environment. The Western Cape Government will drive this focus area through supporting key tradable sectors, as well as sectors with lagging demand-driven potential, implementing programmes to open markets for Western Cape exporting firms and products, supporting firms to manage export risks, and taking a strategic approach to identifying further opportunities for key export sectors, and assisting with the

Focus on growing exports through supporting key tradable sectors

processes related to the specifications and compliance of products to enter markets successfully.

A total of R254.612 million is allocated towards Wesgro to upscale and propel export growth, trade and investment within the Province over the 2020 MTEF. Focus will be placed on increasing market access and international opportunities, and will support agri-businesses over the MTEF with marketing services. Furthermore, the Africa Trade and Investment Strategy will position the Western Cape as a key trading region for Africa and support the readiness of small and medium enterprises to trade with Africa, through the provision of up-to-date information on doing business in Africa amongst others. Finally, the Provincial Freight Strategy will be supported by the development of a Western Cape Freight Demand Model that provides up-to-date information on freight flows within the Province and between the Western Cape and other provinces.

Positioning the WC as a key trading region for Africa

The Western Cape is responsible for almost half of all South Africa's agriculture and agri-processing exports. The Department of Agriculture will further enhance this competitive advantage by allocating funds toward the expansion and entry into new markets in Africa and China pertaining to the horticulture and table grape industries. An allocation of R16.000 million is made over the 2020 MTEF for this priority.

Creating opportunities for job creation through skills development

The Western Cape Government has allocated a total of R838.388 million over the 2020 MTEF towards initiatives which aim to bridge the current gap between the demand and supply of labour in the Province. The Department of Economic Development and Tourism is allocated a total of R263.799 million over the 2020 MTEF to support youth skills development initiatives, including artisan development, skills for the digital economy, financial and business sector skills, improved quality of maths, science and engineering qualifications, and entrepreneurial skills development.

An additional amount of R94.389 million is allocated over the 2020 MTEF to upscale skills development initiatives in the Province, specifically within the Business Process Outsourcing (BPO) and technology sectors. Key contributions to this over the 2020 MTEF include the development of a Skills Intelligence Report, which will provide an evidence-based foundation for matching the demand for skills with supply, piloting a regional spatial approach to skills

Skills development initiatives to be upscaled

development in the West Coast District, and coordinating with stakeholders and partners with the establishment of a skills fund.

The Department of Agriculture contributes toward this focus area by allocating an amount of R573.989 million over the 2020 MTEF. This includes skills development initiatives in rural areas, through the implementation of the Agricultural Partnership for Youth Development, which is a programme that addresses inequality in education and skills opportunities for rural youth, specifically children of Agri-workers. Within the Commodity structures, extension and advisory services plays an important role in facilitating appropriate skills among black farmers. The Department of Agriculture will deliver the following outputs through its extension and advisory services in 2020/21: 3 900 site visits will be conducted to farmers; 40 projects will receive mentorship support; 80 businesses will be skills audited; and 50 agricultural demonstrations will be facilitated to capacitate farmers. Furthermore, an additional allocation of R20 million is allocated towards infrastructure development in support of black farmers in 2020/21.

Providing skills opportunities for youth in rural areas

These initiatives will further be supported by the implementation of a graduate intern programme and industry intern programme to further support communities through various skills and training programmes. The Western Cape Government will target 2 000 skills development training beneficiaries, 45 learnerships and 20 bursaries per year over the 2020 MTEF, with a particular focus on women, youth and people with disabilities to broaden participation in the agricultural sector. The focus on artisan development and construction-related skills, support emerging contractors with skills development, and work placement of engineering and built environment graduates will continue over the 2020 MTEF.

Creating an enabling environment for economic growth through resource resilience

The Western Cape Government has allocated an amount of R908.360 million over the 2020 MTEF which aims to respond to and mitigate the challenges and impact of climate change and improve the resource resilience of the economy. It will focus its efforts on implementing climate change resilience initiatives, and actively working towards both an energy and water secure Province. Initiatives to secure the energy supply within the Province include helping municipalities to access energy from Independent Power Producers (IPPs), increasing small-scale embedded generation, investing in renewable energy generation in Western Cape Government buildings and supporting and encouraging

Assist municipalities to access energy from IPPs

municipalities to do the same, and fast-tracking efforts to import liquid natural gas through Saldanha Bay and Mossel Bay.

The Department of Economic Development and Tourism is allocated an additional amount of R20 million per year over the 2020 MTEF exclusively towards Green Economy initiatives to support municipalities in accessing energy from Independent Power Producers. In order to expand and improve solar electricity generation at agricultural research farms in the Province. The Department of Agriculture is allocated an amount of R10 million over the 2020 MTEF.

Addressing environmental vulnerability and risks associated with water security and climate change

The Department of Environmental Affairs and Development Planning allocates R46.844 million over the 2020 MTEF towards addressing the Province's environmental vulnerability and risks associated with water security and climate change. The Western Cape Climate Change Response Strategy will be revised in 2020/21, and water quality monitoring and riparian rehabilitation will continue in the Breede and Berg River catchments to improve water security. Furthermore, over the 2020 MTEF, focus will be placed on the implementation of river protection structures such as groynes and weirs to control floods; combat erosion and rehabilitate river banks.

Integrated and coordinated provincial response to the impact of drought

An additional R5 million over the 2020/21 and 2021/22 financial years is allocated to the Department of Local Government towards the development of a 15-year Western Cape Integrated Drought and Water Response Plan. This is aimed at the timeous planning and implementation of interventions to ensure an integrated and coordinated provincial response to the impact of the drought. Moreover, the Department of Agriculture receives an additional allocation of R118 million over the 2020 MTEF will facilitate the clearing of alien vegetation along key catchment areas as well as funding toward the protection of rivers vulnerable to flooding and erosion.

Six Green Economy projects will be supported, and an economic water resilience programme will also be implemented to support businesses to improve their water efficiency. The Western Cape Government will also support the implementation of conservation related agriculture practices.

The Western Cape Government will also concentrate on waste management and the waste economy to support SMMEs to create jobs. In this regard, the Department of Environmental Affairs and Development Planning is allocated an amount of R71.007 million over the 2020 MTEF towards ensuring compliance

towards with Waste management legislation to ensure a safe and hazard free environment.

■ Empowering people

This VIP seeks to equip residents with the skills, capacity, and support to seize their available opportunities and to live a dignified and meaningful life, while giving back to their communities. This policy priority takes a life course approach which recognises the different needs as individuals progress through the life stages. The life course approach prioritises interventions at the critical phases through the focus areas of children and families, education and learning, youth and skills, and health and wellness. The total allocation to this VIP over the 2020 MTEF to strengthen families, providing opportunities for youth development and ensuring quality health and education, among other, is R173.825 billion.

To achieve the impact identified for this VIP priority, four focus areas have been identified that target the key phases of each life stage, these are:

- Children and families;
- Education and learning;
- Youth and skills; and
- Health and wellness.

Children and families

This focus area concentrates on infants from preconception to 2 years, and children aged 2 - 5 addressing the risk factors pertaining to early child malnutrition, a lack of stimulation, poor school readiness, and low family wellbeing. The specific interventions to achieve this are implementing the First 1000 Days programme and increasing access to quality Early Childhood Development (ECD) initiatives, including feeding programmes, while ensuring evidence-based care and services are provided to vulnerable families through family care and support services.

The comprehensive First 1000 Days programme by health practitioners will target increasing the rate of antenatal visits before 20 weeks, so that mothers-to-be receive medical screenings for potential health risks, and increase postnatal visits and immunisation rates. This programme is ultimately aimed at reducing infant mortality and laying a solid foundation for the health and wellbeing of children in the Province, by supporting mothers and caregivers i.e. fathers, grandparents, foster parents etc. to provide

Ramping up the First 1000 Days programme and access to quality ECD

Increasing the rate of antenatal visits before 20 weeks

their babies with adequate nutrition, loving care and opportunities for early learning.

Quality ECD services are key for children to be adequately equipped for the foundation phase of school. Additional funds have been allocated to the Early Childhood Development Grant to increase the subsidy paid for children attending ECD centres from R16 to R17 per child per day and to enable additional children to access ECD services. Over the 2020 MTEF period the number of ECD priority sites, where school readiness is poor, will be increased from 65 to 130. This programme aims to contribute to the improvement of educational and therapeutic outcomes of children. In 2020/21, 20 additional sites will be targeted.

Providing access to residential and day care facilities

Further interventions include the Child Care and Child Protection programme, the Families at-risk support programme and the Child and Youth Care Centres. R790.172 million has been allocated over the 2020 MTEF for the implementation of Child Care and Protection programme, inclusive of the Families at-risk support programme, while an additional R44.218 million has been allocated over the 2020 MTEF for Child and Youth Care Centre operations.

R162.999 million ring-fenced towards services for persons with disabilities

The Department of Social Development is allocated R8.466 billion over the 2020 MTEF to provide much needed social development and welfare services to assist and empower the most vulnerable in communities. Included in this amount is R162.999 million that is ringfenced for services to persons with disabilities, particularly children with profound intellectual disabilities. In addition to providing access to residential and day care facilities, this funding also makes provision for additional specially adapted vehicles to transport children with intellectual disabilities to and from day care centres.

The Western Cape Government has also made provision for R18.000 million over the 2020 MTEF for the establishment and operation of the Office of the Children's Commissioner. The purpose of the Children's Commissioner is to assist the Western Cape Government in promoting and protecting the rights and interests of children.

Education and learning

Education is recognised as the surest path out of poverty. Priorities for the period 2020 - 2025 are, early literacy and numeracy, improving the Province's performance in the national Senior Certificate examinations, and increasing learner retention between Grade 10 and 12 so that as many learners as possible receive a matric pass. R79.403 billion has been allocated to the

Western Cape Education Department (WCED) over the 2020 MTEF to fund quality education for all learners at all schools. This focus on the quality of education afforded to young people in the Province takes a holistic approach toward improving the quality of passes in Grades 3, 6 and 9, and improving the functionality of all schools. This includes offering alternate schools. The WCED will also continue to ensure that learners and teachers are provided with adequate support material as well as the necessary Information Communication Technology (ICT) infrastructure to facilitate eLearning.

Learners aged 5 to 18 years old should be equipped with the necessary academic and socio-emotional skills to thrive in the world of work. This will be supported through the expansion of curriculum options to include more technical, vocational and skills subjects, and an emphasis on socio-emotional skills development, primarily via the Growth Mindset programme within the Transform to Perform Strategy. Literacy outcomes will be supported through the implementation of the Foundation Phase reading strategy and Library Reading initiatives. A comprehensive reading project will be launched in schools in March 2020, while libraries will promote a culture of reading and provide access to reading materials. The new School Evaluation Authority will also oversee all schools and leadership development initiatives, to improve the quality of school accountability, functionality, and support.

Expansion of curriculum options to include more technical vocational and skills subjects

The focus in education is on expanding from STEM (Science, Technology, Engineering, Mathematics) to STEAMAC (Science, Technology, Engineering, Arts, Mathematics, Agriculture, and coding and Cloud computing). This approach adds the key future economic skills of Arts, Agriculture, and Coding and cloud computing as priority subjects.

By providing sanitary products to young girls, the Sanitary Dignity Project promotes sanitary dignity while enabling learners to continue with their education unhindered. R31.530 million has been earmarked for the piloting of this programme in identified rural areas and further roll-out across the Province over the 2020 MTEF.

Youth and skills

Equipping senior school-going youth and post-school youth (aged 15 to 24) with the necessary competencies and opportunities is critical to preparing them for the world of work. R8.5 million per year is allocated over the 2020 MTEF in support of Non-Governmental Organisations (NGOs) in arts and culture sectors to offer upstream interventions that may provide alternate futures for

Youth in Service programme to provide work readiness and skills development

youth and communities. Interventions include the Youth-in-Service programme which provides work readiness and skills development programmes. The programme will be implemented within a norms and standards framework, to ensure quality. The Premier's Advancement of Youth programme will accommodate approximately 1 118 school leavers and provide them will skills development through mentoring, coaching and career guidance, while 4 600 youth service opportunities will be created in the sport and recreation sector over the 2020 MTEF. Further, at-risk youth will be identified and placed in reconnection programmes across the Province.

Focusing on holistic development of in-and-out-of-school youth at low-resourced schools

The After-School Programmes which focuses on the holistic development of in-and out-of-school youth at low-resourced schools will be expanded. The quality and reach will be improved through advocacy, research and capacity building. An additional allocation of R3 million in 2020/21, R3.144 million in 2021/22, and R3.295 million in 2022/23 has been ringfenced for the After School Programme - Youth in Service. This project plans to create 5 500 youth opportunities over 5 years as a pathway into the economy for these youth. Half of these opportunities will be created and linked to after school programmes through the Department of Cultural Affairs and Sport. These programmes will focus on learners at risk, especially boys. The programme is envisaged as a transversal Western Cape Government Programme where sister departments and NGOs will create the other half of youth opportunities.

Health and wellness

Western Cape Department of Health manages about 19 million patient visits per year. The prevention of non-communicable diseases and health care reform is key to the success of achieving health and wellness for communities in the Western Cape. A total of R83.160 billion is allocated to the Department of Health over the 2020 MTEF to provide healthcare services across the public health platform.

Focus on improving wellness and promoting healthy lifestyles

Interventions in the health and wellness focus area include improving wellness through prevention and healthy lifestyle programmes, such as the Western Cape on Wellness (WoW!) initiative and primary and high school sports and recreation programmes. The aim is to increase the participation rate in health and wellness programmes in schools, work places and communities. Access to sports and recreation will be supported through 181 Mass participation, Opportunity and access, Development and growth programme (MOD) centres and the

clustering of 146 neighbourhood schools to support 16 sporting codes.

The Western Cape Government also aims to improve the health system, particularly in terms of management inefficiencies, cultural transformation, staff wellness and the improvement of health technology to reduce the administrative burden. Emergency medical services response time will be elevated as a priority. Directing the strategic development in the public health sector is the Health Care 2030. It intends to enhance the health systems responsiveness to people's needs and expectations; with careful consideration given to person-centredness, integrated care provisioning, continuity of care and the life course approach, and ultimately achieve Universal Health Coverage (UHC).

Enhance health systems responsiveness

By bringing healthcare to people within their communities, the Community Oriented Primary Care (COPC) programme begins to address the unmet need of patients that do not attend the health service. Currently piloting in 4 learning sites within the Cape Metro and 16 learning sites in rural districts, the programme enables Community Health Workers to enhance access to public primary health care services and follow up with patients that default on treatment.

Enhancing access to public primary health care services

■ Mobility and Spatial Transformation

This policy priority has been allocated an amount of R24.624 billion over the 2020 MTEF, to leverage public investments in infrastructure, human settlements, public spaces, and services to heal, connect, integrate, and transform communities while reducing vulnerability to climate change. The Western Cape Government envisions that all residents live in well-connected, vibrant, and sustainable communities and move around efficiently on safe, affordable, low carbon public transport. The focus areas for this VIP are:

- Better linkages between places through public transport and mobility systems that work together;
- Inclusive places of opportunity;
- More opportunities for people to live in better locations; and
- Improving the places where people live.

Better linkages between places through public transport and mobility systems that work together

Public transport is critical to achieving affordable and equitable access to social services, businesses, places of employment and other economic opportunities.

Improving the rail system to improve mobility

A key priority is improving the rail system by getting the Central Rail Line working effectively with a particular focus on infrastructure rehabilitation and increasing the number of trains in partnership with the Passenger Rail Agency of South Africa (PRASA). In addition to supporting rail safety, as summarised under VIP1, the Western Cape Government will also undertake a comprehensive feasibility study in collaboration with the City of Cape Town on the devolution of the rail function from the national sphere of government.

Improving safety standards of the taxi industry

The Western Cape Government also aims to improve the safety standards of the taxi industry and improve road quality for increased road safety. A pilot minibus taxi project will be introduced to use technology to monitor and improve the behaviour of drivers. The Western Cape Government will also invest in infrastructure such as taxi ranks, stops and shelters to improve the experience of commuters. The Department of Transport and Public Works will continue to work with the South African National Taxi Council for a safe, reliable and accessible public transport system for all modes of road based public transport in the Province, considering the challenges brought about by the failing rail system.

Over the 2020 MTEF, priority for the Go George Bus Transit system is to roll-out and stabilise its fourth phase – to Thembaletu, Parkdene, Borchards, Conville and Lawaakamp. The Department of Transport and Public Works is allocated an additional R118.206 million over the 2020 MTEF toward the George Integrated Public Transport Network. Through the Provincial Sustainable Transport Programme (PSTP), local transport systems will be improved in partnership with non-metro municipalities, with a focus on public transport and non-motorised transport (NMT) in poor and marginalised communities.

Inclusive places of opportunity

This focus area is allocated an amount of R7.443 billion over the 2020 MTEF, and seeks to identify growth points within existing cities and towns that can be built up as centres of economic opportunity and inclusion, and bring opportunities closer to people. Specific interventions include transit-oriented developments that are mixed-use, mixed income, and promote

Bringing opportunities closer to the people

densification, such as Conradie Park, Artscape/Founders Garden, and Two Rivers Urban Park within Cape Town, and the Vredenburg Regeneration Precinct and Adam Tas Corridor in Saldanha Bay and Stellenbosch Municipalities, respectively. The Department of Human Settlements is allocated an additional R118.000 million towards bulk infrastructure on the Conradie Park development and R50 million for the provision of bulk services for Forest Village and Kosovo in 2020/21.

The Western Cape Government will also support municipalities to produce spatially-targeted intergovernmental medium term pipelines of transformative built-environment and infrastructure projects defined in their Municipal Spatial Development Frameworks and Capital Expenditure Frameworks. This includes assembling six land parcels for development over the 2020 MTEF period aimed at improved spatial transformation. A master office accommodation plan will be developed with the intent of moving government services closer to the resident and out of leased into owned property.

The Western Cape Government will also direct its built-environment and infrastructure investments to spatially targeted priority regions and work with the District Coordinating Forums of the JDMA to facilitate joint planning and action between provincial departments, municipalities, and other stakeholders. This includes supporting the development of Capital Expenditure Frameworks and Infrastructure Master Plans.

Providing support to municipalities to produce spatially-targeted intergovernmental medium term pipelines

More opportunities for people to live in better locations

The Western Cape Government will be targeting 14 Priority Housing Development Areas for high density, mixed-use, mixed-income, and mixed-tenure developments, this will include 7 catalytic and 15 Provincial Priority Projects with a potential yield of approximately 100 000 housing opportunities by 2024. This includes 4 188 units of various typologies and tenure in Belhar Central Business District (CBD) currently under construction, and 243 Social Housing Rental units that will be constructed in Pine Road, Woodstock.

