

New economic approach
growing our strengths rapidly, tackling our weakness systematically, promoting our opportunities locally, nationally and internationally, managing our threats wisely.

Nuwe ekonomiese benadering
laat ons kragte vinnig toeneem, ons swakhede sistematies aangespreek word, geleenthede plaaslik en internasionaal bevorder word, knelpunte wys bestuur word

“

iKapa elihlumayo is 'n strewe om die Provinsie se begroting te benut om al die bronne van die Regering te mobiliseer in die stryd teen armoede, in die stryd om die lewensomstandighede van ons mense te verbeter, in die stryd om die ekonomie uit te brei. Ebrahim Rasool, Minister van Finansies en Ekonomiese Ontwikkeling

iKapa elihlumayo lizama ukusebenzisa uhlalo lwabiwo mali lwePhondo ngendlela eyakuthi incedisane nokuhlanganisa imfuno zikaRhulumente ekulweni intlupheko, nokuphucula indlela ekuphilwa ngayo ngabantu bethu, nokulwela ukukhula kwezozoqosho. Ebrahim Rasool, Umphathiswa Wezemali Noqoqosho Nezophuhliso

iKapa elihlumayo is an endeavour to use the Province's budget to mobilize all the resources of government in the fight against poverty, the fight to improve the living conditions of our people, the fight for the expansion of the economy. Ebrahim Rasool, Minister of Finance & Economic Development

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Creating Jobs → Promoting Social Security → Restoring Dignity → Improving Lives



“iKapa elihlumayo”, the Xhosa name for a Growing Cape, is the Province's underlying theme for THE 2004/05 Budget and beyond. Growth has two different meanings in Xhosa, namely “khula” and “hluma”. The first literally meaning growth, or “groeï” in Afrikaans, while the latter has a profound and more proverbial meaning, namely dignity, equity and prosperity.

“Elihlumayo” means growth for the Province in a holistic sense. It follows that harmonious growth should be perceived as growth in all sectors and regions, benefiting the poorest to the richest. The symbiotic interpretation of the word must also be emphasized. “Hluma” implies that the growth of the different parts benefit each other in a mutually advantageous manner. Hereby the collective results or outcomes are greater than what they would have been had the parts acted separately.



Ebrahim Rasool, Minister of Finance & Economic Development

“iKapa elihlumayo” directs our efforts to a holistic approach where we all take up the challenge to see the Province grow, to the best benefit of its people, both individually, and collectively. The ultimate challenge is thus for all to do their best so that we can all grow together, even if progress brings with it obstacles before we reach our desires.

iKapa is therefore the vision of Dignity, Equity and Prosperity for all the people of the Western Cape. Just as the Winter rains bring growth and new strength to all the plants in the Western Cape before Spring emerges, whether it is the wheat to be harvested to feed a nation, the indigenous flora of the Province, or even the unwanted wild plants that also prosper from nature's unconditional abundance, so iKapa Elihlumayo will bring prosperity to the Province.

This vision has been translated into an eight point strategy that will guide government and its social partners over the next 10 years to 2014. These are also the eight strategies around which Budget 2004 is organized:

a vision that unites us 'n visie wat ons verenig
imibonopesenza sibebanye

“iKapa elihlumayo”, ligama lesiXhosa elisetyenziswa liPhondo nelisekelwe kumongo wohlahlo lwabiwomali lowama-2004/2005 kunye neminye iminyaka elandelayo. Ukukhula kuzindidi ezimbini esiXhoseni kukuhluma nokukhula. Eli lokuqala igama elikukukhula lithetha ukuthi “groeï” nge-Afrikaans kanti ke lona eli ukuhluma linobunzulu kwaye lingundaba-mlonyeni.

“Elihlumayo” lithetha ukuhluma kwePhondo okuphangaleleyo. Oku kuthetha ukuba ukuhluma okufanelekileyo kufanele kujongwe njengokuhluma kuwo onke amasebe kunye nemimandla kuze kuxhamle abona bantu bahlwempuzekileyo ukuya kuma kwabo bazizityebi



What is iKapa elihlumayo?

ngokugqithisileyo. Umqondiso wendlela elichazwa ngalo eli gama nawo mawugxininiswe. ‘Uhluma’ uthetha ukuhluma kwendawo ethile eyahlukileyo kuya kwenza ukuba nezinye iindawo zixhamle ngokufanayo nangokuluncedo. Zize ke iziphumo zoko zibe nkulu nangaphezulu kunokuba bezizakuba njalo ukuba iindawo bezizimele.

“iKapa Elihlumayo” lithi lisikhokelele kwindlela ephangaleleyo apho sonke siwuthathayo lo mceli-mngeni wokulibona iPhondo lihluma ngokuzimeleyo okanye ngokudibeneyo namanye amaPhondo. Owona mceli-mngeni ngowokuba sonke sisebenze kangangoko ukuze sihlume kunye, nokuba oko kuthetha ukuba inkqubela phambili iyakuthi ibe nemiqobo phambi kokuba sifikelele kwiminqweno yethu.

iKapa ngoko ke ngumbono wesidima, ukulingana kunye nokuhluma kwabantu bonke baseNtshona Koloni. Njengeemvula zobusika ezizisa ukuhluma nokomelela okutsha kuzo zonke izityalo eziseNtshona Koloni phambi kokuba kuqale iNtwasahlobo, nokuba yingqolowa ekufanele ivuniwe ukondla isizwe, iintyatyambo zeliPhondo okanye izityalo zasendle ezingafunwayo ezithi zizikhulele nje ngokunokwazo phaya endle ngoko ke iKapa Elihlumayo liyakuthi lizise inkqubela phambili kwiPhondo.

