

THE WESTERN CAPE PROVINCIAL BUDGET 2003: IKAPA ELIHLUMAYO – A CAPE THAT GROWS AND CARES



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'iKapa Elihlumayo' is the Western Cape Province's strategy for addressing the needs of its people. It supports the national priority outlined by President Mbeki in his 2003 State of the Nation speech: to increase support to the poor, while at the same time ensuring that a larger number of people can gain income through paid employment. Following the President's direction, iKapa Elihlumayo aims to reduce unemployment, poverty and income inequality by stimulating economic growth in the province. Greater provincial spending on skills development and investment in large infrastructure projects will be used to attract private investment. The province will balance this long-term strategy by increased support of the poor through the payment of grants and improved delivery of social services. The total provincial budget has grown to R16.4 billion this year, an increase of 17.4% year on year. Over 90% of this amount is transferred to the province from national government, with the province collecting the rest from motor vehicle licences, casino taxes and other sources.

The grapevine below shows that with this budget the province will:

- Provide a safety net to the poor by spending R8.6 billion or 52% of the budget on Health, Housing and Social Development and Pensions
- Promote economic growth and employment creation by spending R6.6 billion or 40.2% of the budget on Education and Infrastructure
- Promote key provincial industries by spending R250 million or 1.5% of the budget on Agriculture, Tourism and Economic Development
- Promote social integration and a safe and pleasant living environment by spending R400 million or 2.4% of the budget on Cultural Affairs & Sport, Community Safety and Environmental Affairs and Planning
- Provide the core services that make the above possible by spending R600 million or 3.7% of the budget on the Legislature, Local Government, Provincial Treasury, Provincial Administration and kick starting iKapa Elihlumayo

Anchoring Growth & Development - R6.6 billion or 40% of the budget

(Education, Transport and Public Works)



- R1,09 billion extra will be spent on Primary, Secondary and Adult Education over the next 3 years to pay for the Province's 1553 mainstream schools, 27700 teachers; 944 pre-schools and 112 adult education centres. Learner support materials such as books and teaching aids has been allocated R419 million over the next three years. Continued support will be provided for the provision of Grade R to preschool learners. As part of iKapa Elihlumayo R32.5 million will be spent extra on improving the skills and education levels of youth and working age adults in the Western Cape.

- A total of R1,54 billion will be spent on roads, transport and buildings in this year's budget, the bulk of which will be for the maintenance of the Province's existing roads and buildings. An additional R243 million will be spent on roads and a major new transport corridor for the Metro is in its final planning stages. Another R85 million will be spent this year on the rehabilitation of hospital buildings.

Economic sector development - R250 million or 1.5% of the budget

(Economic Development and Tourism, Agriculture)



- 1100 people will benefit from the R28, 3 million spent on land redistribution and the support of emerging farmers. Another R14 million will improve veterinary services in the province in order to maintain internationally competitive standards.
- R6 million will be spent on driving development in key sectors of the provincial economy such as clothing & textile, oil and gas and the film industry.

'Hluma Western Cape Hluma
Be like a grapevine, budding for growth and new opportunities
Pruning will reveal your best qualities
Let there be economic growth, jobs and development,
Bringing food to the people for their enjoyment
iKapa Elihlumayo will do it all!
Bring hoop vir die mense with benefits for all,
Hamba poverty, Groei Weskaap Groei!

WHAT'S NEW IN THIS YEAR'S BUDGET?

Core services & Integrated Government

R600 million or 3.7% of the budget

(Provincial Administration, Provincial Treasury, Department of Local Government, Provincial Parliament)

These core services will provide for leadership of the Province, kick-start & coordinate the iKapa Elihlumayo strategy and oversee the integration of government services across departments and spheres of government.

Revenue Source	Amount	% Share of Total
Equitable Share of National Revenue	R 12,7 billion	77.3%
Conditional grants from national departments	R 2,3 billion	13.8%
Motor Vehicle Licences	R 601 million	3.7%
Taxes on Gambling	R 116 million	0.7%
Other own revenue	R 299 million	1.8%
Deficit financed from surpluses & bridging finance	R 435 million	2.7%
Total	R 16,4 billion	100.0%

Social safety net - R8.6 billion or 52% of the budget

(Social Services and Poverty Alleviation, Health and Housing)



- This budget spends R848 million more on Social Services and Poverty Alleviation. It will increase the number of beneficiaries of social security grants by 81000 this year and to a total of 642 000 by 2005. It will also extend the Child support grant to 7 and 8-year olds over the next year.

- Health's allocation increases by R550 million to support the province's 58 hospitals, 48 day hospitals, 55 clinics, 1790 doctors and more than 10 000 nurses. The Province's health plan, Health 2010, will ensure efficient service delivery in the future. R126 million has been provided over the next 3 years for the replacement of medical equipment. Provision has also been made for psychiatric treatment at rural facilities as well as the feeding of needy school children for every day of the school year.

- R66,7 million will be spent on HIV/AIDS training (life skills and training of nurses) Voluntary Counseling and Testing (100 new facilities), reducing Mother to Child Transmission (75% of pregnant mothers) and Home- and Community -based care. This amount will increase to R74 million over the next three years.

- More than 60 000 housing opportunities will be provided over the next three years by spending R1.32 billion on subsidies.

Social integration, Safety & Sport - R400 million or 2.4% of the budget

(Cultural Affairs and Sport, Environmental Affairs and Planning, Community Safety)



- Spending R22 million extra on traffic management to finance the introduction of 24-hour traffic law enforcement that will reduce the number of road accidents.

- R5 million extra will be spent on the Western Cape Nature Conservation Board.

- R12,5 million will be spent on providing 4 new schools sporting facilities and promoting school sport this year. Another R5,8 million will be spent on library books and facilities.