100 000 housing opportunities by 2024

The Western Cape Government will support the acceleration of Social Housing provision through advocacy, research and planning support with municipalities and Social Housing Partners in the Province. Further, the Department of Human Settlements will provide access to adequate housing for low and low-middle income households using a range of programmes that support both home ownership and affordable rental opportunities. Integrated implementation plans will be compiled for the Priority Development Areas to ensure the inclusion of social and economic amenities in the newly developed human settlements.

Providing access to adequate housing opportunities for low and low-middle income households

The Western Cape Government will use state-owned land and buildings as catalysts for integration and spatial transformation. It will implement a property partnership programme, in collaboration with the national Department of Public Works and Infrastructure, to release key national properties and facilitate land assembly and release of well-located land for inclusive development. The Western Cape Government will develop an inclusionary housing policy framework, provide policy assistance to municipalities, and support the identification of restructuring zones and intergovernmental investment pipelines for land release in municipal Spatial Development Frameworks.

Improving the places where people live

The Western Cape Government has allocated R9.116 billion over the 2020 MTEF towards improving the places where people live across the Province. The Department of Human Settlements is allocated R7.221 billion over the 2020 MTEF to provide access to adequate housing, liveable neighbourhoods and a functional residential property market. Further, the Department will also identify priority development areas aimed at transforming human settlements and providing access to social and economic opportunities within catalytic and provincial priority projects.

Improving places where people live across the Province

Informal Settlement Upgrading remains a priority for the Western Cape Government, with a focus on enhanced access to basic services and the creation of safe, dignified, climate resilient settlements. This includes the connection of 11 781 sites to basic services as part of the Informal Settlement Upgrading programme over the 2020 MTEF.

Creating sustainable economic opportunities for people living in rural areas

The Department of Environmental Affairs and Development Planning is allocated an amount of R1.891 billion over the 2020 MTEF. An amount of R74.933 million is ringfenced to continue the roll out of the Regional Socio-Economic Programme (RSEP) with initiatives in 12 municipalities, increasing to 14 in 2022/23. This programme is aimed at local-level settlement restructuring and urban management. The Western Cape Government will also continue supporting the 16 Rural Development Nodes aimed at creating sustainable economic opportunities for people living in rural areas. Improving and protecting the quality of environmental systems and securing the environment to protect against climate change risks are also important to improving the places where people live. A transversal programme for the implementation of the Western Cape Ecological Infrastructure Investment Framework (EIIIF) will coordinate investment into ecological infrastructure to address key risks such as water, fire, flooding and erosion.

The Department of Local Government has allocated R160.743 million over the 2020 the MTEF toward Disaster Management. An additional R3.500 million is allocated in 2020/21, toward the upgrading and replacement of the audio-visual infrastructure at the Western Cape Disaster Management Centre. This will enable the provision of high quality displays of critical, real-time information during major events or disasters as well as streaming satellite and video feeds such as the Advanced Fire Information System, Geographical Information System, Strategic Surveillance and the Freeway Management System. An additional amount of R31.282 million is further allocated to CapeNature over the 2020 MTEF, to support and strengthen the capacity of the Province to respond to natural disasters such as large-scale fires, floods and drought.

Responding to and preventing natural disasters remains a priority for the WCG

■ Innovation and Culture

The Western Cape Government has allocated an amount of R7.520 billion over the 2020 MTEF towards building on good governance achievements and to replicate these across all spheres of government for the benefit of communities and residents. The Departments of the Premier, Local Government, as well as the Provincial Treasury contribute towards this objective and to further support this priority an additional allocation of R108.507 million has been made over the 2020 MTEF.

Achieving good governance is key for the WCG

Five challenges have been identified that must be addressed and responded to in order to get close to this overall intent. These include an inward focused organisational culture; innovation that exists, but is not fully embedded in the Western Cape Government; limited integration across spheres of government and with external partners; good governance primarily driven by compliance processes; and the innovative and retention capacity of staff is not fully nurtured and developed for our everchanging and complex environment. This VIP focuses on the following:

- Citizen-centric culture;
- Innovation for impact;
- Integrated service delivery; and
- Governance transformation.

Citizen-centric culture

Enabling a citizen-centric culture

The staff of the Western Cape Government will be taken on a culture journey focused on embedding the values of caring, competence, accountability, integrity, innovation and responsiveness. Leadership maturity to grow and sustain the desired culture and enable sustained vision clarity and passion for the purpose of the Western Cape Government will be built through a value-based leadership development programme and a leader-led engagement and communication process. Employees and the Western Cape Government system will be enabled to cultivate the desired culture through living the values of the Western Cape Government, aligning work practices (collaboration, learning, adaptation, innovation) and development of the desired mindsets and competencies. An additional amount of R14.100 million is allocated towards enabling a more citizen-centric culture over the 2020 MTEF.

Assessing and providing an integrated view of organisational culture, resident satisfaction, and employee engagement

Mechanisms to assess and provide an integrated view of organisational culture, resident satisfaction, and employee engagement will be developed and implemented to facilitate alignment of the Western Cape Government service commitment and resident experienced realities. The Western Cape Government will also develop and promote a clear and compelling Western Cape Government brand, supported by an integrated Communication and Engagement Strategy. R45 million is allocated over the 2020 MTEF to support this objective.

Innovation for impact

VIP 5 focuses on using innovation to build a government that is both open and responsive to the needs of its residents. An additional R48.739 million is allocated over the 2020 MTEF to build the capabilities of Western Cape Government staff to innovate through engagement with international thought leaders and institutions, and improving evidence-based methodologies and tools to deliver on the policy priorities of this government and achieve the outcomes of the PSP. A 'Western Cape Exchange' programme, involving cross-departmental and external exchange, will be developed to build internal capacity for innovation in the Western Cape Government. Evaluations will also be conducted on specified interventions that are key to achieving the outcomes of the VIPs with a focus on the use of innovative methods.

Implementation of innovative methodologies to solve complex problems

VIP interventions will also assist with evidence-based programme design and implementation priorities. An additional R25.170 million is allocated over the 2020 MTEF to support a collection of

innovative methodologies focused on improving service delivery. One of these is to further pilot and expand the Problem Driven Iterative Adaptation (PDIA), tested in 2019, in key areas such as the Economic War room and improving conviction rates and mobility. The lessons from the PDIA processes will be mainstreamed in the Western Cape Government over the medium term to embed a solutions and delivery focus methodology.

The Centre for e-Innovation (C-eI) is allocated R3.535 billion over the 2020 MTEF and will drive the optimisation of service delivery in the Western Cape Government through the coordinated implementation of innovative information and communication technologies, solutions and services. This will focus on the delivery of broadband connectivity across the Western Cape, provincial transversal applications and major departmental applications and solutions, and the implementation of broadband and public Wi-Fi initiatives will continue over the 2020 MTEF. Its roll-out is intended to ensure that provincial and local government as well as residents can harness the full benefits of having a robust and world-class broadband infrastructure. It will also continue to support e-Learning in education.

Delivery of Broadband Connectivity across the WC

Integrated service delivery

The Western Cape Government will continue to work collaboratively across spheres of government and with the whole of society towards delivery on these priorities.

The VIPs have also been informed by the City of Cape Town's and the District priorities. To this end, key transversal themes and considerations have been identified. These are:

Joint District and Metro Approach for integrated service delivery

Table 4.1 Key transversal themes

Common across the five districts:	The City of Cape Town
<ul style="list-style-type: none"> ● Citizen interface; ● Climate Change/Water Security; ● Urbanisation/Population Growth; ● Infrastructure; and ● Waste Management. 	<ul style="list-style-type: none"> ● Economy; ● Empowering people; ● Safety; ● Mobility ecosystem, spatial transformation and environment; and ● Governance and innovation.

Source: Western Cape Strategic Plan 2019 - 2024

The Western Cape Government will work with municipalities and national departments in implementing the District Coordination Model through the Joint District and Metro Approach (JDMA) towards greater collective impact.

The implementation of district implementation plans for municipalities as part of the District Development Model will be a key intervention. The Department of Local Government is allocated an additional R6.5 million over the 2020 MTEF to support the implementation of the JDMA. This will be focused on giving effect to integrated service delivery, taking into account the specific context and objectives for the respective year. Intergovernmental relations platforms in the Western Cape and within each District will also be optimised to enhance co-planning, co-budgeting and co-implementation.

Governance transformation

Enhancing governance transformation

Governance transformation, which is allocated a total of R6.565 billion over the 2020 MTEF, will allow for positive change in the lives of residents by promoting cohesion and citizen centricity; building capacity in the public sector by being adaptive, innovative and supportive; and building on integrated management and partnerships that enable the delivery of quality services in a sustainable manner.

Further, in contributing towards governance transformation, the Provincial Treasury is allocated an amount of R1.132 billion over the 2020 MTEF to build the governance gains made in previous financial years while responding to the ever-increasing reality of needing to do more with less. This will be done by building the capacity of individuals, communities, institutions, and systems to adapt, improve, and transform in response to an ever-changing environment.

Driving procurement strategies for increased efficiencies

Data and knowledge management that informs provincial and municipal decision-making will be emphasised. A Provincial Service Delivery Index and Provincial Service Delivery Improvement Plan will be developed and implemented. A review and rationalisation of legislation and institutional policies and procedures will be undertaken to create an enabling environment for service delivery. Commodity procurement strategies that drive efficiencies and enables local economic development for departments and municipalities will be developed, including an e-enabled platform that stores Supply Chain Management (SCM) best practice models, guidelines and information to support continuous improvement in SCM. Over the 2020 MTEF, R31.042 million is allocated to the Department of Local Government and the Provincial Treasury towards strengthening support interventions such as, meeting municipal governance standards, finance, capacity building and training in municipalities for enhanced municipal oversight and governance.

Particular attention will be paid to the citizen-centric focus in departmental risk management and internal audit engagements. The Provincial Internal Control Forum will also be strengthened and fraud and corruption awareness sessions will be facilitated with residents. These will contribute to the ability of the Western Cape Government and municipalities to respond decisively to allegations of fraud, corruption and maladministration. Over the 2020 MTEF, an additional R8.268 million is allocated toward institutionalising and strengthening the forensic investigation unit in the Department of Local Government.

Leveraging data and evidence for the Provincial Strategic Plan

It is recognised that there is a need for government to adopt an approach to generate better evidence and improve evidence use for better planning, budgeting and resource allocation. It is about the Western Cape Government being data-driven and managing data as a strategic asset in order to strengthen the policy and decision-making chain.

A government which is data-driven

To ensure that the PSP policy intent finds traction within delivery, it is accompanied by a Monitoring and Results Framework that allows for the consistent application of common standards for indicators, data sources and interventions that is integral for monitoring delivery, measuring and evaluating results. Each VIP has a set of core outcomes and a set of secondary outcome indicators for each focus area with interventions that requires collective delivery.

WC Monitoring and Results Framework is an integral part of implementing the PSP

To support the PSP implementation, a Data and Evidence Framework (DEF) has been put in place to ensure the better management and use of data and evidence for each VIP. The DEF brings together data and evidence service emanating from the existing Province-wide Data Governance (PWDG).

Talent and staff development

A Future-Fit skills strategy will be implemented that is based on a clear, integrated portfolio of future-required, public sector competencies, both individual and organisational. In this regard, the Department of the Premier is allocated an amount of R130.390 million over the 2020 MTEF. A Talent Retention Strategy, which works innovatively within regulatory limitations, will be implemented. Planning and decision-making on talent management will use integrated workforce analytics and intelligence across the Western Cape Government. The Provincial Training Institute will be reconfigured into a provincial learning and innovation centre that will continue to provide transversal learning

The Provincial Training Institute to be reconfigured into a provincial learning and innovation centre

programmes as well as to provide an innovation facilitation hub. The values, meaning and purpose of the Western Cape Government as an organisation will be embedded in the content and in the way that training is delivered.

The 2020 Provincial Budget

Table 4.2 below depicts the summary of the Western Cape Government's provincial payments and estimates by vote, from 2016/17 to 2022/23.

Table 4.2 Summary of provincial payments and estimates by vote, 2016/17 – 2022/23

Provincial department R'000	Outcome			Main appro- piation 2019/20	Adjusted appro- piation 2019/20	Revised estimate 2019/20	Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				% Change from Revised estimate	2020/21	2019/20	2021/22
1. Department of the Premier	1 342 944	1 358 285	1 450 004	1 571 114	1 582 788	1 582 788	1 688 494	6.68	1 792 924	1 951 516
2. Provincial Parliament	120 745	130 536	138 376	159 094	158 463	158 463	166 600	5.13	175 034	183 340
3. Provincial Treasury	248 001	278 144	303 106	357 353	338 009	336 056	356 932	6.21	379 204	395 534
4. Community Safety	285 919	295 381	335 836	359 301	471 332	471 332	804 056	70.59	749 465	814 688
5. Education	19 301 177	20 566 836	22 112 434	23 669 089	23 650 023	23 650 023	25 049 668	5.92	26 454 572	27 898 565
6. Health	20 078 184	21 496 056	23 043 593	24 757 443	24 852 039	24 957 410	26 251 518	5.19	27 811 055	29 097 782
7. Social Development	1 959 993	2 104 117	2 231 480	2 464 379	2 461 354	2 461 354	2 673 141	8.60	2 828 487	2 964 854
8. Human Settlements	2 244 423	2 682 806	2 352 331	2 463 227	2 684 121	2 684 121	2 413 233	(10.09)	2 369 920	2 438 499
9. Environmental Affairs and Development Planning	537 950	546 028	575 512	639 689	634 759	634 759	620 847	(2.19)	622 928	647 304
10. Transport and Public Works	7 028 708	7 503 620	7 854 308	8 117 512	8 557 588	8 557 588	8 819 297	3.06	8 841 300	8 938 668
11. Agriculture	807 792	866 869	1 108 571	911 131	947 929	947 929	970 556	2.39	980 188	1 022 694
12. Economic Development and Tourism	559 385	399 303	424 396	523 367	511 263	511 263	604 611	18.26	627 124	658 507
13. Cultural Affairs and Sport	723 373	721 011	732 338	820 305	794 450	794 450	886 216	11.55	932 416	976 994
14. Local Government	234 934	343 812	278 361	335 480	319 295	317 975	313 901	(1.28)	321 955	319 195
Total provincial payments and estimates by vote	55 473 528	59 292 804	62 940 646	67 148 484	67 963 413	68 065 511	71 619 070	5.22	74 886 572	78 308 140

Conclusion

The Western Cape Government remains committed to responding to and mitigating service delivery and budgetary risks, through proactively supplying opportunities for economic and socio-economic development. Notable efforts and considerations have been made through the Western Cape Government's extensive integrated policy planning and budgetary processes, to ensure that a sustainable fiscal path is maintained, while ensuring that sufficient resources are allocated to provide for optimal service delivery for all residents of the Province. The 2020 Budget is focused on enhancing safety in the Western Cape, attracting investments, improving health and education outcomes, improving mobility and transportation, spatial patterns, and ensuring good governance.

5

Spatial distribution of provincial expenditure

In brief

- This Chapter should be read in conjunction with the Estimates of Provincial Revenue and Expenditure; and the Overview of Provincial and Municipal Infrastructure Investment publications.
- Particular emphasis is placed on reflecting the impact of provincial budgets in a geographic space and the related benefit to the citizen.
- Based on population dynamics and relative demand for government services, provincial departments will spend R71.619 billion in municipal spaces across the Province in 2020/21.
- Approximately 70 per cent of the Western Cape Government's 2020 MTEF Budget will be spent in the Cape Metro; while the 5 districts make up the remainder.
- The Social sector department's account for 81.1 per cent; Economic sector accounts for 15.0 per cent, while the Governance and Administration sector accounts for 3.5 per cent in 2020/21.

■ Introduction

This Chapter highlights the impacts of the Western Cape Government expenditure in a municipal space. It shows the aggregated budgets of the Western Cape Government departments and entities planned for the Metro, district and local municipalities.

This chapter, together with the Estimates of Provincial Revenue and Expenditure; Overview of Provincial and Municipal Infrastructure Investment publications provides valuable information to inform the municipal planning and interaction with departments and communities on the services planned for their region.

It provides a basis for improved collaboration between Province and municipalities to enhance the combined efforts of the two spheres.

Future publications will also endeavor to include the efforts and resource investment of national departments and entities operating within the Western Cape.

Provincial payments and estimates by metro, district and local municipalities

As highlighted in Table 5.1, the Western Cape Government will spend R71.619 billion in 2020/21, R74.887 billion in 2021/22 and R78.308 billion in 2022/23 across the 30 municipalities.