Lo mbono uthe waguqulwa kumanqanaba obuchule asibhozo aya kuthi akhokelele urhulumente kunye namaqabane akhe kwezentlalo kwiminyaka ezayo elishumi ukuya kuma ngowama-2014. Ikwa ngala manqanaba obuchule asibhozo apho uhlahlo lwabiwomali lowama-2004 luthe lwaqulunqelwa phezu kwawo:

“iKapa elihlumayo”, die Xhosa woord vir Groeiende Kaap, is die Provinsie se onderliggende tema vir die 2004/5 begroting en daarna. In Xhosa het Groei twee verskillende betekenisse, naamlik ‘khula’ en ‘hluma’. Die eerste beteken letterlik groei, soos in Afrikaans, terwyl die tweede op ‘n baie meer diepgaande idiomatiese betekenis dui naamlik Waardigheid, Billikheid en Welvaart.

‘Elihlumayo’ dui op ‘n holistiese groei vir die Provinsie Harmonieuse groei moet dus gesien word as groei in alle sektore en streke, en tot voordeel van beide arm en ryk. Die simbiotiese interpretasie van die woord moet ook beklemtoon word. ‘Hluma’ dui daarop dat groei van die afsonderlike dele mekaar wedersyds bevoordeel, en dat die gesamentlike resultate of uitslag as geheel groter is as wat dit sou wees indien die onderlinge dele afsonderlik opgetree het.

‘iKapa Elihlumayo’ rig ons pogings op ‘n holistiese pad waarop ons almal saam die uitdaging aanvaar om die Provinsie te sien groei tot voordeel van al sy mense, op beide individuele en kollektiewe vlak. Die uiteindelijke uitdaging vir ons almal lê dus daarin dat almal hul bes moet doen sodat ons almal saam kan groei, selfs al lei die weg na vooruitgang deur struikelblokke.

iKapa is dus ‘n visie van Waardigheid, Billikheid en Welvaart vir al die inwoners van die Wes-Kaap. Nes die winterreëns voor die lente groei en hernieuwe krag vir die plante van die Wes-Kaap meebring, hetsy koring wat geoes moet word om die nasie te voed, die inheemse flora van die Provinsie of selfs die ongewenste uitheemse plante wat ook voordeel trek uit die natuur se onvoorwaardelike oorvloed, sal iKapa ook voorspoed na die Provinsie bring.

Die visie is uiteengesit in ‘n agtpunt-strategie wat die regering en sy maatskaplike vennote oor die volgende 10 jaar tot in 2014 sal lei en ook die middelpunt van die Begroting 2004 vorm:





Provincial Government's 8 strategic priorities towards a better life for all in promoting **iKapa elihlumayo**

01 Building human capital or human resource development

The goal of the human resource development strategy will be to ensure that the entire labour force has appropriate skills to enter the labour market, on the one hand, and to facilitate additional investment by supplying enterprises with appropriately skilled workers on the other hand.

Die bou van menslike kapitaal of menslike hulpbronontwikkeling

Die doel van die menslike hulpbronstrategie is ener syds die versekering dat die volle werksmag toegerus is met toepaslike vaardighede om die arbeidsmark te betree en andersyds die fasilitering van addisionele beleggings deur ondernemings te voorsien met toepaslik gekwalifiseerde werkers.

Ukwakhiwa kwemithombo yezabasebenzi

Injongo yecebo lophuhliso lobutyebi boluntu kukuqinisekisa ukuba bonke abasebenzi banezakhono ezizizo zokuqala imisebenzi, ngakwelinye icala izame ukwenza lula utyalomali olongezelelweyo ngokuthi kwelinye icala inike iindawo zemisebenzi abasebenzi abanezakhono ezizizo.

02 Micro-economic strategy

The goal of the Micro-economic strategy is to guide and direct provincial involvement in private sector so as to ensure more appropriate levels of growth. In order to do this, government will identify and address global and national economy-wide trends as well as industry specific blockages and opportunities.

Mikro-ekonomiese strategie

Die doele van die Mikro-ekonomiese strategie is om provinsiale betrokkenheid by die privaatsektor sodanig te lei en te bestuur dat meer gepaste groeivlakke bereik kan word. Ten einde sukses te verseker, sal die regering globale en nasionale ekonomiese tendense en bedryf-spesifieke struikelblokke en geleentheidse identifiseer en aanspreek.

Isicwangciso-nkqubo esicuthiweyo sezozoqoqosho

Injongo yeli cebo lezoqoqosho olu-micro kukukhokela nokubonisa inxaxheba ethathwa liPhondo kumashishini azimeleyo ukuqinisekisa elona qondo lililo lokukhula koqoqosho. Ngokwenza njalo urhulumente uyakuthi akwazi ukuchonga nokusa iliso kwiinkqubo zoqoqosho elizweni nasehlabathini ngokubanzi kunye nokusa iliso kwimiqobo ethile yezoshishino kunye namathuba avelayo.

03 Building social capital

The Social Capital Formation Strategy will arrest and reverse the decline in social capital in the Province that is visible in high levels of crime particularly amongst the youth, motor-vehicle accidents caused by driver attitude and fitness, alcohol and drug dependency, AIDS and TB and gang activity.

Die bou van maatskaplike kapitaal

Die Maatskaplike Kapitaalformuleringsstrategie sal die afname in maatskaplike kapitaal in die provinsie stuit en omswaai, wat veral merkbaar is in die hoë misdaadvlakke onder die jeug, motorongelukke veroorsaak deur bestuurdershoudings en bekwaamheid, alkohol- en dwelmerslaaftheid, VIGS en tering, asook bende-aktiwiteite.

