MEC David Maynier: Opening of Provincial Treasury’s presentation to Western Cape Parliamentary ad-hoc committee on Coronavirus Covid-19

22 May 2020

R1.14b committed towards Covid-19 response in Western Cape

The Covid-19 pandemic facing South Africa requires a whole-of-government and whole-of-society response. That is why the Provincial Treasury, working together with all departments in the Western Cape government, is working hard to support a full-scale response to Covid-19.

When I presented the 2020 budget in early March this year, we were only at the beginning of the Covid-19 crisis, with no known infections in the Western Cape. In my budget speech I noted that the Provincial Treasury had made provision for unanticipated events and that we stood ready to support the health department should Covid-19 reach the Western Cape.

We have done this to the best of our ability, but we could not have imagined the size and scale of what we would face, nor the implication for the provincial budget, which will require us to make deep budget cuts.

We are currently projecting a R610 million in own revenue shortfall, at least a R3 billion provincial budget cut and expenditure demand, to fund the Covid-19 response, of at least R2.4 billion in the Western Cape.

In the immediate term, Provincial Treasury has taken a number of steps to support key departments like Health, Social Development and Transport and Public Works with streamlined decision-making around supply chain matters to ensure that critical procurement decisions are made as fast as possible, while ensuring full compliance under the emergency procurement protocols put in place by National Treasury.

To date, R1.14 billion has been committed towards Covid-19 related expenditure across the Western Cape government. This includes, but is not limited to:

* R628 million to the Department of Health for personal protective equipment, laboratory tests, hospital beds and ventilators;
* R273 million to the Department of Education for personal protective equipment, digital infrared non-touch thermometers, sanitisers and cleaning materials;
* R168 million to the Department of Transport and Public Works for the set-up of quarantine and isolation facilities, including the set-up of the field hospital at the Cape Town International Convention Centre;
* R35 million to the Department of Social Development and R18 million to the Department of Education for an initial humanitarian response which has included to provision on 50 000 food parcels; the re-initiation of school feeding schemes; and the delivery of 10 000 cooked meals per day for one month; and
* R16.2 million to the Department of Local Government in the form of a Local Government Support Grant to strengthen and support the current humanitarian initiatives within municipalities.

In addition to this, we are working across government to identify and re-prioritise all non-essential expenditure towards our immediate expenditure needs in the departments of Health and Social Development.

We are committed to ensuring that our healthcare workers and other frontline staff across the Western Cape receive adequate Personal Protective Equipment (PPE). We are also working to ensure that our healthcare system is provided with the necessary funding to support a scale up of acute and ICU bed facilities, as well as quarantine and isolation facilities, in support of the overall provincial health strategy.

We also continue to engage with National Treasury on a weekly basis, both in technical committees, and with Minister Tito Mboweni, to ensure that our actions are aligned with National government’s response.

Finally, this week we kicked-off the budget process towards a mid-year adjustments budget which is in response to the Covid-19 crisis and will follow the adjustment budget which National will table in June.

In closing, Covid-19 will require continued efforts by all role players to overcome the pandemic, and Provincial Treasury continues to work hard to ensure that our fiscal response is aligned to support such efforts in every way possible.