Table 5.1 Provincial payments and estimates by the Cape Metro, district and local municipalities

Municipalities R'000	Outcome			Medium-term estimate			% Change from Revised estimate			
	Audited	Audited	Audited	Main app- ropriation	Adjusted app- ropriation	Revised estimate	2020/21	2019/20	2021/22	2022/23
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20				
Cape Town Metro	37 941 012	41 183 214	42 532 245	46 114 108	46 833 847	46 897 524	49 915 228	6.43	52 027 230	54 313 823
West Coast Municipalities	3 216 518	3 242 327	3 644 188	3 738 562	3 682 693	3 698 924	3 660 172	(1.05)	3 860 640	4 049 526
Matzikama	349 946	312 925	385 790	424 305	449 410	432 401	437 917	1.28	464 553	488 303
Cederberg	377 356	411 968	425 616	503 068	512 924	504 865	504 068	(0.16)	533 060	560 798
Bergrivier	466 555	461 376	358 879	411 226	416 131	409 557	350 479	(14.42)	367 003	385 594
Saldanha Bay	654 094	769 166	934 383	875 217	820 484	821 908	812 961	(1.09)	858 220	898 441
Swartland	812 751	729 940	881 018	855 858	927 653	900 632	863 596	(4.11)	907 267	951 290
Across wards and municipal projects	555 816	556 952	658 502	668 888	556 091	629 561	691 151	9.78	730 537	765 100
Cape Winelands Municipalities	6 623 782	7 047 861	7 937 798	7 897 553	7 896 146	7 909 675	8 117 679	2.63	8 522 094	8 942 124
Witzenberg	584 733	653 083	744 404	697 079	662 804	664 031	684 427	3.07	724 773	761 411
Drakenstein	1 693 344	1 734 345	2 377 675	2 046 741	2 226 918	2 232 801	2 345 216	5.03	2 465 976	2 589 268
Stellenbosch	1 524 418	1 640 160	1 627 394	1 776 410	1 592 596	1 595 831	1 822 457	14.20	1 877 937	1 964 714
Breede Valley	1 495 485	1 573 666	1 641 013	1 719 618	1 734 746	1 731 191	1 784 752	3.09	1 886 792	1 983 403
Langeberg	762 734	924 397	924 159	956 974	967 191	961 478	742 720	(22.75)	786 827	827 005
Across wards and municipal projects	563 068	522 210	623 153	700 731	711 891	724 343	738 107	1.90	779 789	816 323
Overberg Municipalities	1 938 977	2 010 820	2 175 665	2 461 716	2 504 965	2 514 795	2 740 144	8.96	2 875 508	3 016 715
Theewaterskloof	641 198	727 659	700 773	844 763	862 352	771 414	756 073	(1.99)	796 902	837 471
Overstrand	469 292	487 194	441 538	672 303	696 687	619 527	803 225	29.65	845 275	886 259
Cape Agulhas	246 362	213 729	338 545	277 972	263 559	380 553	398 201	4.64	410 584	430 573
Swellendam	250 398	213 816	322 715	262 576	264 466	356 871	364 574	2.16	382 093	401 115
Across wards and municipal projects	331 727	368 422	372 094	404 102	417 901	386 430	418 071	8.19	440 654	461 297
Garden Route Municipalities	4 981 077	5 071 865	5 744 071	5 796 475	5 881 741	5 876 246	5 995 185	2.02	6 338 075	6 655 485
Kannaland	196 446	152 661	189 928	184 160	186 415	185 587	212 260	14.37	224 163	235 579
Hessequa	370 159	343 877	294 510	319 836	314 670	319 149	324 907	1.80	344 865	362 203
Mossel Bay	556 073	590 442	708 467	818 370	848 926	846 691	792 301	(6.42)	839 299	881 411
George	1 782 844	1 744 457	2 122 088	2 086 217	2 120 053	2 123 680	2 205 045	3.83	2 330 823	2 447 566
Oudtshoorn	714 066	836 635	984 788	874 418	878 912	885 678	910 465	2.80	965 161	1 015 038
Bitou	288 640	217 376	260 313	243 728	248 758	248 093	246 538	(0.63)	256 994	269 853
Knysna	435 176	488 148	516 122	515 763	509 231	515 051	503 901	(2.16)	531 525	558 267
Across wards and municipal projects	637 673	698 269	667 855	753 983	774 776	752 317	799 768	6.31	845 245	885 568
Central Karoo Municipalities	772 162	736 717	906 680	871 583	895 534	900 360	904 285	0.44	953 489	999 612
Laingsburg	88 677	65 415	63 100	83 958	93 925	95 069	69 124	(27.29)	71 481	74 972
Prince Albert	71 543	105 033	138 237	87 640	86 261	87 605	148 305	69.29	153 187	159 752
Beaufort West	426 663	424 739	528 826	523 826	546 038	545 224	533 892	(2.08)	566 967	595 413
Across wards and municipal projects	185 279	141 530	176 517	176 159	169 310	172 462	152 964	(11.31)	161 854	169 475
Unallocated				268 487	268 487	267 987	286 377	6.86	309 536	330 855
Total provincial expenditure by district and local municipality	55 473 528	59 292 804	62 940 647	67 148 484	67 963 413	68 065 511	71 619 070	5.22	74 886 572	78 308 140

Note: Unallocated means not yet allocated to a specific district.

Table 5.1 shows that spending of provincial departments in the City of Cape Town amounts to R49.915 billion in 2020/21, R52.027 billion in 2021/22 and R54.314 billion in 2022/23.

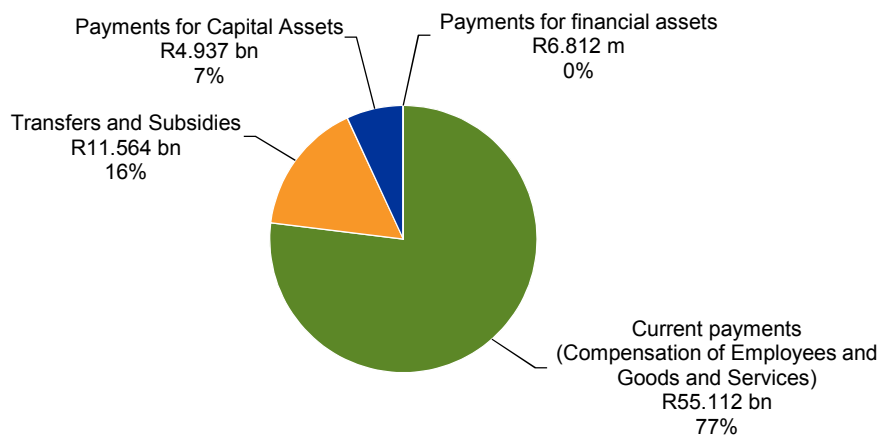
Over the next three financial years, amounts of R21.704 billion in 2020/21, R22.859 billion in 2021/22 and R23.994 billion in 2022/23 will be spent in the five municipal district across the Western Cape.

The 2020/21 provincial expenditure distribution per district is as follows: Cape Winelands (R8.118 billion); West Coast (R3.660 billion); Overberg (R2.740 billion); Garden Route (R5.995 billion) and Central Karoo (R904.285 million).

Provincial expenditures, from an economic classification perspective, are disaggregated into many categories, which include: Current Payments, Transfer Payments and Subsidies, Payment for Financial Assets and Payment for Capital Assets.

Figure 5.1 shows the economic classification of the 2020/21 provincial budget to be spent in municipalities: R55.112 billion or 77 per cent will be spent on the payment of salaries and the procurement of goods and services, while approximately R4.937 billion of social infrastructure delivery (schools, hospitals and other amenities) will add to municipal infrastructure in a particular region.

Figure 5.1 Payments by Economic Classification, 2020/21



Provincial budgets in many of the municipalities include a combination of these expenditures and even though the investment may not be Payment for Capital Assets (building new and maintaining existing schools, hospitals or roads), the economic benefits of the other categories of expenditure such Compensation of Employees and the procurement of Goods and Services within a municipality still benefits local communities.

Figure 5.2 Provincial budget allocation at district level (R' billion and per capita)

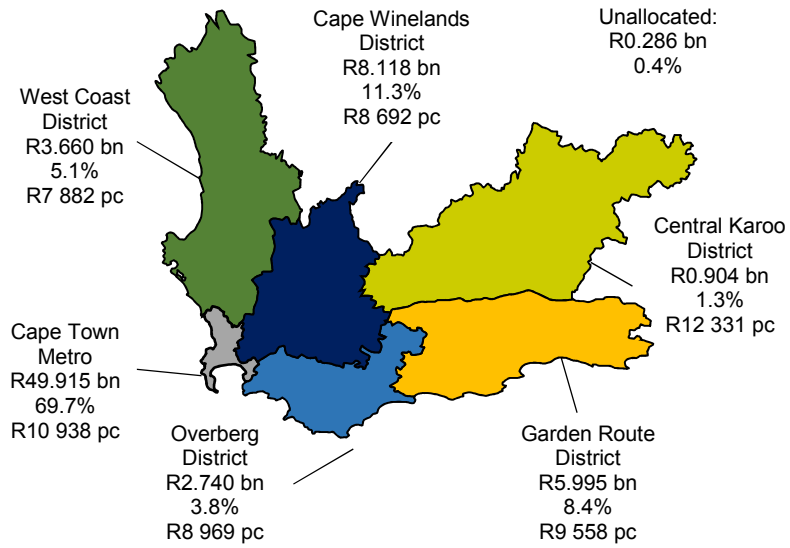


Figure 5.2 shows the spatial distribution of the 2020/21 budget across the Cape Metro and the five districts.

Determinants of the allocation to municipalities are influenced by the priorities and implementation pipelines established over time; the spatial distribution of the population; socio-economic challenges; and the location of sourced service providers.

Cape Winelands District

R8.118 billion to be spent in the Cape Winelands District

The Cape Winelands District (CWD) is the largest regional economy outside of the Cape Metro in the Western Cape and is home to 13.4 per cent of the Western Cape's residents.

The aggregate 2020/21 provincial budget for the CWD amounts to R8.118 billion to accommodate the increased population growth, and in-migration, and the subsequent demand for government services. The District accounts for 15.7 per cent of all provincial expenditure in the Economic sector, 11 per cent in the social sector, and 2 per cent in the Governance and Administration sector.

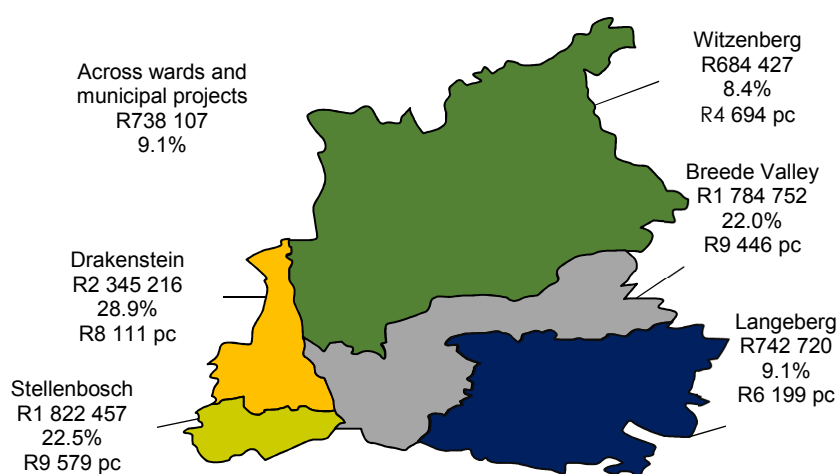
Total provincial expenditure in the District will amount to R8 692 per capita of which R6 836 will be spend in the Social sector, and R1 801 in the Economic sector, while Governanace and Administration amounts to R110 per capita.

Figure 5.3 illustrates that within the Cape Winelands District, the Drakenstein Municipal area will be the recipient of the largest portion of the 2020/21 provincial budget (28.9 per cent) followed by Stellenbosch (22.5 per cent) and Breede Valley (22.0 per cent). Drakenstein will receive provincial transfers of R73.860 million in

2020/21 to assist in the maintenance/construction of proclaimed municipal main roads. Stellenbosch will receive the highest provincial expenditure per capita (R9 579) while Witzenberg will receive the lowest provincial expenditure per capita (R4 694) in 2020/21.

Within this region, the 2020/21 provincial budget for Stellenbosch accounted for the highest increase of 14.2 per cent from the 2019/20 Revised Estimate, while that of Langeberg declines by 22.8 per cent over the same period.

Figure 5.3 Cape Winelands District: 2020/21 Provincial budget distribution local municipal areas (R'000)



Garden Route District

The Garden Route District (GRD) is the second largest district economy of the Western Cape, serving the south eastern parts of the Western Cape, spilling over into the Klein Karoo.

Garden Route District receive R5.995 billion

The aggregate provincial budget for the GRD amounts to R5.995 billion (8.4 per cent) of the provincial budget in 2020/21. After the Central Karoo and Cape Metro, the District will receive the third largest per capita provincial expenditure (R9 558) in the Province of which R8 105 will be spend in the Social sector and R1 432 in the Economic sector in 2020/21.

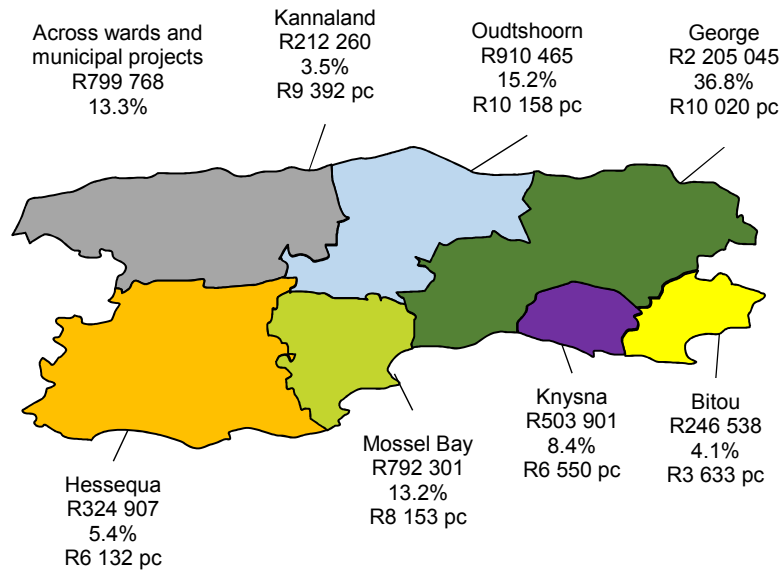
Within the District, Oudtshoorn will receive the highest provincial expenditure per capita (R10 158), whereas Bitou receives the lowest (R3 633) in 2020/21. Bitou has the lowest provincial expenditure per capita of any local municipality in the Western Cape.

Total provincial infrastructure expenditure for the region amounts to R1.080 billion in 2020/21 of which 57 per cent will be spent on roads and public works, and 37 per cent on housing in the region.

The 2020/21 budget will provide for significant shifts in provincial spending from the 2019/20 Revised Estimate in Kannaland (an increase of 14.4 per cent) and Mossel Bay (a decline of 6.4 per cent).

Notable provincial transfers include, R156.696 million in 2020/21 toward the operations of the George Integrated Public Transport Network.

Figure 5.4 Garden Route District: 2020/21 Provincial budget distribution in local municipal areas (R'000)



West Coast District

R3.660 billion to be spent in West Coast

The West Coast District (WCD) has one of the smaller populations, largely dependent on economic contributions from the Agriculture, forestry and fishing sector. Provincial departments will be spending R3.660 billion (or 5.1 per cent) of the 2020/21 provincial budget in the WCD. Within the District, Swartland (23.6 per cent) and Saldanha Bay (22.2 per cent) local municipal areas are allocated the largest share of the 2020/21 provincial budget.

Figure 5.5 illustrates that the District will receive the lowest provincial expenditure per capita (R7 882) in the Western Cape, of which R6 759 will be spend on the Social sector and R1 093 in the Economic sector. Within the District, Cederberg receives the largest provincial expenditure per capita (R8 751), whereas Bergrivier will receive the lowest provincial expenditure at R4 814 per capita.

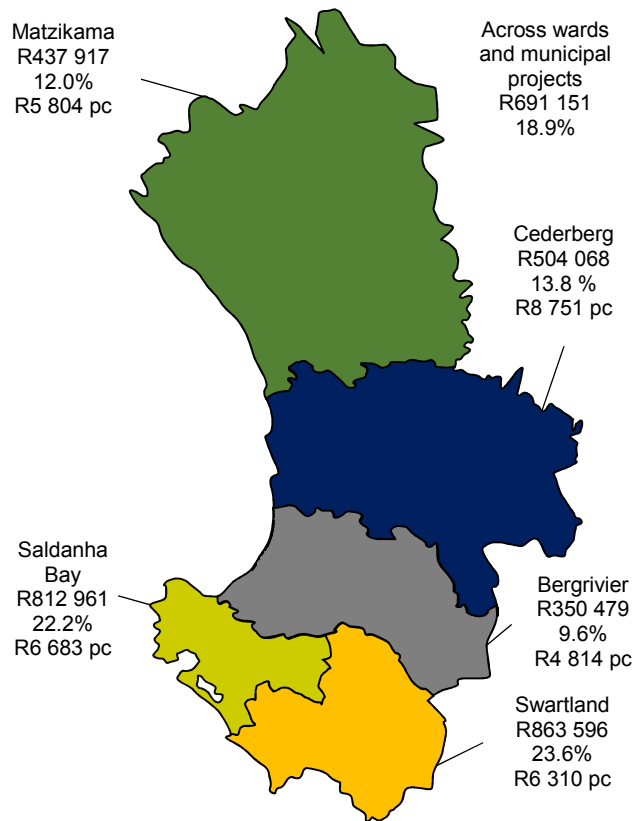
The total provincial infrastructure expenditure in the region is R720.981 million in 2020/21 of which R484.485 million will be spent on

road infrastructure and public works, and R128.427 million on human settlements in the region.

A significant share (18.9 per cent) of the provincial spending within West Coast District spans across wards and municipalities. This is mainly due to the extent of regional operations, projects and programmes of Departments of Health (R273.272 million), Transport and Public Works (R258.098 million) and Social Development (R148.599 million).

The 2020/21 provincial budget within the Bergrivier municipal area drops substantially (14.4 per cent) from the 2019/20 Revised Estimate.

Figure 5.5 West Coast District: 2020/21 Provincial budget in local municipal areas (R'000)



Overberg District

The Western Cape Government departments will be spending R2.740 billion or (3.8 per cent) of the 2020/21 provincial budget in the Overberg District. The District will receive the third largest provincial expenditure per capita (R8 969) in the Province which includes, expenditure of R6 782 in the Social sector and R2 157 in the Economic sector.

R2.740 billion to be spent in the Overberg District

Within Overberg District, Cape Agulhas receives the largest provincial expenditure per capita

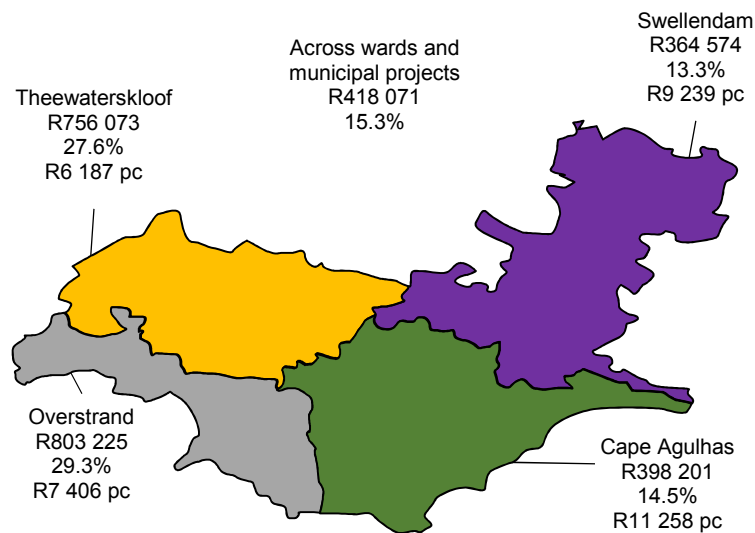
As depicted in Figure 5.6, Cape Agulhas receives the largest provincial expenditure per capita (R11 258), whereas Theewaterskloof will receive the lowest provincial expenditure per capita (R6 187). Cape Agulhas will also receive the largest provincial expenditure per capita of any local municipality in the Province in 2020/21. Provincial transfers to Cape Agulhas includes a Human Settlement Development Grant of R61.371 million over the 2020 MTEF; R10 million in 2020/21 towards the acceleration of housing delivery and a RSEP transfer of R2 million in 2020/21 and R500 000 in 2021/22.

The total provincial expenditure on infrastructure in the region for 2020/21 will be R525.149 million of which R163.315 million will be on housing, R31.331 million on health and R20 million on education infrastructure.

Provincial expenditure in the fastest growing economy in the Western Cape will increase with 9 per cent from the 2019/20 Revised Estimates, the largest increase across the provincial regions over this period.

The increase for the District is largely attributed to the significant increase in spending in Overstrand (29.3 per cent) in 2020/21.