Ukwakhiwa kobutyebi basekuhlaleni

Icebo lezimali zoluntu elithe ladalwa liyakuthi lilungise ukuhla kwizimali zoluntu apha kwiphondo loo nto ibonakaliswa liqondo elinyuleyo lobukrelemnqa ingakumbi kulutsha, iingozi zeemoto ezibangelwa yindlela yokuziphatha kwabaqhubi. ukungalingeli ukuqhuba, utywala kunye neziyobisi, uGawulayo neTB kunye nezenzo zobugewu.

04 Strategic infrastructure plan

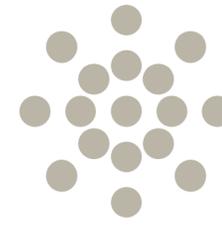
The goal of the Strategic Infrastructure Plan is to provide the physical infrastructure that supports growth, labour market participation and general well being in the Province.

Strategiese infrastruktuur plan

Die doel van die Strategiese Infrastruktuur Plan is die daarstelling van die fisiese infrastruktuur ter bevordering van groei, arbeidsmark-deelname en algemene welstand van die Provinsie.

Isicwangciso-nkqubo sezakhiwo

Injongo yesicwangciso secebo lotyalomali kukubonelela ngeendawo ezixhasa ukukhula, ukuthatha inxaxheba kwendawo zabasebenzi kunye nokuba semgangathweni kwephondo.



05 A spatial development framework

The SDF will provide a common framework for the geographical targeting of provincial service delivery and regulatory interventions. It will also provide an indication of provincial plans to local authorities, national government and the business community, and thus facilitate improved development linkages between the spheres of government as well as its development partners.

'n Ruimtelike ontwikkelings raamwerk

Die ROR sal 'n gemeenskaplike raamwerk daarstel vir die geografiese teikening van Provinsiale dienslewering en regulerende intervensies. Dit sal ook aan plaaslike owerhede, nasionale regering en die sakegemeenskap 'n aanduiding bied van provinsiale planne, wat sal lei tot verbeterde samewerking tussen die regeringsterreine en sy ontwikkelingsvennote.

Uphuhliso lwenkqubo echubekileyo

Isikhokelo sophuhliso lweendawo ezivulekileyo siyakwenza ubume obujoliswe kwezendalo ekuzisweni kweenkonzo kwiphondo kuze kubekho nokungenelela. Iyakuthi ibonelele ngesikhokelo sezicwangciso zephondo komasipala, kurhulumente welizwe noosomashishini zize zidlale indima yokwenza ngcono uphuhliso phakathi korhulumente kunye namaqabane akhe kwezophuhliso.

06 co-ordination & communication

To render the first five priorities effective would require excellent cooperation and a well articulated common sense of purpose between the provincial and local government spheres and between them and civil society and the business sector.

samewerking & kommunikasie

Ten einde die doeltreffendheid van die eerste vyf doelstellings te verseker, sal uitsonderlike samewerking en goed gedefinieerde gemeenskaplike doelstellings binne die provinsiale en plaaslike owerheidsfere vereis, asook met die burgerlike gemeenskap en sakesektor.

Isicwangciso-nkqubo sonxibelelwano nolungelelaniso olusebenzayo

Ukusebenzisa la manqanaba oquqala amahlanu ngokukoko kuyakufuna intsebenziswano eyiyo kunye neyona njongo ecacileyo phakathi korhulumente wephondo nomasipala kunye naphakathi kwabo noluntu kunye necandelo lezoshishino.

07 Improving financial governance

Without diligent and well targeted use of finite financial resources, the ideals articulated in iKapa elihlumayo will not be fully attained, if at all.

Verbeterde finansiële bestuur

Sonder arbeidsaamheid en die gefokusde aanwending van eindige finansiële hulpbronne kan die ideale soos uiteengesit in iKapa elihlumayo nie ten volle – selfs nie eens gedeeltelik nie -verwesenlik word nie.

Ukuphucula ulawulo lwezimali

Ngaphandle kwenkuthalo nokusetyenziswa kwemali kujoliswe ezintweni ezibalulekileyo iinjongo ezichaziweyo ze-iKapa Elihlumayo azinakuzalisekiswa ngokupheleleyo, ukuba zingazalisekiswa kwa oko.

08 Provincialisation of functions

A long outstanding issue relates to the rationalisation of contested services between provincial and municipal spheres so as to achieve optimisation and clear accountability lines.

Provinsi alisering van funksies

'n Kwessie wat lank reeds aandag vereis is die rasionalisering van omstrede dienste binne provinsiale en munisipale sfere ten einde optimalisering en duidelike aanspreeklikheidsperke te bereik.

Ulwabelo ngokwephondo lwemisebenzi

Umba omde ongekefzekiswa onxulumene nokuqoqosha kweenkonzo ekukhutshiswanwa ngazo phakathi kwephondo nomasipala ukuze kufikelelwe kwintembo nokumelana nezinto ngokucacileyo.



Western Cape's youth take on the budget



Social Capital "There is also a scarcity of sports equipment in a lot of our schools. Many schools are demanding to have the right sport equipment to develop pupil's skills. By providing this equipment to all schools a huge difference can be made in the Western Cape... The youth would have things to occupy their time with, with things they like, rather than spending their time forming new gangs. So the cost regarding security and safety would probably decrease."

Ashley Andrews Sao Bras High School

iThemba 'Ndiyaneliseka kakhulu ngokuthi ndithathe inxaxheba kwingxoxo nesinikezelo somba wohlahlo lwabiwomali. Umlomo wam awuvaleki luvuyo nemincili ngokuthi urhulumente wentando yeninzi afake iimbono zethu axabise neenkohlakali zethu"

Ntsikelelo Mthlane, Kwamfundo Secondary

Kobutyebi basekuhlaleni "Ukussengelana thungeni linye nabazali bam, ubunye nothanolol esikolweni nasekuhlaleni kokona kuba-lulekileyo nokungathi kuzam ukubalala iingxaki esendizikhankanyile ibeluxolo nothando."

Pindiwe Nikai, Hout Bay Secondary

Vision "...the most peaceful and the most progressive countries are those that have given education the priority it deserves. In other words what I am suggesting is nothing new – it only needs someone with vision to make it a reality. We look to the government of the Western Cape to build a sound education system, which is the building blocks to social stability and economic growth"

Vinolia Naidoo, Masibambane Secondary

HRD "Provide funding to produce better-qualified teachers especially in Mathematics, Science & Language in order to raise the standard of education"

Koliwe Tambo, Grade 11, Centre for Science & Technology

Human Capital "No child can look into the future when he or she is illiterate. With a quality education system in place, you will build an intelligent and responsible youth. Education is also a vital component in the foundation phase of character building."

Brandon Philips, Bonteheuwel High

"The budget can help us overcome our challenges and turn them into opportunities"

Kenqu Nandipha, Luhla Secondary

“Ons het ‘n gesonde land nodig, ‘n land met goeie opleiding en sekuriteit

Kimberley Janse, Zandvliet Sekonder



Ek voel trots om deel te wees van hierdie bespreking en voorlegging rakende die begroting. Ek wil lag en sing van vreugde dat ons demokratiese regering ons idees insluit en die toekomstige leiers van ons land waardeer.

Ntsikelelo Mthlane, Kwamfundo Sekondêr

Prosperity "The youth must be treated as the delicate yet powerful saplings that we are, so that we may grow into the tall and strong individuals who will take this Province and this Country to new levels of freedom, peace and prosperity"

Grant Andrews, Malibu High

Hope "I am pleased to be part of this discussion and presentations about budgeting. My mouth is filled with laughter and my heart with joy, for our democratic government to incorporate our ideas and value the future leaders of South Africa."

Ntsikelelo Mthlane, Kwamfundo Secondary

Growth through Infrastructure
"Since most people cannot afford cars public transport should be made more accessible to people."

Koliwe Tambo, Grade 11, Centre for Science & Technology



Winners of the Budget 2004 School Competition with Ebrahim Rasool, Minister of Finance & Economic Development.



From left to right
Learner from Qhayiya Senior Secondary School
Madigah Hendricks, Harold Cressy High School
Matshaya Dlabongwana, Qhayiya Senior Secondary School
Nadia van der Walt, Hoërskool Zwartberg
Zara Cupido, Klein Nederburg Senior Secondary School
Fzekile Khondla, Sophumelela Senior Secondary School
Nadine Landor, Bemadino Heights Senior Secondary School
Nadine Sabor, Valhalla Senior Secondary School

Overall key issues raised by the youth Safety & security issues
Crime rate HIV/AIDS Unemployment The lack of Bursaries Education (the need & lack thereof) Drugs & substance abuse Teenage pregnancies The lack of Recreational facilities
Entrepreneurskap en Jeugontwikkelingsprojekte Arts and Culture issues

Total expenditure “The budget can help us overcome our challenges and turn them into opportunities” Kenqu Nandipha, Luhlaza Secondary

In Budget 2004 total expenditure increases by R1,87 billion or 11.46% in 2004/05 and by R4.73 billion over the MTEF period. The total budget therefore amounts to R18,3 billion in 2004/05, R19, 6 billion in 2005/06 and R21,1 billion in 2006/07.

Actual cost inflation rates are however higher than inflation due to, amongst others, the impact of improvements in conditions of service of government employees at 9,5% in 2003/04, 7% in 2004/05, 6% in 2005/06 and 6% in 2006/07. The Western Cape is therefore again facing a tight budget having to balance rising cost pressures from mainly Health and Social Security against other key deliverables. The augmented allocations from the national fiscus over MTEF 2004 are much lower than in the previous year mainly due to sluggish performance of the national economy, unsettled global economic and political conditions and the appreciation of the Rand, all of which have contributed to lower than expected inflows into government coffers.

Looking forward, the intended review of the national financing formula for the Budget 2005, the diminishing liquidity in the Province's bank accounts and the resultant reduction in investment revenue, as well as from declining interest rates will pose additional challenges. As a result the Budget 2004 is tight with limited maneuverability and not without risks, although much less so than Budget 2003.

Despite these continued revenue and expenditure pressures, Budget 2004 builds broadly on the policy priorities laid down in Budget 2003, but with a further consolidation and deepening of these priorities. iKapa Ehlhumayo is organized around 8 strategies to be developed and implemented by designated lead departments. These eight priorities were derived from an overview of development challenges in the province, thorough assessments of provincial service delivery and extensive deliberations through the process that culminated in the Provincial Growth and Development Summit.

nothing new – it only needs someone with vision to make it a reality. We look to the government of the Western cape to build a sound education system, which is the building blocks to social stability and economic growth” Vinolia Naidoo, Masibambane Secondary

One of the key determinants of poverty and inequality is the variable educational attainments of people in the province. In addition to its contribution to building social capital, a key goal of the human resource development strategy will therefore be to ensure that the entire labour force has appropriate skills to enter the labour market, on the one hand, and to facilitate additional investment by supplying enterprises with appropriately skilled workers on the other hand.