Figure 5.6 Overberg District: 2020/21 Provincial budget in local municipal areas (R'000)



Central Karoo District

Provincial departments will spend an amount of R904.285 million or 1.3 per cent of the total 2020/21 provincial budget in the Central Karoo District (CKD). The CKD will receive the largest provincial expenditure per capita in the Province (R12 331) of which R9 810 will be spent in the Social sector and R2 399 in the Economic sector in 2020/21.

Central Karoo District will receive the largest provincial expenditure per capita in the Province

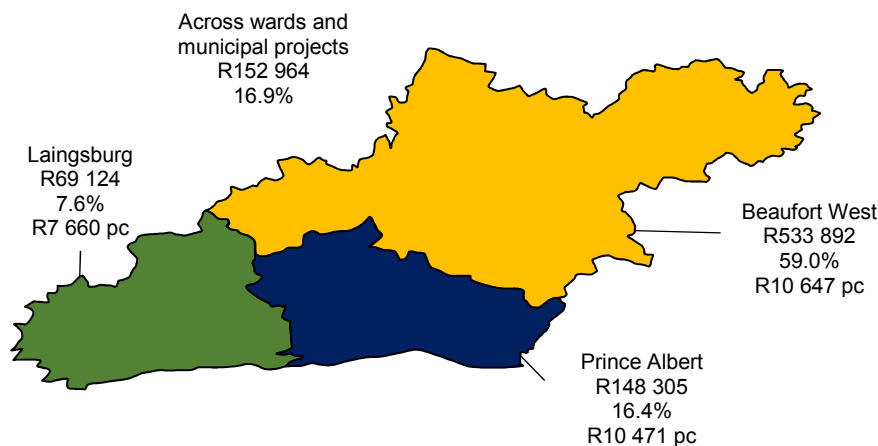
As illustrated in Figure 5.7, Beaufort West is the local municipality with the highest provincial expenditure in the District at R10 647 per capita while Laingsburg will receive the lowest provincial expenditure at R7 660 per capita in 2020/21. None of the local municipalities exceeds the District provincial expenditure per capita due to the substantial portion of provincial expenditure (16.9 per cent) that cuts across municipal boundaries. This is mainly due to the extent of regional operations, projects and programmes of Departments of Health (R92.804 million), Transport and Public Works (R50.231 million) and Social Development (R10.238 million).

Total provincial infrastructure expenditure for the region will amount to R171.915 million in 2020/21 of which R140.309 million will be spent on road transport and public works.

Total provincial infrastructure expenditure for CKD amounts to R171.915 million in 2020/21

The bulk of provincial spending within the District (59.0 per cent) will occur in Beaufort West, the largest town in the region in terms of its economic and demographic profile; followed by Prince Albert (16.4 per cent) and Laingsburg (7.6 per cent).

Figure 5.7 Central Karoo District: 2020/21 Provincial budget in local municipal areas (R'000)



Provincial payments and estimates per sector by district and local municipalities

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

Table 5.2 Summary of provincial payments and estimates per sector by district and local municipality

Cluster estimates R'000	Outcome			Medium-term estimate			% Change from Revised estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19	Main appropriation 2019/20	Adjusted appropriation 2019/20	Revised estimate 2019/20	2020/21	2019/20	2021/22	2022/23
Economic Sector	8 933 835	9 315 820	9 962 787	9 923 212	10 383 052	10 383 552	10 732 934	3.36	10 768 122	10 942 705
Cape Town Metro	4 885 593	5 572 270	5 074 328	5 895 175	6 278 238	6 278 413	6 810 375	8.47	6 715 337	6 706 358
West Coast District	886 592	765 623	930 943	819 168	776 110	776 263	507 696	(34.60)	526 345	550 556
Cape Winelands District	1 650 509	1 659 553	2 174 858	1 679 812	1 721 883	1 721 886	1 681 852	(2.33)	1 708 839	1 782 839
Overberg District	390 824	284 632	337 038	446 990	451 337	451 337	658 855	45.98	692 341	725 045
Garden Route District	942 583	886 183	1 208 193	921 323	992 654	992 821	898 212	(9.53)	944 298	989 308
Central Karoo	177 734	147 559	237 427	160 744	162 830	162 832	175 944	8.05	180 962	188 599
Social Sector	44 593 069	47 866 207	50 808 012	54 533 744	54 913 319	55 018 690	58 073 832	5.55	61 139 797	64 184 995
Cape Town Metro	31 182 381	33 597 421	35 403 211	37 935 182	38 295 044	38 361 032	40 675 612	6.03	42 745 636	44 863 887
West Coast District	2 320 710	2 463 131	2 701 691	2 906 861	2 894 050	2 910 381	3 138 611	7.84	3 320 034	3 485 069
Cape Winelands District	4 933 151	5 340 296	5 715 690	6 166 723	6 124 545	6 138 194	6 384 666	4.02	6 757 423	7 100 327
Overberg District	1 541 547	1 716 481	1 828 121	2 001 857	2 040 759	2 050 662	2 071 889	1.04	2 173 453	2 281 941
Garden Route District	4 028 456	4 170 900	4 503 140	4 855 602	4 869 537	4 864 156	5 083 656	4.51	5 380 034	5 652 491
Central Karoo	586 824	577 978	656 159	667 519	689 384	694 265	719 398	3.62	763 217	801 280
Governance and Administration Sector	1 946 624	2 110 777	2 169 848	2 423 041	2 398 555	2 395 282	2 525 927	5.45	2 669 117	2 849 585
Cape Town Metro	1 873 038	2 013 523	2 054 706	2 283 751	2 260 565	2 258 079	2 429 241	7.58	2 566 257	2 743 578
West Coast District	9 216	13 573	11 554	12 533	12 533	12 280	13 865	12.91	14 261	13 901
Cape Winelands District	40 122	48 012	47 250	51 018	49 718	49 595	51 161	3.16	55 832	58 958
Overberg District	6 606	9 707	10 506	12 869	12 869	12 796	9 400	(26.54)	9 714	9 729
Garden Route District	10 038	14 782	32 738	19 550	19 550	19 269	13 317	(30.89)	13 743	13 686
Central Karoo	7 604	11 180	13 094	43 320	43 320	43 263	8 943	(79.33)	9 310	9 733
Unallocated				268 487	268 487	267 987	286 377	6.86	309 536	330 855
Total payments and estimates per sector	55 473 528	59 292 804	62 940 647	67 148 484	67 963 413	68 065 511	71 619 070	5.22	74 886 572	78 308 140

Note: Unallocated not yet allocated to a specific district.

Social sector accounts for the largest share of the 2020/21 provincial Budget

The Social sector accounts for the largest share (81.1 per cent) of the 2020/21 provincial budget, followed by the Economic sector (15.0 per cent) and Governance and Administrative sector (3.5 per cent).

Within the Economic sector, the Cape Metro will receive 63.7 per cent of the Provincial spending, followed by Cape Winelands (15.7 per cent) and the Garden Route District (8.4 per cent) in 2020/21.

Cape Metro receives the largest portion of Social sector spending

The Cape Metro will also receive the largest portion (70 per cent) of the Social sector spending, followed by the Cape Winelands (11 per cent) and Garden Route (8.8 per cent) in 2020/21. Provincial expenditure in both the Economic and Social sectors are mostly

correlated to the relative size of the population at metro and district level. The Cape Metro's estimated contribution to the Western Cape total population in 2020 is 65.5 per cent, followed by Cape Winelands (13.4 per cent) and the Garden Route (9.0 per cent).

Almost all the spending in the Governance and Administrative sector will be located in the Cape Metro (96.2 per cent) in 2020/21. Population size has therefore a lesser impact on Governance and Administrative sector expenditure.

The Social and Governance and Administration sectors' provincial spending growth will be slightly higher in 2020/21 compared to the 2019/20 Revised Estimate. The Social sector has received the largest increase in the 2020/21 provincial Budget (5.6 per cent), followed by the Governance and Administration sector (5.5 per cent) and Economic sector (3.4 per cent).

The contribution to the increase in provincial spending growth incorporates both the growth and relative size of the budget. It measures the impact of the budget change of the metro or district on the functional sector. The Cape Metro contribution to growth in the 2020/21 budget from the 2019/20 Revised Estimate is 152.3 per cent for the Economic sector, 75.8 per cent for the Social sector and 131 per cent for the Governance and Administration sector. Above 100 per cent contribution to 2020/21 spending growth from the Cape Metro can be attributed to the negative contribution growth rates (lower budgets) for the West Coast (-76.9 per cent), Cape Winelands (-11.5 per cent) and Garden Route (-27.1 per cent) districts in the Economic Sector and Overberg (-2.6 per cent), Garden Route (-4.6 per cent) and Central Karoo (-26.3 per cent) districts in the Governance and Administration sector.

Provincial transfers to local government

Table 5.3 Summary of provincial transfers to local government by category

Vote transfers R'000	Outcome			Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	Medium-term estimate % Change from Revised estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				2020/21	2019/20	2021/22	2022/23
Category A	1 299 708	1 060 728	1 063 716	1 110 671	1 243 488	1 243 488	1 503 855	20.94	1 510 300	1 628 621
Category B	1 249 652	1 308 295	1 527 155	1 419 507	1 843 428	1 843 428	1 502 920	(18.47)	1 450 974	1 273 741
Category C	11 453	16 047	30 744	11 892	17 722	17 726	16 013	(9.66)	16 037	15 994
Unallocated				74 052			45 473		102 536	111 469
Total departmental transfers to local government	2 560 813	2 385 070	2 621 615	2 616 122	3 104 638	3 104 642	3 068 261	(1.17)	3 079 847	3 029 825

Note: Unallocated not yet allocated to a specific district.

The 2020/21 allocations to the different categories of municipalities are evenly spread between the Cape Metro and the Category B municipalities (both at 49.0 per cent), whilst a small fraction will be transferred to the Category C municipalities (0.5 per cent).

The total provincial transfers to municipalities decrease by 1.17 per cent from the 2019/20 Revised Estimate to R3.068 billion in 2020/21. These transfers increase by 0.4 per cent in 2021/22, before decreasing by 1.6 per cent in 2022/23.

Transfers to City of Cape Town includes contributions towards the Law Enforcement Advancement Plan

In 2020/21, the Category A municipality's (i.e. the Cape Town Metro) transfers increase by 20.94 per cent to R1.504 billion from the 2019/20 Revised Estimate of R1.243 billion. Transfers to the City of Cape Town over the 2020 MTEF also include R7.313 million for the establishment and support of a K9 and R1.167 billion for the recruitment, training and deployment of law enforcement officers to serve in the Law Enforcement Advancement Plan (LEAP).

To render comprehensive personal primary health care services in the Cape Metro, the City of Cape Town will receive transfers of R1.076 billion over the 2020 MTEF. Furthermore, to enable the health sector to develop and implement an effective response to HIV/AIDS, TB and STIs, the City of Cape Town will receive R870.850 million over the 2020 MTEF.

Through the Human Settlements Development Grant, the City of Cape Town will receive transfers of R1.133 billion over the 2020 MTEF for the creation of sustainable human settlements that enables an improved quality of household life and enable a resilient, sustainable, quality and inclusive living environment.

City of Cape Town receives R57 million towards rail safety

The City of Cape Town will also receive provincial transfers over the 2020 MTEF linked to persons with special needs (R30 million), rail safety (R57 million) and the Tourism Safety Law Enforcement Unit Project (R35.048 million).

Conversely, the allocation to Category B municipalities decreases by 18.5 per cent from the 2019/20 Revised Estimate of R1.843 billion to R1.503 billion in 2020/21. Included in the R4.228 billion transfers to Category B municipalities over the 2020 MTEF is the Human Settlements Development Grant which will contribute to sustainable human settlements in Category B municipalities with allocations of R2.825 billion over the 2020 MTEF. Provincial transfers will also benefit both the Swartland and Overstrand municipalities with transfers of R6.620 million to each municipality over the 2020 MTEF for establishment and support of K9 units.

Category B municipalities will further benefit through Regional Socio-Economic Projects (RSEP) transfers of R47.170 million over the

2020 MTEF. To financially support municipalities with the maintenance and construction of proclaimed municipal main roads Category B municipalities will receive provincial transfers of R184.380 million over the 2020 MTEF. Included in the provincial transfers to Category B municipalities is an allocation of R246.769 million over the 2020 MTEF to enhance public libraries in the most vulnerable municipalities. In addition, the Community Library Services Grant will contribute R388.591 billion to Category B municipalities over the 2020 MTEF.

Category C municipalities' allocation declined by 9.7 per cent from the 2019/20 Revised Estimate of R17.726 million to R16.013 million in 2020/21. Included in the transfers to Category C municipalities is the Safety Initiative Implementation - Whole of Society Approach (WOSA) which will enable a resilient, sustainable, quality living environment through the operationalisation of a Safety Plan. Allocations of R6.858 million will be made to each of the West Coast, Cape Winelands, Overberg, Garden Route and Central Karoo municipalities over the 2020 MTEF.

A notable portion (R117.552 million or 5.5 per cent) of the transfers to local government is reserved as unallocated for municipal support initiatives by the Provincial Treasury and the Department of Local Government. These allocations will be determined in the 2020 Adjusted Estimates.

The unallocated portion includes the Western Cape Financial Management Support Grant of R15.489 million in 2020/21 to provide financial assistance to municipalities to improve overall financial governance within municipalities.

The provincial expenditure also includes the Western Cape Financial Management Capacity Building Grant of R12.021 million in 2020/21 to develop the municipal financial capacity strategy that enables the attraction, development and retention of financial human capacity. All municipal categories will benefit from the grant.

Conclusion

The provincial departments, based on population dynamics and relative demand for government services will spend a total of R71.619 billion in municipal spaces across the Province. These expenditures are targeted to economic classification items such as Compensation of Employees, Goods and Services (procurement), Transfer payments and Payments for Capital Assets. This chapter provides information and finds concrete mechanisms to achieve optimal synergy and use the consolidated municipal and provincial budget to a geographic area to full value of the citizens.

Annexures

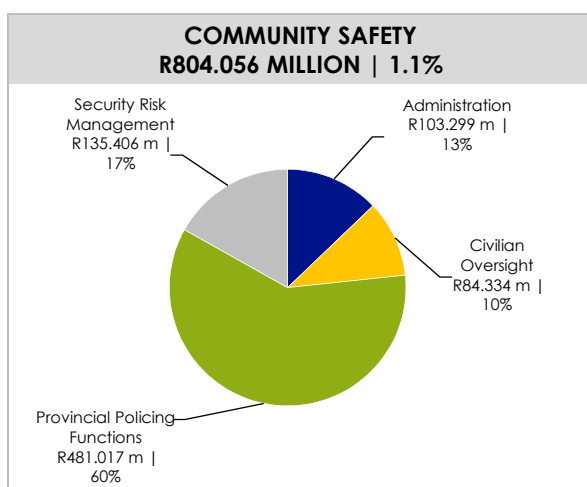
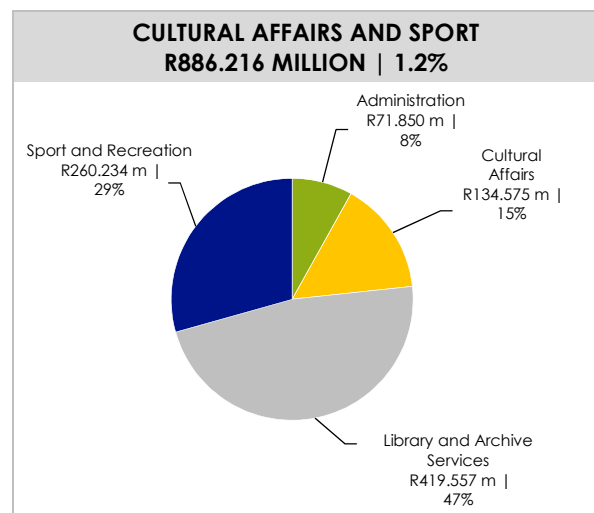
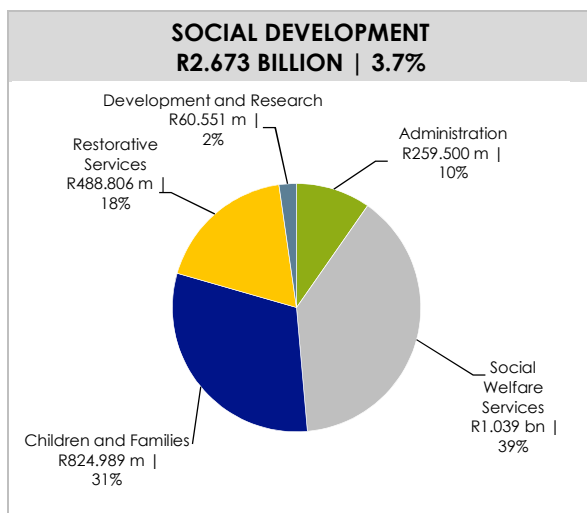
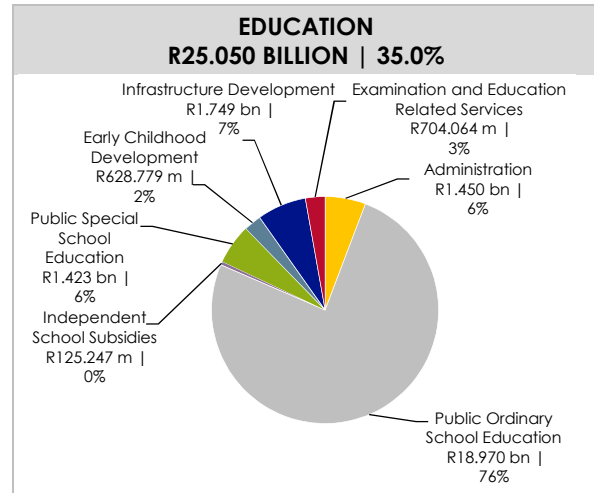
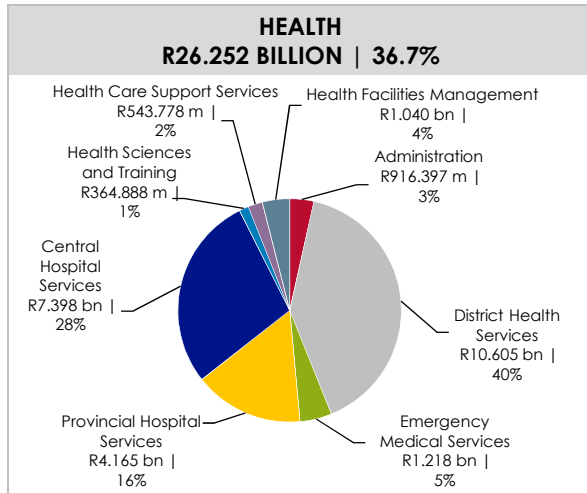
Annexure A: Diagrammatic representation of sector budgets

Annexure B: Additional tables

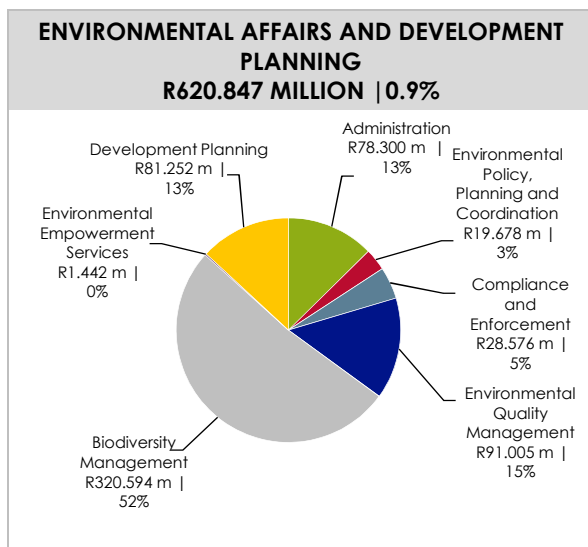
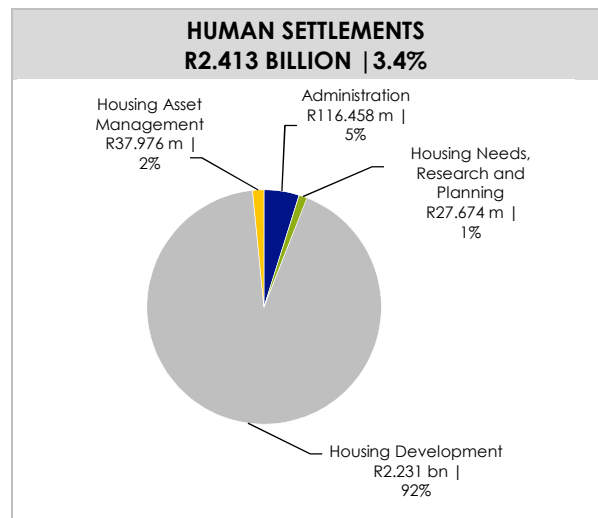
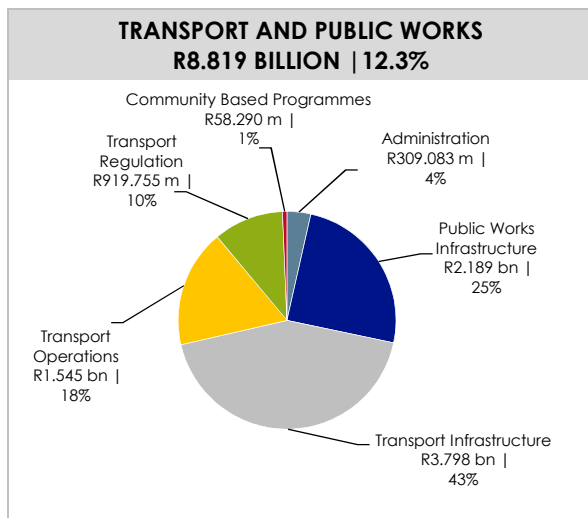
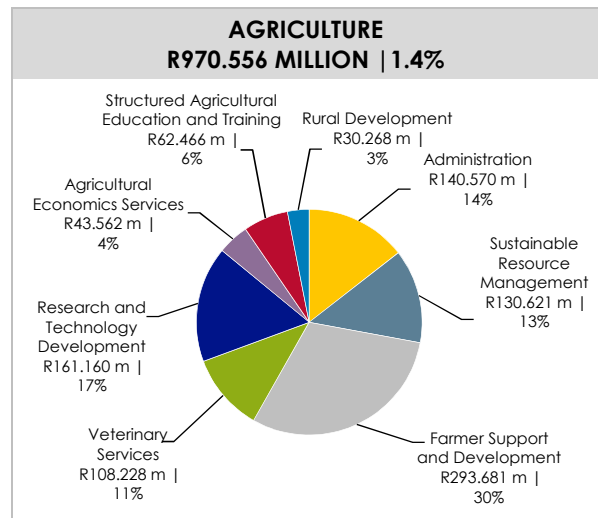
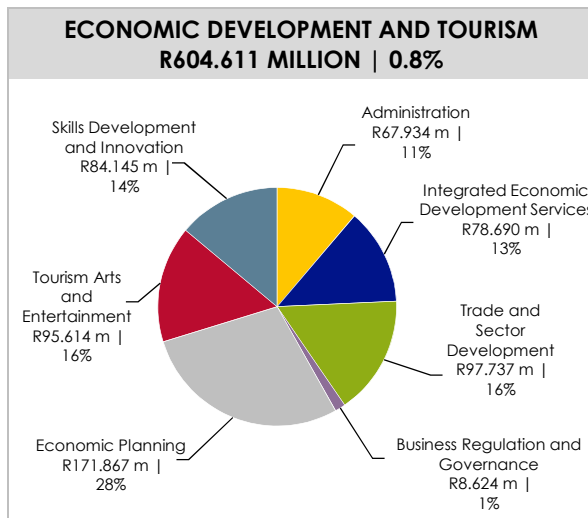
Annexure A

Diagrammatic representation of sector budgets

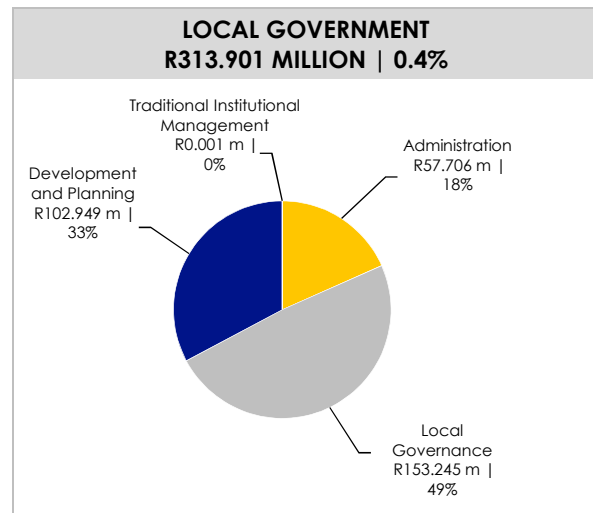
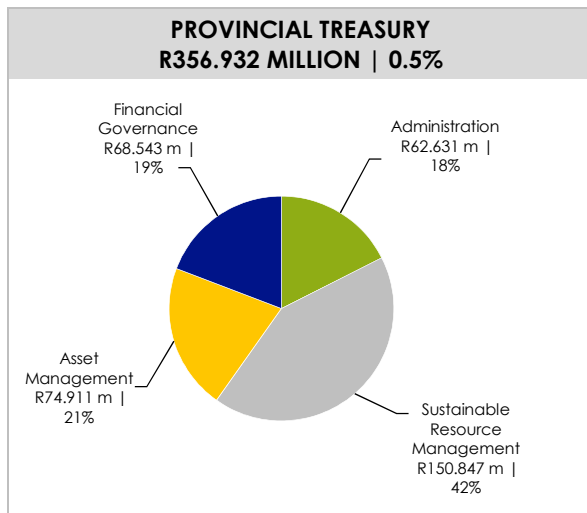
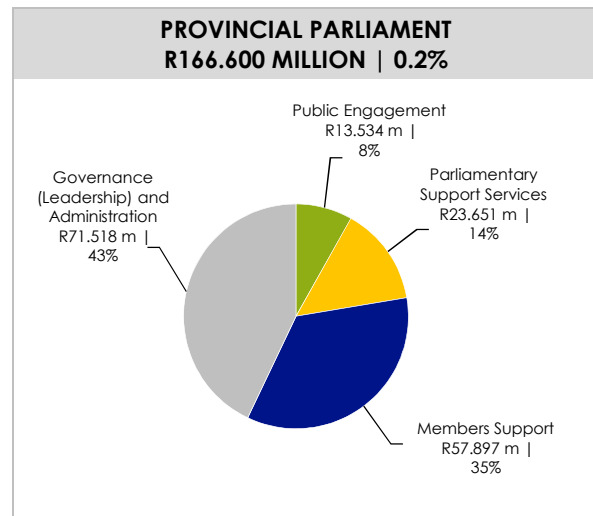
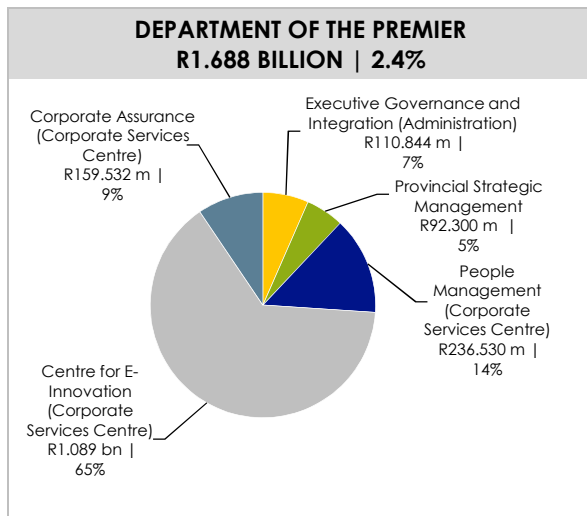
Social sector budget summary, 2020/21



Economic sector budget summary, 2020/21



Governance and Administration sector budget summary, 2020/21



Annexure B

Additional tables

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

Vote and grant R'000	2016/17			2017/18			2018/19			2019/20			Medium-term estimate		
	Main appro- priation	Adjusted appro- priation	Audited outcome	Main appro- priation	Adjusted appro- priation	Audited outcome	Main appro- priation	Adjusted appro- priation	Audited outcome	Main appro- priation	Adjusted appro- priation	Revised estimate	2020/21	2021/22	2022/23
Vote 4: Community Safety	3 144	3 144	3 144	3 328	3 328	3 328	7 957	7 957	7 957	3 920	3 920	3 920	4 961		
Social Sector EPWP Incentive Grant for Provinces	3 144	3 144	3 144	3 328	3 328	3 328	7 957	7 957	7 957	3 920	3 920	3 920	4 961		
Vote 5: Education	1 375 283	1 519 499	1 463 927	1 503 461	1 558 992	1 556 193	1 489 816	1 517 457	1 488 697	1 596 533	1 625 293	1 625 293	1 610 176	1 599 859	1 674 243
Education Infrastructure Grant	992 212	1 134 704	1 079 173	1 093 580	1 149 111	1 149 111	1 021 076	1 046 905	1 021 731	1 109 331	1 134 505	1 134 505	1 091 162	1 082 712	1 133 077
Maths, Science and Technology Grant	27 841	27 841	27 841	30 217	30 217	30 217	32 583	32 583	29 682	34 416	37 317	37 317	35 479	37 474	38 651
HIV and AIDS (Life Skills Education) Grant	18 728	18 728	18 717	20 028	20 028	17 710	20 704	22 043	22 043	21 800	21 800	21 800	19 878	20 758	21 164
Learners with Profound Intellectual Disabilities Grant				11 874	11 874	11 401	25 733	26 206	25 521	26 198	26 883	26 883	28 499	30 176	31 175
National School Nutrition Programme Grant	315 305	317 029	316 999	337 370	337 370	337 363	357 097	357 097	357 097	385 202	385 202	385 202	412 548	428 739	450 176
Social Sector EPWP Incentive Grant for Provinces	18 677	18 677	18 677	8 243	8 243	8 242	30 402	30 402	30 402	17 101	17 101	17 101	20 016		
Expanded Public Works Programme Integrated Grant for Provinces	2 520	2 520	2 520	2 149	2 149	2 149	2 221	2 221	2 221	2 485	2 485	2 485	2 594		
Vote 6: Health	5 181 678	5 246 572	5 244 906	5 485 476	5 485 476	5 447 079	5 857 987	5 896 384	5 896 230	6 497 650	6 538 034	6 538 034	6 907 928	7 304 890	7 634 781
National Tertiary Services Grant	2 706 888	2 706 888	2 706 888	2 876 410	2 876 410	2 876 410	3 049 284	3 049 284	3 049 130	3 221 651	3 221 651	3 221 651	3 426 618	3 560 969	3 704 846
Health Facility Revitalisation	673 472	733 366	733 366	605 786	605 786	567 389	678 829	717 226	717 226	812 626	812 626	812 626	698 793	690 199	729 795
Statutory Human Resources Training and Development Grant	510 716	510 716	510 716	542 700	542 700	542 700	574 177	574 177	574 177	741 618	767 785	767 785	881 370	912 513	946 285
of which:															
Statutory Human Resources Component										135 284	161 451	161 451	245 023	254 558	263 943
Training and Development Component	510 716	510 716	510 716	542 700	542 700	542 700	574 177	574 177	574 177	606 334	606 334	606 334	636 347	657 955	682 342
National Health Insurance Grant	17 337	22 337	20 675							19 510	19 510	19 510	19 480	20 239	20 985
HIV, TB, Malaria and Community Outreach Grant	1 267 209	1 267 209	1 267 206	1 454 773	1 454 773	1 454 773	1 531 535	1 531 535	1 531 535	1 685 517	1 685 517	1 685 517	1 867 472	2 120 970	2 232 870
of which:															
Community Outreach Services Component							96 769	96 769	96 769	112 766	126 392	126 392	179 583	194 535	205 103
HIV and AIDS Component										1 509 757	1 485 031	1 485 031	1 599 596	1 833 285	1 930 080
Tuberculosis Component										62 994	74 094	74 094	66 458	70 114	73 795
Human Papillomavirus Vaccine Component							19 599	19 599	19 599	20 697	15 404	15 404	21 835	23 036	23 892
Social Sector EPWP Incentive Grant for Provinces	3 732	3 732	3 731	3 334	3 334	3 334	2 447	2 447	2 447	13 495	13 495	13 495	12 195		
Expanded Public Works Programme Integrated Grant for Provinces	2 324	2 324	2 324	2 473	2 473	2 473	2 116	2 116	2 116	2 046	2 046	2 046	2 000		
Vote 7: Social Development	9 916	9 916	9 916	47 069	47 069	44 437	53 345	53 345	51 709	40 479	40 479	40 479	87 152	91 285	101 631
Early Childhood Development				19 150	19 150	18 770	38 893	38 893	38 312	40 479	40 479	40 479	87 152	91 285	101 631
of which:															
Subsidy Component				18 578	18 578	18 198	30 925	30 925	30 925	32 655	32 655	32 655	78 802	89 523	99 789
Maintenance Component				572	572	572	7 968	7 968	7 968	7 824	7 824	7 824	8 350	1 762	1 842
Social Worker Employment Grant				11 981	11 981	9 729	12 967	12 967	11 912						
Social Sector EPWP Incentive Grant for Provinces	9 916	9 916	9 916	15 938	15 938	15 938	1 485	1 485	1 485						
Vote 8: Human Settlements	2 004 237	2 004 237	2 004 237	2 230 132	2 330 132	2 330 132	2 072 151	2 156 051	2 072 278	2 141 006	2 326 694	2 326 694	1 978 034	2 034 862	2 115 812
Human Settlements Development Grant	2 000 811	2 000 811	2 000 811	2 226 758	2 326 758	2 326 758	2 018 776	2 018 903	2 018 903	2 073 610	2 172 110	2 172 110	1 907 551	1 577 433	1 631 174
of which:															
Informal Settlements Upgrading Partnership Component													286 133		
Expanded Public Works Programme Integrated Grant for Title Deeds Restoration Grant	3 426	3 426	3 426	3 374	3 374	3 374	3 014	3 014	3 014	2 986	2 986	2 986	2 531		
Provincial Emergency Housing Grant							50 361	50 361	50 361	64 410	64 410	64 410	67 952		
Informal Settlements Upgrading Partnership Grant for Provinces										87 188	87 188	87 188		457 429	484 638

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

Vote and grant R'000	2016/17			2017/18			2018/19			2019/20			Medium-term estimate		
	Main appropriation	Adjusted appropriation	Audited outcome	Main appropriation	Adjusted appropriation	Audited outcome	Main appropriation	Adjusted appropriation	Audited outcome	Main appropriation	Adjusted appropriation	Revised estimate	2020/21	2021/22	2022/23
Vote 9: Environmental Affairs and Development Planning	3 815	3 815	3 815	4 385	4 385	4 385	3 991	3 991	3 991	3 717	3 717	3 717	3 678		
Expanded Public Works Programme Integrated Grant for Provinces	3 815	3 815	3 815	4 385	4 385	4 385	3 991	3 991	3 991	3 717	3 717	3 717	3 678		
Vote 10: Transport and Public Works	1 716 320	1 716 320	1 716 320	1 879 462	1 879 462	1 879 462	1 972 824	1 972 824	1 972 824	2 058 702	2 058 702	2 058 702	2 150 948	2 079 940	2 120 283
Provincial Roads Maintenance Grant	830 729	830 729	830 729	940 089	940 089	940 089	1 007 414	1 007 414	1 007 414	1 040 051	1 040 051	1 040 051	1 067 344	947 296	992 470
Expanded Public Works Programme Integrated Grant for Public Transport Operations Grant	14 691	14 691	14 691	16 452	16 452	16 452	12 586	12 586	12 586	12 469	12 469	12 469	10 008		
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	870 900	870 900	870 900	922 921	922 921	922 921	952 824	952 824	952 824	1 006 182	1 006 182	1 006 182	1 073 596	1 132 644	1 127 813
Vote 11: Agriculture	220 966	220 966	220 966	197 988	237 988	236 363	207 543	458 748	457 326	216 373	208 494	208 494	169 138	180 747	186 640
Land Care Programme Grant: Poverty Relief and Infrastructure Development	4 106	4 106	4 106	4 380	4 380	4 380	4 778	46 678	46 678	5 255	5 255	5 255	5 045	5 451	5 732
Comprehensive Agricultural Support Programme (CASP) Grant	164 199	164 199	164 199	136 197	136 197	134 572	144 949	316 254	314 832	150 261	151 683	151 683	111 555	118 856	122 797
Provincial Infrastructure Disaster Management Grant: Agriculture					40 000	40 000		38 000	38 000						
Ilima/Letsema Projects Grant	50 593	50 593	50 593	55 349	55 349	55 349	55 662	55 662	55 662	58 779	49 478	49 478	50 464	56 440	58 111
Expanded Public Works Programme Integrated Grant for Provinces	2 068	2 068	2 068	2 062	2 062	2 062	2 154	2 154	2 154	2 078	2 078	2 078	2 074		
Vote 13: Cultural Affairs and Sport	233 186	223 952	223 876	228 704	228 704	228 700	238 077	238 077	238 065	250 204	250 204	250 204	278 493	284 377	296 490
Mass Participation and Sport Development Grant	62 199	52 965	52 889	52 707	52 707	52 702	52 843	52 843	52 828	56 064	56 064	56 064	83 491	85 711	87 517
Community Library Services	164 162	164 162	164 162	171 264	171 264	171 264	176 624	176 624	176 624	186 763	186 763	186 763	186 126	198 666	208 973
Expanded Public Works Programme Integrated Grant for Provinces	2 771	2 771	2 771	3 237	3 237	3 238	3 054	3 054	3 057	2 909	2 909	2 909	3 098		
Social Sector EPWP Incentive Grant for Provinces	4 054	4 054	4 054	1 496	1 496	1 496	5 556	5 556	5 556	4 468	4 468	4 468	5 778		
Total Conditional grants	10 748 545	10 948 421	10 891 107	11 580 005	11 775 536	11 730 079	11 903 691	12 304 834	12 189 077	12 808 584	13 055 537	13 056 537	13 190 508	13 575 960	14 129 880