Over the MTEF the Province will allocate a total of R17,4 billion for the build-up of human capital. This allocation will increase by almost R 1 billion from its 2003/04 level of R5,1 billion to R6,1 billion by 2006/07. Through its leadership role the Department of Education is the main driver of this strategy. It therefore gets the bulk of this allocation. The Department's two key priorities are to ensure that:

- General Education and Training (GET) in our schools provides the bedrock for all human resource development in the province.
- Further Education and Training (FET) in schools and FET colleges provides further opportunities for developing skills and knowledge needed to enable learners to participate fully in the economy.

In this regard, Education will focus its activities on ensuring an improved throughput rate throughout the system, providing our learners with career choice information and supporting them in making these crucial decisions, assisting our learners in making informed choices about further education and training (either in FET Colleges, technikons or at university level), and providing them with information about financial support in this regard.

Earmarked funds of R23,5 million in 2004/05, increasing to R125 million in 2005/06 and to R131,375 million in 2006/07 will be allocated specifically for human resource development interventions. These include assessments in Grade 3, 6 and 8, career counselling and bursaries to FET students.

The total allocation to Education also includes a conditional grant for HIV/AIDS life skills programmes in primary and secondary schools amounting to over R33.56 million over the next three years This is intended to improve access to an appropriate and effective integrated system of prevention, care and support.

Education will continue to work closely with other departments to ensure a well-integrated approach to effective government in the province. These include: Economic Development, on the issues of human resource development and fighting poverty; Transport and Public Works, who are responsible for building schools; Health, especially on HIV/AIDS; Community Safety, who assist the Safe Schools' programme; and Social Services, who address broader social issues which impact on our schools, especially in our poorest communities

While the Department of Education has a key role in conceptualising and driving the HRD strategy, a number of parastatal and private players are also important in this regard, namely tertiary institutions, SETAs and FET colleges. The HRD strategy also needs to embrace the internal HRD strategy being developed by the Provincial Administration. The formulation of an internal Human Resource Development strategy for the Province will be supported by allocations of R3,8 million in 2004/05 and R4 million and R4,3 million in 2005/06 and 2006/07. This strategy will guide all internal training provided by the Province to its staff of 70 000.

No child can look into the future when he or she is illiterate. With a quality education system in place you will build an intelligent and responsible youth. Education is also a vital component in the foundation phase of character building.” Brandon Phillips, Bonteheuwel High.

A micro-economic strategy “As aansoek gedoen word vir werk is die eerste vereiste ondervinding... want as jy dit nie het nie, is dit taboe!

Apart from pro-active support through strategic financing and information provision, the Micro-economic strategy will also ensure that the regulatory environment in the Province does not function as a barrier to employment and business activity. Economic Development and Tourism therefore has a key role to play in the integrated Law Reform Project.

The development and implementation of the Micro-economic strategy is to be co-ordinated and integrated with the Human Resource Development and Strategic Infrastructure Plan strategies as well as with the job-creation and poverty alleviation aspects of the social capital strategy described below. The interface, especially with the latter, would need to ensure maximum absorption of workers into the labour market and ensure markets for the goods and services that are produced by these interventions. The first wave of deliverables of the Micro-economic strategy would include:

- To plan and implement the first phase of a comprehensive package of support and services to small, micro and survivalist enterprises; Fast-track the development of the oil and gas industry service sector; Drive the transformation of ownership of and employment in the tourism industry, and Ensure that the capacity to deliver on economic development is established at local government level.

Land reform In addition to the support of the Micro-economic Strategy, the Department of Agriculture is a key player in land reform in the Western Cape. For this reason the synchronisation of departmental planning with that of the national department of Land Affairs is key to ensuring sustainable land reform. The latter would include an assessment of what the national Department of Land affairs contributes towards the land resettlement programme with respect to the total target for the Western Cape, for each geographical area and the applicable time intervals.

Two new grants, i.e. the Land Care Grant and Comprehensive Agricultural Support Programme will support land reform in particular. The goal of the Land Care Programme is to promote the sustainable use and management of natural resources. The Comprehensive Agricultural Support Programme has been introduced to provide effective agricultural support and to streamline the provision of services to meet the needs of emerging farmers. Increasing access to agricultural services by these farmers is a critical component of the land reform

of Social Services, Housing, Health, Community Safety, Sport and Culture but also civil society, local government and the business community using a single targeting framework.

Over the next three years the Province will spend R30.9 billion on supporting the poor and restoring the social fabric of our society. Of this amount R14.9 billion and R15.1 billion will be spent on Health and Social Services respectively with the balance of R951 million being shared between Community Safety and Cultural Affairs & Sport.

The first step of the development of this strategy would be an assessment of the state of social capital in the Province. This strategy will address existing priority areas of Youth, parenting, families as well as cultural integration. The Social Capital Formation strategy will also have to have important links to especially Education, Sport and Culture, Community Safety. To this end the coordination of interventions will be a key success factor. Other key elements of this strategy will include:

- Definition of the roles of other departments, NGOs, local and national government supporting the lead department; The development of Interdepartmental coordination mechanisms; The development of appropriate targeting and monitoring and evaluation instruments; An audit of institutional capacity in departments and CSOs participating in the formation of social capital. Strengthening the capacity of existing CSOs.

“Ukussengelana thungeni linye nabazali bam, ubunye nothanolo esikolweni nasekuhlaleni kokona kubalulekileyo nokungathi kuzam ukubalala iingxaki esendizikhankanyile ibeluxolo nothando.” Pindiwe Nikai, Hout Bay Secondary.

Social grants Social Services and Poverty Alleviation constitutes 24.58% of the total provincial budget for 2004/05. Over the MTEF period, this department's share grows to 26.60% in 2006/07. A key component of the provincial and national development strategy is the provision of short-term support to the poor while long-term opportunities are created. For this reason the provincial budget makes generous provision for both the extension of the Child Support Grant to children between the ages 7 and 14 as well as the increases in the grant values. The Old Age and the Disability grants will increase by R40 each while the Child Support grant increases by R10 per month from 1 April 2004.

Health A stable Health system forms a key part of the Social Capital formation strategy in the Province. The primary responsibility of the Department of Health is therefore to see through the implementation of its Health Care 2010 scheme. The Department's budget will grow by 8.43% in 2004/05, to support the Department in dealing with pressure generated by cuts in national conditional grants and the increased demands generated by HIV/AIDS and migration. Significant proportions of this increased allocation will also go towards the upgrading of equipment and the payment of incentives to health staff. The scarce skills and rural allowance will also ensure that medical staff are retained where they are needed most.

With regard to HIV/AIDS, the combined total of conditional grants and earmarked allocations from the equitable share, amounts to R357.2 million over the next three years. This allocation will cater for mother-to-child-transmission programmes, the improvement of access to voluntary counselling and testing, provision for Anti-Retroviral treatment and other remedial steps. This allocation does not include the \$60 million over a 5-year period that the department may receive from the Global AIDS Fund.

The division of responsibilities between Health and municipalities remains a challenge, given various constitutional interpretations, associated acts or proclamations and the current funding distributional history. As primary health care services are integral to a good health system, a great deal of work will still have to be done over the next three years to draw this to a satisfactory conclusion.

“Ons het 'n gesonde land nodig, 'n land met goeie opleiding en sekuriteit.” Kimberley Janse, Zandvliet Sekonder

As part of building social capital, the department of Community Safety was allocated an additional R4 million in 2004/05 to develop a motor vehicle accident intervention strategy together with the Department of Health. The formulation of a decisive motor vehicle accident intervention is a priority as it will enhance the quality of life and lower the intensity and incidence of accidents while reducing the budgetary pressure on Health. This money will be well spent if it brings about a reduction in the accident rate and associated costs as a result of the deployment of law enforcement personnel.

The Department of Cultural Affairs and Sport has a key partnership role to fulfil with the Department of Social Services and Poverty Alleviation in the conceptualization and implementation of the Social Capital Formation strategy. It would also support the Human Resource Development strategy through public libraries and play a key role in the integrated Law Reform Project.

As a key component of the building of social capital, a national conditional grant has been made available to fund the promotion of mass participation within disadvantaged communities in a selected number of developmental sport activities and the empowerment of communities to manage these activities in conjunction with local municipalities. Funds amounting to R8 million over three years have been allocated accordingly. Its goal is to support the aspiring and upcoming youth of our country in reaching their sport and recreation goals.

Strategic infrastructure investment and spatial development framework

“Since most people cannot afford cars, public transport should be made more accessible to people....” Koliwe Tambo, Grade 11, Centre for Science & Technology

The Socio-Economic Review 2003 gave preliminary indications of the impact of insufficient investment in the provincial transport network. The goal of the Strategic Infrastructure Plan is therefore to provide the physical infrastructure that supports growth, labour market participation and general well being in the Province. Given the fiscal constraints that the Province is under, this plan will contain a strategy for progressive rollout according to the position of relative priorities in it.

The leadership role of Transport and Public Works encompasses the formulation and implementation of the Provincial Strategic Infrastructure Plan and its linkages to other provincial strategies, most notably the Micro-Economic Strategy and the Spatial Development Framework. The Strategic Infrastructure plan will provide the physical infrastructure that supports growth, labour market participation and general well being in the Province. Given the fiscal constraints that the Province is under, this plan will contain a strategy for progressive rollout according to the position of relative priorities in it.

In terms of provincial infrastructure provision, key components of the Strategic Infrastructure plan will include: A plan for the geographical targeting of Roads and Public Transport expenditure that is based on the economic and social needs of the provincial population; A plan for the strategic management of the Provincial Property portfolio; A logical balance between expenditure on Works and Transport in the Department, and A logical balance between Works expenditure on Health and Education on one side and especially economic development departments on the other.

Together the provincial budget will allocate R8.2 billion to spatial planning and the rollout of appropriate infrastructure over the next 3 years in Education, Health, Roads and Agriculture. Of this amount R5.9 billion will be used for delivery by the Department of Transport and Public Works, with the balance being channelled through the departments of Housing, Environmental Affairs & Tourism.

Public works as the largest programme in the Department of Transport and Public Works illustrates the Provincial Government's commitment to social infrastructure investment as a vehicle to improve service delivery and create job opportunities. The Province will spend R2.1 billion on this programme over the next three years.

Consistent with the goals of iKapa, the roads infrastructure budget demonstrates the biggest growth over the MTEF. From a 34.9% share of the 2004/05 budget for the Department of Transport and Public Works, it increases to 39.5% of the 2005/06 budget and 44.7% of the 2006/07 budget, largely to reduce the maintenance backlog. Also reflecting the ethos of ehlhumayo is the continued sharp growth in the provision for Public Transport in 2004/05. The allocation for this programme makes up 11,44% of the 2004/05 departmental budget.

Housing The Province will spend R1.7 billion on Housing over the next three years. Within this amount are earmarked allocations of R21.5 million to improve on housing delivery by restructuring and supplementing its staff component. The Department will prioritise the analysis of delivery constraints and formulate a service delivery plan addressing key socio-economic outcomes. This intervention will also include the clarification of the respective roles of the Department and municipalities in this regard and the promotion of an integrated approach to service delivery that would involve other social service departments, as well as Economic Development and Tourism and Transport and Public Works.