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

Receipts R'000	Outcome			Main appro- piation 2019/20	Adjusted appro- piation 2019/20	Revised estimate 2019/20	Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				% Change from Revised estimate		2020/21	2021/22
Tax receipts	1 433 664	1 572 067	1 684 941	1 617 482	1 617 482	1 693 651	1 867 454	10.26	1 867 454	1 861 914
Casino taxes										
Horse racing taxes										
Other taxes (Liquor licence fees)										
Motor vehicle licences	1 433 664	1 572 067	1 684 941	1 617 482	1 617 482	1 693 651	1 867 454	10.26	1 867 454	1 861 914
Sales of goods and services other than capital assets	629 555	643 527	685 835	589 539	590 380	640 758	618 219	(3.52)	626 969	635 936
Sales of goods and services produced by department (excluding capital assets)	627 366	641 977	683 025	588 632	589 473	639 399	617 319	(3.45)	626 046	634 993
Sales by market establishments	73 962	94 054	87 745	79 515	79 515	77 852	83 605	7.39	88 042	92 128
Administrative fees	49 454	45 660	45 402	35 177	35 177	63 272	34 200	(45.95)	35 702	38 071
Agricultural activities										
Inspection fees	1 143	1 146	1 143	1 400	1 400	1 400	1 464	4.57	1 464	1 464
Licences or permits	42 416	37 369	32 971	26 510	26 510	56 669	27 752	(51.03)	29 253	31 629
Registration	44	1 542	4 583	1 225	1 225	(665)	33	(104.96)	34	27
Request for information	5 851	5 564	6 705	4 700	4 700	5 868	4 951	(15.63)	4 951	4 951
Other		39		1 342	1 342					
Other sales	503 950	502 263	549 878	473 940	474 781	498 275	499 514	0.25	502 302	504 794
<i>of which</i>										
Academic services: Registration, tuition & examination fees	9 079	7 177		8 762	8 762	6 082	10 693	75.81	11 200	11 681
Boarding services	15 862	17 617	12 993	14 303	14 303	13 723	15 762	14.86	16 043	16 301
Commission on insurance	15 138	6 525	6 830	15 802	15 802	15 796	16 603	5.11	17 151	17 716
External examinations										
Health services										
Hospital fees	417 784	410 851	452 026	394 262	394 262	418 747	414 369	(1.05)	414 369	414 369
Laboratory services	3 284	2 119	8	1 850	1 850	1 678	1 856	10.61	1 958	2 046
Lost library books										
Miscellaneous capital receipts										
Parking	12		13							
Rental of buildings, equipment and other services	920	216	64	199	199	162	50	(69.14)	53	55
Sales of goods	12 053	12 533	13 695	10 436	10 456	13 179	10 977	(16.71)	10 995	11 004
Sales of agricultural products	8 834	14 486		13 306	14 101	10 821	12 900	19.21	13 610	14 263
Sport gatherings										
Subsidised motor transport										
Tender documentation	387	37	392	556	556	140	565	303.57	596	598
Trading account surplus										
Tuition fees										
Vehicle repair service	267	240	285	206	206	230	206	(10.43)	206	206
Services rendered	16 855	16 145	11 027	12 916	12 916	16 524	14 030	(15.09)	14 539	14 897
Photocopies and faxes	351	234	57	148	148	179	144	(19.55)	150	156
Replacement: Security cards										
Other	3 124	14 083	52 488	1 194	1 220	1 014	1 359	34.02	1 434	1 503
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	2 189	1 550	2 810	907	907	1 359	900	(33.77)	923	943

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

Receipts R'000	Outcome			Main appro- piation 2019/20	Adjusted appro- piation 2019/20	Revised estimate 2019/20	Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				% Change from Revised estimate		2020/21	2021/22
Transfers received from	118 815	87 988	115 872	35 103	94 918	94 335	36 821	(60.97)	36 071	36 071
Other governmental units	58 397	532	7 174	750	1 529	978	750	(23.31)		
Higher education institutions	29 709	32 468	34 229	34 320	34 320	34 320	36 070	5.10	36 070	36 070
Foreign governments										
International organisations	24 569	51 938	70 816		55 136	55 136		(100.00)		
Public corporations and private enterprises	6 090	3 000		32	3 932	3 900		(100.00)		
Households and non-profit institutions	50	50	3 653	1	1	1	1		1	1
Fines, penalties and forfeits	9 836	6 000	7 025	4 005	3 405	6 891	4 111	(40.34)	4 222	4 010
Interest, dividends and rent on land	29 271	52 736	14 266	4 390	4 380	13 085	4 049	(69.06)	4 176	4 299
Interest	29 211	52 665	14 266	4 390	4 380	13 085	3 777	(71.13)	3 889	3 998
Dividends		6								
Rent on land	60	65					272		287	301
Sales of capital assets	3 760	846	6 905		1	374		(100.00)		
Land and subsoil assets	3 369	475				19		(100.00)		
Other capital assets	391	371	6 905		1	355		(100.00)		
Financial transactions in assets and liabilities	235 053	131 616	355 907	88 937	95 650	193 197	89 722	(53.56)	93 049	95 704
Arrear wages income										
Loan repayments	11 494	17 106	91 142	19 289	19 289	27 901	21 489	(22.98)	22 671	23 759
Recovery of previous year's expenditure	187 361	76 438	235 284	54 929	61 642	146 780	56 921	(61.22)	59 508	61 846
Staff debt	13 176	5 953	6 300	11 765	11 765	13 311	7 511	(43.57)	7 003	6 570
Stale cheques										
Unallocated credits	18 210	3 347	2 911	2 256	2 256	2 557	2 281	(10.79)	2 307	2 334
Cash surpluses	2 223	6 260	3 562	1	1	97	1	(98.97)	1	1
Other	2 589	22 512	16 708	697	697	2 551	1 519	(40.45)	1 559	1 194
Total departmental receipts	2 459 954	2 494 780	2 870 751	2 339 456	2 406 216	2 642 291	2 620 376	(0.83)	2 631 941	2 637 934

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

Economic classification R'000	Outcome			Main appropriation 2019/20	Adjusted appropriation 2019/20	Revised estimate 2019/20	Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				2020/21	% Change from Revised estimate 2019/20	2021/22	2022/23
Current payments	41 422 271	44 539 832	47 427 858	51 427 207	51 648 948	51 725 596	55 111 687	6.55	58 204 111	61 110 480
Compensation of employees	29 405 044	31 507 071	33 826 231	36 847 170	36 763 426	36 778 784	39 548 329	7.53	41 946 012	44 175 216
Salaries and wages	25 778 431	27 630 722	29 694 613	32 286 171	32 193 724	32 245 958	34 667 936	7.51	36 764 374	38 707 369
Social contributions	3 626 613	3 876 349	4 131 618	4 560 999	4 569 702	4 532 826	4 880 393	7.67	5 181 638	5 467 847
Goods and services	12 017 186	13 032 742	13 601 443	14 579 917	14 885 402	14 946 692	15 563 223	4.12	16 257 963	16 935 126
<i>Of which</i>										
Administrative fees	303 329	340 704	363 694	330 260	362 737	363 631	380 792	4.72	380 995	380 563
Advertising	83 817	97 552	97 993	88 601	81 491	82 716	107 784	30.31	110 689	115 377
Minor Assets	101 733	84 008	79 213	128 431	148 173	153 959	116 975	(24.02)	104 303	113 885
Audit cost: External	84 795	90 293	87 945	98 142	101 280	100 807	100 992	0.18	105 235	109 474
Bursaries: Employees	16 884	19 197	20 912	24 127	24 755	24 405	27 745	13.69	28 753	29 907
Catering: Departmental activities	44 733	38 238	42 727	52 729	48 761	49 441	47 114	(4.71)	47 941	49 725
Communication (G&S)	121 326	104 139	98 363	121 923	117 491	106 424	110 470	3.80	114 580	119 336
Computer services	772 199	809 717	927 379	998 916	1 045 858	1 056 254	1 071 179	1.41	1 132 597	1 249 230
Consultants and professional services: Business and advisory services	453 379	623 549	657 888	865 208	879 720	873 769	969 948	11.01	992 054	936 817
Infrastructure and planning	166 134	168 627	196 205	56 831	219 438	229 570	129 476	(43.60)	206 398	262 141
Laboratory services	557 827	658 037	705 889	730 693	731 923	759 316	774 267	1.97	832 813	878 448
Scientific and technological services	76									
Legal costs	46 640	41 376	67 723	64 015	68 666	68 950	68 120	(1.20)	68 553	71 649
Contractors	945 042	1 038 636	1 038 853	1 098 072	1 098 531	1 095 537	1 190 850	8.70	1 246 685	1 308 031
Agency and support/outsourced services	905 919	993 262	1 060 682	1 107 865	1 101 737	1 144 758	1 081 384	(5.54)	1 128 759	1 186 519
Entertainment	601	660	806	3 554	3 184	1 490	1 434	(3.76)	1 469	1 515
Fleet services (including government motor transport)	305 024	314 093	327 167	340 888	342 028	346 584	375 899	8.46	383 793	399 835
Housing										
Inventory: Clothing material and accessories	1 174	1 503	1 226	2 519	2 673	2 714	4 247	56.48	6 440	6 658
Inventory: Farming supplies										
Inventory: Food and food supplies	53 519	51 981	55 881	59 657	58 657	54 664	61 112	11.80	64 583	68 089
Inventory: Learner and teacher support material	122 419	191 313	142 117	205 369	187 064	185 179	193 334	4.40	202 724	212 251
Inventory: Materials and supplies	48 342	15 068	11 664	10 704	12 084	12 600	12 678	0.62	12 922	13 230
Inventory: Medical supplies	1 344 775	1 465 841	1 526 635	1 608 672	1 597 104	1 600 359	1 721 355	7.56	1 830 725	1 933 597
Inventory: Medicine	1 358 040	1 459 321	1 471 997	1 631 526	1 625 842	1 607 609	1 669 652	3.86	1 870 812	1 981 696
Medsas inventory interface						(73)		(100.00)		
Inventory: Other supplies	402 151	477 692	425 326	289 782	408 767	400 824	290 896	(27.43)	306 005	320 121
Consumable supplies	424 882	514 688	520 852	548 219	563 882	571 060	607 807	6.43	627 694	651 553
Consumable: Stationery, printing and office supplies	137 861	140 801	147 082	161 705	165 427	169 283	163 732	(3.28)	170 003	176 907
Operating leases	270 493	267 363	280 215	318 721	316 764	310 922	331 055	6.48	346 786	363 451
Property payments	2 229 050	2 299 865	2 425 375	2 741 046	2 677 813	2 677 152	3 052 420	14.02	2 991 319	3 012 597
Transport provided: Departmental activity	280 671	276 013	317 499	345 560	353 130	353 421	353 925	0.14	370 356	387 633
Travel and subsistence	179 259	189 594	205 829	222 477	221 966	224 965	242 188	7.66	251 398	260 048
Training and development	110 172	112 543	135 349	158 577	156 067	156 387	142 446	(8.91)	151 088	158 412
Operating payments	106 000	106 850	110 528	109 928	109 762	105 755	111 748	5.67	116 918	121 751
Venues and facilities	17 471	16 754	23 213	28 126	25 152	26 324	20 959	(20.38)	21 835	23 092
Rental and hiring	21 449	23 464	27 216	27 074	27 474	29 936	29 240	(2.32)	30 468	31 588
Interest and rent on land	41	19	184	120	120	120	135	12.50	136	138
Interest (Incl. interest on finance leases)	41	19	30			35		(100.00)		
Rent on land			154	120	120	85	135	58.82	136	138

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

Economic classification R'000	Outcome			Main appro- piation 2019/20	Adjusted appro- piation 2019/20	Revised estimate 2019/20	Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				% Change from Revised estimate			
							2020/21	2019/20	2021/22	2022/23
Transfers and subsidies to (Current)	7 053 821	7 292 216	8 010 492	8 206 330	8 517 924	8 525 499	9 300 032	9.08	9 662 647	9 992 843
Provinces and municipalities	1 465 253	1 595 316	1 633 273	1 771 449	1 979 956	1 980 084	2 286 621	15.48	2 273 984	2 369 146
Provinces	3 774	3 998	5 295	4 923	4 924	4 926	4 383	(11.02)	4 517	4 733
Provincial Revenue Funds					1	1		(100.00)		
Provincial agencies and funds	3 774	3 998	5 295	4 923	4 923	4 925	4 383	(11.01)	4 517	4 733
Municipalities	1 461 479	1 591 318	1 627 978	1 766 526	1 975 032	1 975 158	2 282 238	15.55	2 269 467	2 364 413
Municipal bank accounts	1 456 821	1 582 973	1 606 416	1 750 367	1 822 280	1 822 406	1 828 225	0.32	1 884 596	1 929 854
Municipal agencies and funds	4 658	8 345	21 562	16 159	152 752	152 752	454 013	197.22	384 871	434 559
Departmental agencies and accounts	501 790	447 849	496 897	561 988	576 558	576 687	583 223	1.13	596 576	629 821
Social security funds	472	329	282	274	439	439	299	(31.89)	315	331
Departmental agencies (non-business entities)	501 318	447 520	496 615	561 714	576 119	576 248	582 924	1.16	596 261	629 490
Western Cape Gambling and Racing Board	9 908	19 707	26 864	37 092	37 663	37 663	27 744	(26.34)	31 872	33 402
Environmental Commissioner Western Cape Nature Conservation Board	231 406	246 224	252 859	266 916	266 916	266 916	266 651	(0.10)	273 128	283 428
Destination Marketing Organisation Western Cape Trade and Investment Promotion Agency	76 004	77 963	95 350	118 663	131 713	131 713	180 206	36.82	182 425	199 113
Western Cape Cultural Commission	420	1 183	1 506	524	524	524	561	7.06	600	627
Western Cape Liquor Board	36 016	38 370	42 702	42 108	42 108	42 108	42 277	0.40	44 144	45 688
Western Cape Language Committee	242	221	247	258	258	258	279	8.14	279	306
Artscape	190	173	175	175	175	175	183	4.57	196	204
Western Cape Heritage	3 000	1 611	1 736	1 844	1 844	1 844	1 002	(45.66)	1 002	1 097
Sector Education and Training	11 640	12 396	15 103	15 983	15 983	16 053	16 808	4.70	17 676	18 572
Government Motor Trading Account				2 650	353	353		(100.00)		
Saldanha Bay IDZ Licencing Company SOC Limited	130 224	48 155	55 632	74 187	74 187	74 187	42 566	(42.62)	40 054	41 977
Other	2 268	1 517	4 441	1 314	4 395	4 454	4 647	4.33	4 885	5 076
Higher education institutions	940	950	2 300		500	500	1 600	220.00		
Foreign governments and international organisations	429	312	395	299	299	299	295	(1.34)	312	330
Public corporations and private enterprises	1 149 195	1 184 588	1 436 303	1 250 893	1 272 222	1 266 028	1 218 675	(3.74)	1 276 456	1 278 121
Public corporations	236 318	259 066	475 470	211 865	240 287	236 430	127 777	(45.96)	138 597	144 865
Subsidies on products and production (pc)	228 234	77 574	26 951							
Other transfers to public corporations	8 084	181 492	448 519	211 865	240 287	236 430	127 777	(45.96)	138 597	144 865
Private enterprises	912 877	925 522	960 833	1 039 028	1 031 935	1 029 598	1 090 898	5.95	1 137 859	1 133 256
Subsidies on products and production (pe)	30 509									
Other transfers to private enterprises	882 368	925 522	960 833	1 039 028	1 031 935	1 029 598	1 090 898	5.95	1 137 859	1 133 256
Non-profit institutions	3 624 710	3 686 082	4 102 659	4 272 322	4 318 907	4 323 264	4 742 652	9.70	5 026 618	5 204 112
Households	311 504	377 119	338 665	349 379	369 482	378 637	466 966	23.33	488 701	511 313
Social benefits	155 553	157 537	153 577	173 760	192 071	201 079	188 467	(6.27)	195 900	204 241
Other transfers to households	155 951	219 582	185 088	175 619	177 411	177 558	278 499	56.85	292 801	307 072

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

Economic classification R'000	Outcome			Main appro- piation 2019/20	Adjusted appro- piation 2019/20	Revised estimate 2019/20	Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				% Change from Revised estimate 2019/20	2020/21	2021/22	2022/23
Transfers and subsidies to (Capital)	2 059 584	2 617 182	2 198 806	2 244 995	2 437 056	2 425 565	2 263 893	(6.67)	2 171 574	2 192 593
Provinces and municipalities	84 524	161 227	109 619	63 615	117 394	117 394	126 647	7.88	92 248	61 552
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	84 524	161 227	109 619	63 615	117 394	117 394	126 647	7.88	92 248	61 552
Municipal bank accounts	84 524	161 227	109 619	63 615	117 394	117 394	126 647	7.88	92 248	61 552
Municipal agencies and funds										
Departmental agencies and accounts	18 311	27 826	38 072	47 558	47 558	47 558	35 536	(25.28)	39 577	41 477
Social security funds										
Departmental agencies (non-business entities)	18 311	27 826	38 072	47 558	47 558	47 558	35 536	(25.28)	39 577	41 477
Western Cape Gambling and Racing Board										
Environmental Commissioner										
Western Cape Nature Conservation Board	18 311	27 826	37 672	47 558	47 558	47 558	35 536	(25.28)	39 577	41 477
Destination Marketing Organisation										
Western Cape Trade and Investment Promotion Agency										
Western Cape Cultural Commission										
Western Cape Liquor Board										
Western Cape Language Committee										
Artscape										
Western Cape Heritage										
Sector Education and Training										
Government Motor Trading Account										
Saldanha Bay IDZ Licencing Company SOC Limited										
Other			400							
Higher education institutions		10 000	10 209	10 000	10 000	10 000	10 000		5 000	5 000
Foreign governments and international organisations										
Public corporations and private enterprises		1 054								
Public corporations										
Subsidies on products and production (pc)										
Other transfers to public corporations										
Private enterprises		1 054								
Subsidies on products and production (pe)										
Other transfers to private enterprises		1 054								
Non-profit institutions	48 200	135 221	63 274	65 000	36 000	36 000	100 000	177.78	100 000	100 000
Households	1 908 549	2 281 854	1 977 632	2 058 822	2 226 104	2 214 613	1 991 710	(10.07)	1 934 749	1 984 564
Social benefits						5		(100.00)		
Other transfers to households	1 908 549	2 281 854	1 977 632	2 058 822	2 226 104	2 214 608	1 991 710	(10.06)	1 934 749	1 984 564