In addition to the development of the Spatial Development Framework, the second key priority of Environmental Affairs and Development Planning rests in the integration and rationalization of regulatory legislation. Its current integrated Law Reform Project addresses 3 sets of legislative requirements relating to attaining sustainable development: Spatial planning law, Environmental law and Heritage law. The Project will however be developed to embrace all regulatory functions of Provincial Government, especially those performed by Economic Affairs & Tourism and Culture & Sport. Coordination with national and local government regulatory functions will also

“The budget can help us overcome our challenges and turn them into opportunities”

Kenqu Nandipha, Luhlaza Secondary

Allocation of funds over the MTEF 2004/05 to 2006/07						
Main Priority	2003/04 R'000	2004/05 R'000	% of total	2005/06 R'000	2006/07 R'000	Total allocation over MTEF R'000
Human resource development	5 106 942	5 482 981	29,89%	5 829 790	6 098 689	17 411 460
Micro economic strategy	283 037	302 134	1,65%	315 822	327 887	945 843
Social capital formation	8 301 706	9 538 945	52,00%	10 263 504	11 189 851	30 992 300
Infrastructure and Spatial development framework	2 189 534	2 438 855	13,29%	2 691 016	3 023 057	8 152 928
Governance and efficiency improvement	489 333	482 596	2,63%	454 544	467 704	1 404 844
Contingency reserve		52 500	0,29%	52 550	55 230	160 280
Total	16 413 812	18 344 872	100	19 658 436	21 217 204	59 220 512

Building human capital with an emphasis on the youth “...the most peaceful and the most progressive countries are those that have given education the priority it deserves. In other words what I am suggesting is

The learner support materials budget of the department grows from R195 million in 2003/04 to R259 million in 2006/07. This represents growth of 22% over the MTEF. The department projects an increase in its per capita spending on Learner Support Materials from R230 per learner to R279 in the outer year of the MTEF.

Kyk waar skiet die werkloosheidsyfers die lug in” Nadia van der Walt, Hoërskool Zwartberg. The lead role of Economic Development and Tourism is the development of a comprehensive, detailed, credible and widely agreed Micro-economic strategy for the Province that will underpin all interventions made by the Province in the economy. In order to do this, the department will build capacity to deliver global business intelligence, attract public funding into the Province and address blockages in the business environment.

The key partner of Economic Development and Tourism in the delivery of the Micro-economic strategy is Agriculture. To this end Economic Development and Tourism will integrate its work with that of the Department of Agriculture and as well as its public entities in relation to the agri-business sector in general and SMME development in agri-business and agriculture in particular.

The Province will allocate a total of R946 million to the stimulation of economic activity in the province over the next three years. Of this amount R576,8 million will go to the Department of Agriculture to support emerging farmers, promote rural development and consolidate exports. The balance of R 369 million will support the implementation of the rest of the Micro-economic strategy.

“...job opportunities should be created in the private and public sectors. The state should create conditions that are favourable for job creation – no tax for a new business for the first five years.” – Madigah Hendricks, Harold Cressy High.

programme, especially the Land Redistribution for Agricultural Development programme. This grant is worth R51 million over the current MTEF. Additional allocations of R8,1 million, R11,8 million and R11,9 million have been made available to Agriculture over the MTEF through the Provincial Infrastructure Grant for the extension of agricultural development, but particularly aimed at emerging farmers and land reform and strengthening the current infrastructure allocation already made.

Building social capital with an emphasis on the youth

“There is also a scarcity of sports equipment in a lot of our schools. Many schools are demanding to have the right sport equipment to develop pupil's skills. By providing this equipment to all schools a huge difference can be made in the Western Cape... The youth would have things to occupy their time with things they like, rather than spending their time forming new gangs. So the cost regarding security and safety would probably decrease.” Ashley Andrews Sao Bras High School

The Social Capital Formation Strategy therefore aims to arrest and reverse the decline in social capital in the province that is visible in high levels of crime particularly amongst the youth, motor-vehicle accidents caused by driver attitude and fitness, alcohol and drug dependency, AIDS and TB and gang activity. Social capital will be rebuilt by the co-ordination and integration of the social capital interventions of especially the departments

be investigated in order to provide a red-tape free interaction between government and the private sector in the province. To support these key functions this Department will be allocated a total of R419.8 million over the next 3 years.

Coordination & communication; improving financial governance and the provincialisation of disputed municipal services

"The youth must be treated as the delicate yet powerful saplings that we are, so that we may grow into the tall and strong individuals who will take this province and this Country to new levels of freedom, peace and prosperity" – Grant Andrews, Malibu High

To render the first five priorities effective would require excellent cooperation and a well articulated common sense of purpose between the provincial and local government spheres on the one hand and between them both and civil society and the business sector on the other. Without diligent and well-targeted use of finite financial resources, the ideals articulated in iKapa elihlumayo will also not be fully attained. To the twin goals of governance and efficiency improvement the Province will therefore allocate R1.4 billion over the next three years.

The primary responsibility of the department of Local Government is to ensure appropriately capacitated and well functioning municipalities and an efficient intergovernmental cooperative system. This would need to be done against the broader background of common socio-economic challenges, establishing developmental linkages between provincial and local government and rationalisation of functions between the two spheres. To this end the Department is provided with R 15.5 million over the MTEF period for the strengthening of the local government municipal oversight function. Funds have

revenue the balance of 5.8%. Of national transfers 79.79% flows through the equitable share. The remaining 14.41% flows as conditional grants.

"Kodwa okungamandla kukufundisa ulutsha ngendlela yokuziphatha. Phambili ngolutsha phambi." Students from Matthew Goniwe Memorial High School.