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

Economic classification R'000	Outcome			Medium-term estimate						
	Audited 2016/17	Audited 2017/18	Audited 2018/19	Main approp- riation 2019/20	Adjusted approp- riation 2019/20	Revised estimate 2019/20	% Change from Revised estimate	2020/21	2021/22	2022/23
Transfers and subsidies to (Total)	9 113 405	9 909 398	10 209 298	10 451 325	10 954 980	10 951 064	11 563 925	5.60	11 834 221	12 185 436
Provinces and municipalities	1 549 777	1 756 543	1 742 892	1 835 064	2 097 350	2 097 478	2 413 268	15.06	2 366 232	2 430 698
Provinces	3 774	3 998	5 295	4 923	4 924	4 926	4 383	(11.02)	4 517	4 733
Provincial Revenue Funds					1	1		(100.00)		
Provincial agencies and funds	3 774	3 998	5 295	4 923	4 923	4 925	4 383	(11.01)	4 517	4 733
Municipalities	1 546 003	1 752 545	1 737 597	1 830 141	2 092 426	2 092 552	2 408 885	15.12	2 361 715	2 425 965
Municipal bank accounts	1 541 345	1 744 200	1 716 035	1 813 982	1 939 674	1 939 800	1 954 872	0.78	1 976 844	1 991 406
Municipal agencies and funds	4 658	8 345	21 562	16 159	152 752	152 752	454 013	197.22	384 871	434 559
Departmental agencies and accounts	520 101	475 675	534 969	609 546	624 116	624 245	618 759	(0.88)	636 153	671 298
Social security funds	472	329	282	274	439	439	299	(31.89)	315	331
Departmental agencies (non-business entities)	519 629	475 346	534 687	609 272	623 677	623 806	618 460	(0.86)	635 838	670 967
Western Cape Gambling and Racing Board	9 908	19 707	26 864	37 092	37 663	37 663	27 744	(26.34)	31 872	33 402
Environmental Commissioner										
Western Cape Nature Conservation Board	249 717	274 050	290 531	314 474	314 474	314 474	302 187	(3.91)	312 705	324 905
Destination Marketing Organisation										
Western Cape Trade and Investment Promotion Agency	76 004	77 963	95 350	118 663	131 713	131 713	180 206	36.82	182 425	199 113
Western Cape Cultural Commission	420	1 183	1 506	524	524	524	561	7.06	600	627
Western Cape Liquor Board	36 016	38 370	42 702	42 108	42 108	42 108	42 277	0.40	44 144	45 688
Western Cape Language Committee	242	221	247	258	258	258	279	8.14	279	306
Artscape	190	173	175	175	175	175	183	4.57	196	204
Western Cape Heritage	3 000	1 611	1 736	1 844	1 844	1 844	1 002	(45.66)	1 002	1 097
Sector Education and Training	11 640	12 396	15 103	15 983	15 983	16 053	16 808	4.70	17 676	18 572
Government Motor Trading Account				2 650	353	353		(100.00)		
Saldanha Bay IDZ Licencing Company SOC Limited	130 224	48 155	55 632	74 187	74 187	74 187	42 566	(42.62)	40 054	41 977
Other	2 268	1 517	4 841	1 314	4 395	4 454	4 647	4.33	4 885	5 076
Higher education institutions	940	10 950	12 509	10 000	10 500	10 500	11 600	10.48	5 000	5 000
Foreign governments and international organisations	429	312	395	299	299	299	295	(1.34)	312	330
Public corporations and private enterprises	1 149 195	1 185 642	1 436 303	1 250 893	1 272 222	1 266 028	1 218 675	(3.74)	1 276 456	1 278 121
Public corporations	236 318	259 066	475 470	211 865	240 287	236 430	127 777	(45.96)	138 597	144 865
Subsidies on products and production (pc)	228 234	77 574	26 951							
Other transfers to public corporations	8 084	181 492	448 519	211 865	240 287	236 430	127 777	(45.96)	138 597	144 865
Private enterprises	912 877	926 576	960 833	1 039 028	1 031 935	1 029 598	1 090 898	5.95	1 137 859	1 133 256
Subsidies on products and production (pe)	30 509									
Other transfers to private enterprises	882 368	926 576	960 833	1 039 028	1 031 935	1 029 598	1 090 898	5.95	1 137 859	1 133 256
Non-profit institutions	3 672 910	3 821 303	4 165 933	4 337 322	4 354 907	4 359 264	4 842 652	11.09	5 126 618	5 304 112
Households	2 220 053	2 658 973	2 316 297	2 408 201	2 595 586	2 593 250	2 458 676	(5.19)	2 423 450	2 495 877
Social benefits	155 553	157 537	153 577	173 760	192 071	201 084	188 467	(6.27)	195 900	204 241
Other transfers to households	2 064 500	2 501 436	2 162 720	2 234 441	2 403 515	2 392 166	2 270 209	(5.10)	2 227 550	2 291 636
Payments for capital assets	4 916 382	4 807 101	5 276 603	5 263 297	5 350 572	5 369 908	4 936 646	(8.07)	4 841 015	5 004 669
Buildings and other fixed structures	4 080 902	3 928 545	4 192 182	4 448 470	4 352 859	4 320 125	4 009 871	(7.18)	4 043 343	4 179 908
Buildings	1 450 770	1 187 467	1 190 842	1 441 168	1 168 903	1 136 444	1 063 950	(6.38)	1 291 296	1 390 051
Other fixed structures	2 630 132	2 741 078	3 001 340	3 007 302	3 183 956	3 183 681	2 945 921	(7.47)	2 752 047	2 789 857
Machinery and equipment	788 721	814 805	1 022 369	782 666	912 357	956 262	888 392	(7.10)	758 742	784 082
Transport equipment	324 588	390 282	373 329	349 616	355 175	365 725	373 629	2.16	387 277	397 921
Other machinery and equipment	464 133	424 523	649 040	433 050	557 182	590 537	514 763	(12.83)	371 465	386 161
Heritage assets										
Specialised military assets										
Biological assets					16	16		(100.00)		
Land and sub-soil assets	11 990	26 110	32 957	7 800	35 959	36 014	8 200	(77.23)	8 650	9 100
Software and other intangible assets	34 769	37 641	29 095	24 361	49 381	57 491	30 183	(47.50)	30 280	31 579
<i>Of which: "Capitalised Goods and services" included in Payments for capital assets</i>										
Payments for financial assets	21 470	36 473	26 887	6 655	8 913	18 943	6 812	(64.04)	7 225	7 555
Total economic classification	55 473 528	59 292 804	62 940 646	67 148 484	67 963 413	68 065 511	71 619 070	5.22	74 886 572	78 308 140

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

Vote R'000	Outcome			Medium-term estimate						
	Audited	Audited	Audited	Main appro- piation	Adjusted appro- piation	Revised estimate	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
1. Department of the Premier	8 456	8 127	4 306	6 651	5 138	5 138	5 788	12.65	5 328	5 454
2. Provincial Parliament	1 261	818	364	792	1 711	1 711	846	(50.56)	888	933
3. Provincial Treasury	1 450	1 430	1 869	2 684	2 643	2 572	2 900	12.75	3 237	3 464
4. Community Safety	2 863	3 240	2 681	3 005	3 005	3 005	3 713	23.56	3 847	6 015
5. Education	146 687	196 697	202 777	222 052	174 123	174 123	153 492	(11.85)	160 647	166 847
6. Health	340 374	339 984	347 138	387 403	385 181	377 740	399 968	5.88	412 794	433 351
7. Social Development	3 398	4 925	1 743	4 668	4 178	4 178	2 375	(43.15)	2 490	2 586
8. Human Settlements	1 620	1 690	1 669	1 410	1 410	1 179	1 478	25.36	1 560	1 635
9. Environmental Affairs and Development Planning	2 318	2 308	2 429	2 541	1 695	1 643	1 890	15.03	1 959	2 155
10. Transport and Public Works	22 958	23 460	31 509	34 086	34 086	34 086	31 876	(6.48)	32 827	34 448
11. Agriculture	7 289	10 704	8 168	9 681	10 311	10 311	21 008	103.74	22 057	22 290
12. Economic Development and Tourism	2 971	2 864	2 105	2 164	2 164	2 164	2 669	23.34	2 244	2 354
13. Cultural Affairs and Sport	1 342	3 103	2 310	3 062	3 062	3 062	3 250	6.14	3 423	3 587
14. Local Government	1 076	1 252	1 245	1 312	815	815	858	5.28	899	941
Total provincial payments on training	544 063	600 602	610 313	681 511	629 522	621 727	632 111	1.67	654 200	686 060

Table B.5 Information on training: Relating to Chapter 3

Description	Outcome			Main appropriation 2019/20	Adjusted appropriation 2019/20	Revised estimate 2019/20	Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				% Change from Revised estimate		2020/21	2019/20
Number of staff	81 855	82 423	84 509	86 051	86 243	86 195	87 513	1.53	87 486	87 084
Number of personnel trained	44 925	44 976	51 462	57 913	60 045	60 004	51 731	(13.79)	60 953	62 920
<i>of which</i>										
Male	15 424	14 019	16 694	22 940	25 130	25 103	17 104	(31.86)	24 394	25 267
Female	29 501	30 957	34 768	34 973	34 915	34 901	34 627	(0.79)	36 559	37 653
Number of training opportunities	34 789	36 746	31 923	35 016	35 296	35 417	35 787	1.05	36 191	36 370
<i>of which</i>										
Tertiary	1 038	917	1 025	1 178	1 241	1 256	1 210	(3.64)	1 224	1 246
Workshops	811	984	1 055	1 028	777	839	854	1.76	873	905
Seminars	366	138	236	245	237	251	253	0.84	263	273
Other	32 574	34 708	29 607	32 565	33 041	33 071	33 470	1.21	33 831	33 946
Number of bursaries offered	2 665	2 555	2 459	2 306	2 311	2 306	2 124	(7.89)	2 441	2 470
Number of interns appointed	2 899	972	1 378	1 946	1 592	1 946	1 620	(16.77)	1 653	1 694
Number of learnerships appointed	2 254	208	2 420	361	287	287	299	4.18	299	302
Number of days spent on training	9 506	16 822	16 700	16 519	17 835	17 973	18 424	2.51	18 809	19 417

Table B.6 Transfers to local government by category and municipality: Information relating to Chapter 5

Municipalities R'000	Outcome			Main appro- piation 2019/20	Adjusted appro- piation 2019/20	Revised estimate 2019/20	Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				% Change from Revised estimate			
							2020/21	2019/20	2021/22	2022/23
Category A	1 299 708	1 060 728	1 063 716	1 110 671	1 243 488	1 243 488	1 503 855	20.94	1 510 300	1 628 621
City of Cape Town	1 299 708	1 060 728	1 063 716	1 110 671	1 243 488	1 243 488	1 503 855	20.94	1 510 300	1 628 621
Category B	1 249 652	1 308 295	1 527 155	1 419 507	1 843 428	1 843 428	1 502 920	(18.47)	1 450 974	1 273 741
Matzikama	39 444	28 831	35 441	27 311	37 742	37 742	27 958	(25.92)	40 204	34 147
Cederberg	24 040	16 935	64 405	23 588	31 375	31 375	18 666	(40.51)	25 191	26 392
Bergrivier	23 121	8 151	12 938	21 914	21 914	21 914	13 985	(36.18)	28 014	30 137
Saldanha Bay	56 469	57 134	66 631	30 466	50 371	50 371	51 503	2.25	45 913	46 553
Swartland	49 795	68 868	68 896	33 684	74 190	74 190	67 096	(9.56)	64 260	73 520
Witzenberg	53 391	45 146	40 290	46 521	48 502	48 502	53 618	10.55	90 743	45 341
Drakenstein	59 979	123 005	176 942	139 836	142 596	142 596	172 519	20.98	117 559	101 224
Stellenbosch	61 245	41 389	76 301	53 697	105 759	105 759	78 230	(26.03)	66 174	69 925
Breede Valley	67 895	101 849	121 583	199 132	119 698	119 698	98 525	(17.69)	90 054	61 101
Langeberg	48 309	53 460	54 075	30 712	27 929	27 929	19 567	(29.94)	48 407	40 767
Theewaterskloof	50 154	70 644	56 585	73 927	78 624	78 624	56 295	(28.40)	50 353	51 341
Overstrand	57 068	86 595	50 996	66 673	126 621	126 621	101 427	(19.90)	107 282	106 736
Cape Agulhas	22 019	46 734	44 472	43 470	68 227	68 227	39 799	(41.67)	27 811	28 012
Swellendam	10 976	11 062	16 371	17 767	25 474	25 474	19 817	(22.21)	8 237	27 524
Kannaland	45 545	19 023	11 528	8 796	19 494	19 494	7 412	(61.98)	9 524	16 555
Hessequa	38 781	20 768	14 608	12 481	12 538	12 538	22 412	78.75	54 907	53 961
Mossel Bay	59 938	20 842	44 454	102 870	131 482	131 482	126 523	(3.77)	134 380	93 897
George	239 444	194 834	212 128	282 345	429 073	429 073	327 000	(23.79)	293 152	229 493
Oudtshoorn	57 349	62 327	63 930	31 146	46 627	46 627	51 750	10.99	39 851	35 034
Bitou	60 003	57 327	97 919	51 611	64 535	64 535	53 047	(17.80)	59 773	65 406
Knysna	65 889	82 652	87 796	81 830	82 442	82 442	66 950	(18.79)	36 587	24 160
Laingsburg	3 215	10 531	5 930	5 511	10 905	10 905	5 964	(45.31)	1 613	1 840
Prince Albert	18 667	24 015	16 545	8 419	16 137	16 137	9 215	(42.90)	2 994	2 247
Beaufort West	36 916	56 173	86 391	25 800	71 173	71 173	13 642	(80.83)	7 991	8 428
Category C	11 453	16 047	30 744	11 892	17 722	17 726	16 013	(9.66)	16 037	15 994
West Coast District Municipality	1 350	3 125	3 445	1 760	2 891	2 891	3 058	5.78	3 839	3 041
Cape Winelands District Municipality	1 175	2 560	3 212	3 706	4 014	4 014	3 476	(13.40)	3 298	3 410
Overberg District Municipality	4 798	2 161	5 359	1 808	2 653	2 657	3 329	25.29	2 419	2 532
Garden Route District Municipality	530	4 450	15 673	2 859	5 800	5 800	3 400	(41.38)	4 158	3 335
Central Karoo District Municipality	3 600	3 751	3 055	1 759	2 364	2 364	2 750	16.33	2 323	3 676
Unallocated ^{Note 1}				74 052			45 473		102 536	111 469
Total transfers to local government	2 560 813	2 385 070	2 621 615	2 616 122	3 104 638	3 104 642	3 068 261	(1.17)	3 079 847	3 029 825
Funds retained by the Department of Human Settlements (not included in the transfers to local government)	468 986	1 063 940	693 752	760 038	639 899	639 899	792 157	23.79	669 723	833 830

Table B.6 Transfers to local government by category and municipality: Information relating to Chapter 5 (continued)

Note 1 Unallocated		2020/21 Allocation (R'000)	2021/22 Allocation (R'000)	2022/23 Allocation (R'000)
Western Cape Financial Management Support Grant	The allocations will be based on the outcomes and recommendations of the Strategic Integrated Municipal Engagement (SIME), Technical Integrated Municipal Engagements (TIME) and Local Government Medium Term Expenditure Committee (LG MTEC) processes. The municipal-specific allocations will be made in the 2020/21 Adjusted Estimates Budget.	15 489	15 880	16 626
Western Cape Municipal Financial Recovery Services Grant	The allocations will be based on the outcomes and recommendations of the Strategic Integrated Municipal Engagement (SIME), Technical Integrated Municipal Engagements (TIME) and Local Government Medium Term Expenditure Committee (LG MTEC) processes. The municipal-specific allocations will be made in the 2020/21 Adjusted Estimates Budget.	4 945	5 167	5 409
Western Cape Financial Management Capacity Building Grant	The municipal specific allocations will be published in the relevant budget year.		12 670	13 265
Western Cape Financial Good Governance Grant	The allocations will be based on the outcomes and recommendations of the Strategic Integrated Municipal Engagement (SIME), Technical Integrated Municipal Engagements (TIME) and Local Government Medium Term Expenditure Committee (LG MTEC) processes. The municipal-specific allocations will be made in the 2020/21 Adjusted Estimates.	10 000	5 250	5 502
Regional Socio-Economic Projects (RSEP) – municipal projects	All project selections have not been finalised for the 2021/22, (R5.510 million) and 2022/23, (R12.260 million) financial years. Municipalities will be selected and amounts allocated based on the performance and readiness of municipalities to implement projects/further projects.		5 510	12 260
Financial assistance to municipalities for maintenance and construction of transport infrastructure	The distribution of the outer year's allocations is dependent on the 20% co-funding by the relevant municipalities. As this has not yet been finalised, provided for in the municipal budgets and approved, it cannot be gazette in the provincial gazette and transferred.		17 000	17 500
Community Library Services Grant	The unallocated allocations still need to be finalised as the national Community Library Services Grant allocation was reduced by the National Treasury.		7 328	6 997
Development of Sport and Recreation facilities	The unallocated amounts are dependent on the final agreement between the Department and the Netball sports federation on how the funds are to be allocated for the Hosting of the Netball World Cup 2023.	4 000	6 118	6 387
Municipal Electrical Master Plan Grant	The allocations in the outer years will be 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.		1 656	1 736
Municipal Drought Relief Grant	The allocations in the outer years will be 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.		10 414	9 908
Municipal Service Delivery and Capacity Building Grant	The allocations in the outer years will be 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. The grant is unallocated at this stage and municipal-specific allocations will be made in the 2020 Adjusted Estimates process.	6 794	10 376	10 470
Western Cape Municipal Interventions Grant	The allocations will be based on the outcomes and recommendations of the annual Intergovernmental Relation 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. The grant is unallocated at this stage and municipal-specific allocations will be made in the 2020 Adjusted Estimates process.	4 245	5 167	5 409
Total		45 473	102 536	111 469