From 2000/01 to 2003/04 overall provincial receipts grew at an annual average rate of 12.11%. This growth was largely attributable to growth in national payments (mainly as a result of buoyant growth in national tax revenue) in the form of the equitable share (12.10%) and conditional grants (6.52%) which comprised 92.53% of total provincial revenue in 2003/04. Provincial own receipts, an important source of funding at the margin, also experienced strong revenue growth over this period (averaging 17.92% per year) following comprehensive policy reforms and administrative improvements. Only marginal increases are projected over the MTEF due to changes in revenue patterns, the diminishing liquidity in the provincial revenue fund, declining interest rates and the concurrent reduction in investment revenue.

The provincial equitable share Over the course of the MTEF the equitable share allocation will rise from an adjusted estimate of R13,2 billion in 2003/04 to R16,8 billion in 2006/07, representing an average annual growth of 8.37% from 2003/04 to 2006/07. The current equitable share formula was designed to be phased in over a five-year period achieving ultimate target shares in 2003/04. The Western Cape's share declined annually over the four-year period from 9.8% in 1999/2000 to 8.9% in 2003/04, an annual shift of over R1,4 billion in 2004/05 Rands away from the Western Cape. For Budget 2005, government agreed to a wide-ranging review, covering aspects pertaining to the restructuring of the formula, weights of components and other economic development and poverty related policy considerations. This comprehensive review is also timed to coincide with the imminent

Motor vehicle licences continue to represent the biggest single proportion of provincial own receipts in the Province, representing in excess of 60% of total own receipts over the MTEF. A key concern is the fact that the licence fees structure in the Western Cape is still the highest in relation to the rest of the country, mainly as a result of systematic annual increases in licence fees to soften the reducing equitable share impact on infrastructure spending. Other provinces have been less aggressive in revising their fees annually. In this regard the Provincial Treasury has requested Transport and Public Works to conduct an economic and impact analysis of the annual increases on vehicle licences together with an assessment of whether the current licencing structure has had an effect on motor vehicle migration. Until this process has been completed motor vehicle licence fees will only increase by the projected annual inflation rate over the 2004 MTEF, i.e. 5.5%.

Conditional Grants In total, conditional grants will grow by R566 million over the next three years. Overall, conditional grants will amount to R2,6 billion, R2,8 billion and R3,1 billion in 2004/05, 2005/06 and 2006/07 respectively. This represents an average annual increase of 10.38%. With the exception of major additions in grant funding for HIV/AIDS, Provincial Infrastructure and the Extension of the Child Support grant, the level of funding for programmes already funded through conditional grants remain broadly stable. As part of the full review of the current fiscal transfer system the Budget Council resolved that a full assessment of all conditional grants and their formulae should also be conducted this year.

Health grants constitute about 60% of conditional grants. Health related grants will total R1,6 billion in 2004/05, and are budgeted to increase at an annual average rate of 5,2% to R1,762 billion by 2006/07. The National Tertiary Services grant has declined in real terms for this province (and Gauteng) in line with interprovincial equity considerations and the building up of tertiary care services in other provinces. This has resulted in the proposed restructuring of health services in the Western Cape, Healthcare

"The youth must be treated as the delicate yet powerful saplings that we are, so that we may grow into the tall and strong individuals who will take this province and this Country to new levels of freedom, peace and prosperity" Grant Andrews, Malibu High

also been made available for Treasury's own role in the implementation of the Municipal Finance Management Act, 2003.

The Treasury also has responsibility for the consolidation of the Internal audit function. To this end it has been allocated R15.7 million over the next three years. In a similar vein Vote 1: Provincial Administration has been allocated R4.7 million over the MTEF for the strengthening of legal services in order to cater for the demands placed on them by the Constitution, new legislation and increasing contractual and administrative practice demands.

Receipts Taking account of national revenue trends, provincial tax and administrative policy charges and macroeconomic projections, total provincial revenue is calculated to be R17,98 billion in 2004/05, which is 7.15% more than the 2003/04 revised estimate. Between 2003/04 and 2006/07, provincial receipts are expected to grow at an annual average rate of 7.94% per year.

In Budget 2004 and over the MTEF, national payments comprise an average of 94.20% of total provincial receipts and own

change in the financing and administrative arrangements relating to the delivery of social security grants.

For the 2004 Budget a number of data updates to the formula were effected using 2001 Census data, but in order to ensure stability in provincial budgets, it was agreed to smooth the impact of the Census 2001 updates by adopting a three-year phasing-in period. This phasing allows the equitable share allocation to the Western Cape to grow slightly slower than what it would otherwise have been.

Own Receipts Currently, own revenue sources of the Province remain fairly limited, consisting of motor vehicle licence fees as the chief source, together with hospital fees, interest revenue and gambling and betting taxes. Although own revenue forms a mere 6.09% of the total provincial revenue envelope in the 2004/05 budget, they do remain an important source of funding. As the current sources have upper limits, it is projected that own revenue/receipts, as a percentage of total provincial revenue, will fluctuate around 5.7% over the MTEF.

2010, which will shift resources to lower levels of care to primary health care and community and district hospitals and direct patients to the appropriate level of health care.

The HIV/AIDS conditional grant is one of the key funding streams to mitigate the impact of the disease. An amount of R147,6 million has been added to the baseline over the MTEF, with the promise of more, provided spending keeps up with the allocation, together with demonstrated efficacy and capacity to spend. These increases will allow the extension of the comprehensive antiretroviral treatment programme. The grant increases from R24,2million in 2003/04 to R115,7 million in 2006/07 to support various aspects of the programme. In addition to providing for ARV treatment rollout, the grant provides for post exposure prophylaxis for victims of sexual abuse, rollout of mother-to-child transmission prevention and targeted interventions for commercial sex workers – whilst maintaining other HIV and AIDS prevention programmes.