Table B.7 Summary of provincial payments and estimates by policy area

Policy Area R'000	Outcome			Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				Change from Revised estimate 2019/20	2020/21	2021/22	2022/23
General public services	1 946 624	2 110 777	2 169 847	2 423 041	2 398 555	2 395 282	2 525 927	5.45	2 669 117	2 849 585
Public order and safety	285 919	295 381	335 836	359 301	471 332	471 332	804 056	70.59	749 465	814 688
Economic affairs	8 395 885	8 769 792	9 387 275	9 552 010	10 016 780	10 016 780	10 394 464	3.77	10 448 612	10 619 869
Environmental protection	537 950	546 028	575 512	639 689	634 759	634 759	620 847	(2.19)	622 928	647 304
Housing and community amenities	2 244 423	2 682 806	2 352 331	2 463 227	2 684 121	2 684 121	2 413 233	(10.09)	2 369 920	2 438 499
Health	20 078 184	21 496 056	23 043 593	24 757 443	24 852 039	24 957 410	26 251 518	5.19	27 811 055	29 097 782
Recreation, culture and religion	723 373	721 011	732 338	820 305	794 450	794 450	886 216	11.55	932 416	976 994
Education	19 301 177	20 566 836	22 112 434	23 669 089	23 650 023	23 650 023	25 049 668	5.92	26 454 572	27 898 565
Social protection	1 959 993	2 104 117	2 231 480	2 464 379	2 461 354	2 461 354	2 673 141	8.60	2 828 487	2 964 854
Total payments and estimates by policy area	55 473 528	59 292 804	62 940 646	67 148 484	67 963 413	68 065 511	71 619 070	5.22	74 886 572	78 308 140

Table B.8 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 (Corporate Services Centre)
			1.5 Corporate Assurance (Corporate Services Centre)
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	Community Safety	4.1 Administration
			4.2 Civilian Oversight
			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 and Innovation
	Transport and Public Works	10.2 Public Works Infrastructure	
	Agriculture	Agriculture	11.1 Administration
			11.2 Sustainable Resource Management
			11.3 Farmer Support and Development
11.4 Veterinary Services			
11.5 Research and Technology Development Services			
11.6 Agricultural Economics Services			
11.7 Structured Agricultural Education and Training			
11.8 Rural Development			
Transport	Transport and Public Works	10.1 Administration	
		10.3 Transport Infrastructure	
		10.4 Transport Operations	
		10.5 Transport Regulation	
		10.6 Community Based Programmes	
		12.6 Tourism Arts and Entertainment	
Communication	Economic Development and Tourism		

Table B.8 Payments: Summary by policy area (continued)

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 Management
			9.6 Environmental Empowerment Services
			9.7 Development Planning
Housing and Community Amenities	Housing Development	Human Settlements	8.1 Administration
			8.2 Housing Needs, Research and Planning
			8.3 Housing Development
			8.4 Housing Asset Management
Health	Health n.e.c	Health	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	Cultural Affairs and Sport	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 Independent School Subsidies
	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 B.9 Details of provincial payments and estimates by policy area

GFS function R'000	Outcome			Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	Medium-term estimate		
	Audited 2016/17	Audited 2017/18	Audited 2018/19				2020/21	2021/22	2022/23
FUNCTION - GENERAL PUBLIC SERVICES									
Category - Legislative									
Department of the Premier (Programme 1.1)	93 764	101 449	112 196	109 591	106 875	106 875	110 844	116 807	123 636
Provincial Parliament (Vote 2)	120 745	130 536	138 376	159 094	158 463	158 463	166 600	175 034	183 340
Total for Category - Legislative	214 509	231 985	250 572	268 685	265 338	265 338	277 444	291 841	306 976
Category - Financial and fiscal affairs									
Department of Provincial Treasury (Vote 3)	248 001	278 144	303 106	357 353	338 009	336 056	356 932	379 204	395 534
Total for Category - Financial and fiscal affairs	248 001	278 144	303 106	357 353	338 009	336 056	356 932	379 204	395 534
Category - General services									
Department of the Premier (Programme 1.2 to 1.5)	1 249 180	1 256 836	1 337 808	1 461 523	1 475 913	1 475 913	1 577 650	1 676 117	1 827 880
Department of Local Government (Vote 14)	234 934	343 812	278 361	335 480	319 295	317 975	313 901	321 955	319 195
Total for Category - General services	1 484 114	1 600 648	1 616 169	1 797 003	1 795 208	1 793 888	1 891 551	1 998 072	2 147 075
TOTAL FOR FUNCTION - GENERAL PUBLIC SERVICES	1 946 624	2 110 777	2 169 847	2 423 041	2 398 555	2 395 282	2 525 927	2 669 117	2 849 585
FUNCTION - PUBLIC ORDER AND SAFETY									
Category - Police services									
Department of Community Safety (Vote 4)	285 919	295 381	335 836	359 301	471 332	471 332	804 056	749 465	814 688
Total for Category - Police services	285 919	295 381	335 836	359 301	471 332	471 332	804 056	749 465	814 688
TOTAL FOR FUNCTION - PUBLIC ORDER AND SAFETY	285 919	295 381	335 836	359 301	471 332	471 332	804 056	749 465	814 688
FUNCTION - ECONOMIC AFFAIRS									
Category - General economic affairs									
Department of Economic Development and Tourism (Vote 12 excluding 12.6)	510 044	345 906	365 057	463 213	451 121	451 121	508 997	527 468	550 769
Department of Transport and Public Works (Programme 10.2)	1 696 286	1 842 558	1 910 819	1 993 462	2 170 242	2 170 242	2 189 118	2 134 176	2 181 640
TOTAL FOR FUNCTION - General economic affairs	2 206 330	2 188 464	2 275 876	2 456 675	2 621 363	2 621 363	2 698 115	2 661 644	2 732 409

Table B.9 Details of provincial payments and estimates by policy area (continued)

GFS function R'000	Outcome			Main appro- piation 2019/20	Adjusted appro- piation 2019/20	Revised estimate 2019/20	Medium-term estimate		
	Audited 2016/17	Audited 2017/18	Audited 2018/19				2020/21	2021/22	2022/23
Category - Agriculture									
Department of Agriculture (Vote 11)	807 792	866 869	1 108 571	911 131	947 929	947 929	970 556	980 188	1 022 694
Total for Category - Agriculture	807 792	866 869	1 108 571	911 131	947 929	947 929	970 556	980 188	1 022 694
Category - Transport									
Department of Transport and Public Works (Programmes 10.1, 10.3 to 10.6)	5 332 422	5 661 062	5 943 489	6 124 050	6 387 346	6 387 346	6 630 179	6 707 124	6 757 028
Total for Category - Transport	5 332 422	5 661 062	5 943 489	6 124 050	6 387 346	6 387 346	6 630 179	6 707 124	6 757 028
Category - Communication									
Department of Economic Development and Tourism (Programme 12.6)	49 341	53 397	59 339	60 154	60 142	60 142	95 614	99 656	107 738
Total for Category - Communication	49 341	53 397	59 339	60 154	60 142	60 142	95 614	99 656	107 738
TOTAL FOR FUNCTION - ECONOMIC AFFAIRS	8 395 885	8 769 792	9 387 275	9 552 010	10 016 780	10 016 780	10 394 464	10 448 612	10 619 869
FUNCTION - ENVIRONMENTAL PROTECTION									
Category - Environmental protection									
Department of Environmental Affairs and Development Planning (Vote 9)	537 950	546 028	575 512	639 689	634 759	634 759	620 847	622 928	647 304
Total for Category - Environmental protection	537 950	546 028	575 512	639 689	634 759	634 759	620 847	622 928	647 304
TOTAL FOR FUNCTION - ENVIRONMENTAL PROTECTION	537 950	546 028	575 512	639 689	634 759	634 759	620 847	622 928	647 304
FUNCTION - HOUSING AND COMMUNITY AMENITIES									
Category - Housing Development									
Department of Human Settlements (Vote 8)	2 244 423	2 682 806	2 352 331	2 463 227	2 684 121	2 684 121	2 413 233	2 369 920	2 438 499
Total for Category - Housing Development	2 244 423	2 682 806	2 352 331	2 463 227	2 684 121	2 684 121	2 413 233	2 369 920	2 438 499
TOTAL FOR FUNCTION - HOUSING AND COMMUNITY AMENITIES	2 244 423	2 682 806	2 352 331	2 463 227	2 684 121	2 684 121	2 413 233	2 369 920	2 438 499

Table B.9 Details of provincial payments and estimates by policy area (continued)

GFS function R'000	Outcome			Main appro- piation 2019/20	Adjusted appro- piation 2019/20	Revised estimate 2019/20	Medium-term estimate		
	Audited 2016/17	Audited 2017/18	Audited 2018/19				2020/21	2021/22	2022/23
FUNCTION - HEALTH									
Category - Health n.e.c.									
Department of Health (Programme 6.1)	635 774	720 112	766 106	843 908	822 694	808 209	916 397	963 118	1 010 110
Total for Category - Health n.e.c.	635 774	720 112	766 106	843 908	822 694	808 209	916 397	963 118	1 010 110
Category - Outpatient service									
Department of Health Services (Programme 6.2)	7 953 437	8 737 909	9 328 752	9 909 455	10 056 762	10 128 915	10 605 453	11 322 327	11 861 931
Total for Category - Outpatient service	7 953 437	8 737 909	9 328 752	9 909 455	10 056 762	10 128 915	10 605 453	11 322 327	11 861 931
Category - R & D Health (CS)									
Department of Health Services (Programme 6.6)	320 291	317 453	321 643	352 736	353 981	345 062	364 888	370 687	388 802
Total for Category - R & D Health (CS)	320 291	317 453	321 643	352 736	353 981	345 062	364 888	370 687	388 802
Category - Hospital services									
Department of Health Services (Programmes 6.3 to 6.8, excluding 6.6)	11 168 682	11 720 582	12 627 092	13 651 344	13 618 602	13 675 224	14 364 780	15 154 923	15 836 939
Total for Category - Hospital services	11 168 682	11 720 582	12 627 092	13 651 344	13 618 602	13 675 224	14 364 780	15 154 923	15 836 939
TOTAL FOR FUNCTION - HEALTH	20 078 184	21 496 056	23 043 593	24 757 443	24 852 039	24 957 410	26 251 518	27 811 055	29 097 782
FUNCTION - RECREATION CULTURE AND RELIGION									
Category - Recreation and sporting services									
Department of Cultural Affairs and Sport (Programme 13.4)	198 161	182 955	183 226	210 637	211 037	211 037	260 234	268 685	280 523
Total for Category - Recreation and sporting services	198 161	182 955	183 226	210 637	211 037	211 037	260 234	268 685	280 523
Category - Cultural services									
Department of Cultural Affairs and Sport (Programmes 13.1 to 13.3)	525 212	538 056	549 112	609 668	583 413	583 413	625 982	663 731	696 471
Total for Category - Cultural services	525 212	538 056	549 112	609 668	583 413	583 413	625 982	663 731	696 471
TOTAL FOR FUNCTION - RECREATION CULTURE AND RELIGION	723 373	721 011	732 338	820 305	794 450	794 450	886 216	932 416	976 994

Table B.9 Details of provincial payments and estimates by policy area (continued)

GFS function R'000	Outcome			Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	Medium-term estimate		
	Audited 2016/17	Audited 2017/18	Audited 2018/19				2020/21	2021/22	2022/23
FUNCTION - EDUCATION									
Category - Pre-primary and primary education									
Department of Education (Programme 5.2.1 and 5.5)	9 232 172	9 840 060	10 638 295	11 292 106	11 144 931	11 144 931	11 975 777	12 703 188	13 386 849
Total for Category - Pre-primary and primary education	9 232 172	9 840 060	10 638 295	11 292 106	11 144 931	11 144 931	11 975 777	12 703 188	13 386 849
Category - Secondary education									
Department of Education (Programme 5.2.2)	5 172 184	5 422 619	5 790 389	6 597 320	6 594 145	6 594 145	7 075 726	7 512 279	7 912 062
Total for Category - Secondary education	5 172 184	5 422 619	5 790 389	6 597 320	6 594 145	6 594 145	7 075 726	7 512 279	7 912 062
Category - Subsidiary service to education									
Department of Education (Programme 5.3)	101 026	106 912	113 179	119 510	119 510	119 510	125 247	131 259	137 428
Total for Category - Subsidiary service to education	101 026	106 912	113 179	119 510	119 510	119 510	125 247	131 259	137 428
Category - Education not definable by level									
Department of Education (Programmes 5.1, 5.2.3, 5.2.4, 5.4, 5.6 and 5.7)	4 795 795	5 197 245	5 570 571	5 660 153	5 791 437	5 791 437	5 872 918	6 107 846	6 462 226
Total for Category - Education not definable by level	4 795 795	5 197 245	5 570 571	5 660 153	5 791 437	5 791 437	5 872 918	6 107 846	6 462 226
TOTAL FOR FUNCTION - EDUCATION	19 301 177	20 566 836	22 112 434	23 669 089	23 650 023	23 650 023	25 049 668	26 454 572	27 898 565
FUNCTION - SOCIAL PROTECTION									
Category - Social security services									
Social Development (Vote 7)	1 959 993	2 104 117	2 231 480	2 464 379	2 461 354	2 461 354	2 673 141	2 828 487	2 964 854
Total for Category - Social security services	1 959 993	2 104 117	2 231 480	2 464 379	2 461 354	2 461 354	2 673 141	2 828 487	2 964 854
TOTAL FOR FUNCTION - SOCIAL DEVELOPMENT	1 959 993	2 104 117	2 231 480	2 464 379	2 461 354	2 461 354	2 673 141	2 828 487	2 964 854
TOTAL: BY FUNCTION	55 473 528	59 292 804	62 940 646	67 148 484	67 963 413	68 065 511	71 619 070	74 886 572	78 308 140

Table B.10 Summary of Expanded Public Works Programme (EPWP) payments and estimates

Provincial department R'000	Outcome			Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	Medium-term estimate				
	Audited 2016/17	Audited 2017/18	Audited 2018/19				Change from Revised estimate 2020/21	2019/20	2021/22	2022/23	
1. Department of the Premier											
2. Provincial Parliament											
3. Provincial Treasury											
4. Community Safety	17 712	11 702	11 903	23 548	23 548	23 548	18 358	(22.04)	17 791	16 558	
5. Education	127 302	122 970	122 825	142 424	116 416	116 416	103 949	(10.71)	85 643	89 112	
6. Health	131 050	134 849	145 866	165 210	165 210	165 210	172 139	4.19	166 849	176 096	
7. Social Development	13 986	20 105	7 796	13 311	13 311	13 311		(100.00)			
8. Human Settlements	3 426	3 374	3 014	2 986	2 986	2 986	2 531	(15.24)			
9. Environmental Affairs and Development Planning	25 001	25 754	25 180	28 570	28 570	28 570	28 516	(0.19)	25 948	26 961	
10. Transport and Public Works	1 896 587	2 206 066	2 191 562	1 055 520	1 055 520	1 055 520	1 080 352	2.35	950 296	995 614	
11. Agriculture	2 068	2 062	2 154	2 078	2 078	2 078	2 074	(0.19)			
12. Economic Development and Tourism											
13. Cultural Affairs and Sport	18 558	17 993	21 644	28 141	28 141	28 141	30 397	8.02	22 320	23 530	
14. Local Government											
Total EPWP	2 235 690	2 544 875	2 531 944	1 461 788	1 435 780	1 435 780	1 438 316	0.18	1 268 847	1 327 871	
Financed from:											
Equitable share	1 333 824	1 538 314	1 447 547	356 548	330 540	330 540	302 039	(8.62)	321 551	335 257	
Conditional Grants	901 866	1 006 561	1 084 397	1 105 240	1 105 240	1 105 240	1 136 277	2.81	947 296	992 614	
Other											
Total EPWP	2 235 690	2 544 875	2 531 944	1 461 788	1 435 780	1 435 780	1 438 316	0.18	1 268 847	1 327 871	

Note: The figures provided for Transport and Public Works are estimates.

Glossary

Baseline	The initial allocations used during the budget process, derived from the previous year's forward estimates.
Basic prices	The measure of Gross Domestic Product that does not take into account the value of taxes levied and subsidies received on production.
BIZ Portal	A platform developed by the Companies and Intellectual Property Commission (CIPC) to offer company registration and related services in a simple seamless digital way which is completely paperless. It was developed in response to the quest for improving the ease of doing business in South Africa, specifically, starting a business.
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.
Burden of disease	Refers to the nature and drivers of the causes of mortality and morbidity.
Credit rating	An indicator of the risk of default by a borrower or the riskiness of a financial instrument. Credit ratings generally fit into three broad risk categories: minimal or low, moderate and high. These categories indicate the extent of a borrower's capacity to meet their financial obligations or the probability that the value of a financial instrument will be realised. Investments rated as high risk are considered sub-investment grade (or "junk").
Conditional Grants	Allocations of money from one sphere of government to another, conditional on certain services being delivered or on compliance with specified requirements.
Consumer price inflation (CPI)	The main measure of inflation, charting the price movements of a basket of consumer goods and services.

Core Inflation	An inflation measure which excludes transitory or temporary price volatility as in the case of some commodities.
Eurozone	Officially called the euro area, is a monetary union of 19 European Union (EU) member states that have adopted the euro (€) as their common currency and sole legal tender.
Equitable share	The allocation of revenue to the national, provincial and local spheres of government as required by the Constitution.
Financial year	The 12 months according to which companies and organisations budget and account.
Fiscal framework	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.
Fiscal policy	Policy on taxation, spending and borrowing by government.
Gross domestic product (GDP)	A measure of the total national output, income and expenditure in the economy. GDP per head is the simplest overall measure of welfare, although it does not take account of the distribution of income, nor of goods and services produced outside the market economy.
Headline Inflation	The main measure of inflation, charting the price movements of a basket of consumer goods and services.
Industrial development zone	Designated sites linked to an international air or sea port, supported by incentives to encourage investment in export-oriented manufacturing and job creation.
Inflation	An increase in the general level of prices.
Labour force	Number of employed and unemployed individuals of working age.

Medium term expenditure framework (MTEF)	The three-year spending plans of national and provincial governments published at the time of the Budget.
Narrow unemployment rate	Rate of unemployment that does not take into account the discouraged employment seekers from the labour force.
National budget	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.
National Development Plan (NDP)	A planning framework prepared by the National Planning Commission that aims to eliminate poverty and reduce inequality by 2030.
Provincial own receipts	Refers to taxes/fees and/or user charges, which a provincial department receives.
Public entities	Companies, agencies, funds and accounts that are fully or partly owned by government or public authorities and are regulated by law.
Recession	Decline of Gross Domestic Product for two or more consecutive quarters.
Transform to Perform (T2P)	A strategy aimed at promoting a values-driven organisation to positively impact on the motivation levels and mindset of officials, teachers and learners in the Western Cape education system to drive improved performance.
Working age population	Individuals aged between 15 and 65.

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