LIMPOPO

PROVINCIAL GOVERNMENT

REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

MEDIUM TERM PROVINCIAL BUDGET OVERVIEW

2025

The heartland of Southern Africa-Development is about people

FOREWORD

The global economic landscape remains characterized by heightened uncertainty, driven by interconnected markets and the ripple effects of external shocks. A notable example is the United States' position on import tariffs, which continues to influence global trade dynamics. Despite these challenges, the International Monetary Fund projects moderate global growth of 3.2 percent in 2025 and 3.1 percent in 2026, signalling cautious optimism amid prevailing volatility.

Domestically, South Africa's economy continues to grapple with structural constraints, resulting in subdued growth. The economy expanded by 0.6 percent in 2024 and is projected to grow by 1.2 percent in 2025, reflecting a modest improvement. At the provincial level, Limpopo demonstrated resilience, recording the highest GDP growth of 0.9 percent in 2024, while three other provinces contracted. This positive trend persisted into the second quarter of 2025, with Limpopo achieving 1.0 percent growth, accompanied by a significant 5.2 percentage point decline in unemployment, underscoring the link between economic activity and labour market outcomes.

Against this backdrop, the Limpopo 2025 Medium-Term Provincial Budget Overview is presented as a strategic response to both global and domestic challenges. Central to this approach is the Limpopo Development Plan (LDP) 2025–2030, which serves as a blueprint for building an inclusive, resilient, and prosperous province. The LDP funding framework is being developed to guide resource allocation toward achieving the plan's targets. In alignment with this vision, the provincial budget will continue to prioritize economic growth, improved service delivery, and the eradication of poverty, unemployment, and inequality.

Mr K.E Mahoai (MPL)
MEC for Finance

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TABLE OF CONTENTS

TABLE OF TABLES

TABLE OF FIGURES

CHAPTER 1 – SOCIO-ECONOMIC REVIEW

1.1 Introduction

The world economy is facing turbulence, with continuous and inconsistent economic growth projections. Following the recent IMF quarterly economic growth projections, regions and countries' projections continue to change, thereby creating a blurry future, particularly in global developments. The U.S and China reached a fragile trade truce on October 30, 2025, and if both sides adhere to the deal, it will amount to a freeze in the tit-for-tat trade restrictions each side has imposed on one another recently. However, it would leave major issues unresolved. The international conflicts, as well as the recent U.S tariff policy, are at the centre of this turbulence, leading to a higher degree of uncertainty around the world. Global growth is projected to decelerate from 3.3 percent in 2024 to 3.2 percent in 2025 and to 3.1 percent in 2026.

South Africa has experienced persistently low economic growth for an extended period, nearing stagnation. However, the country is now well-positioned to tackle deep-rooted structural challenges that have hindered progress. Encouragingly, low headline inflation and recent interest rate cuts have created a favourable environment for economic recovery. Since September 2024, the South African Reserve Bank's Monetary Policy Committee has reduced policy rates by a total of 150 basis points, following a long pause after the COVID-19 pandemic.

Amid a year of uneven national economic outcomes, Limpopo has emerged as a leading provincial performer, registering one of South Africa's highest growth rates in 2024. Despite this commendable progress, the province's economy remains exposed to external vulnerabilities, including fluctuations in global commodity prices, geopolitical tensions, and the adverse effects of climate change factors that significantly influence its core sectors. Notably, the current average growth rate remains below the targets outlined in the Limpopo Development Plan (LDP), which are essential for addressing persistent socio-economic challenges. The Limpopo Development Plan designates the Small, Medium, and Micro Enterprises (SMME) sector as a key catalyst for future employment growth, emphasizing the importance of deliberate investment and enabling policy frameworks to realize its full contribution to the provincial economy.

1.2 Economic Outlook

1.2.1 World Economic Outlook

Global economic uncertainty has become a persistent annual feature, accompanied by limited growth prospects—particularly in overall world output and among advanced economies. These major economies, traditionally viewed as the foundation for global growth, play a critical role in supporting the development trajectories of smaller, emerging markets.

Figure 1: Overview of the World Economic Outlook

World Economic Outlook Growth Projections

(Real GDP, annual percent change)	2024	PROJECTIONS 2025	2026
World Output	3.3	3.2	3.1
Advanced Economies	1.8	1.6	1.6
United States	2.8	2.0	2.1
Euro Area	0.9	1.2	1.1
Germany	-0.5	0.2	0.9
France	1.1	0.7	0.9
Italy	0.7	0.5	0.8
Spain	3.5	2.9	2.0
Japan	0.1	1.1	0.6
United Kingdom	1.1	1.3	1.3
Canada	1.6	1.2	1.5
Other Advanced Economies	2.3	1.8	2.0
Emerging Market and Developing Economies	4.3	4.2	4.0
Emerging and Developing Asia	5.3	5.2	4.7
China	5.0	4.8	4.2
India	6.5	6.6	6.2
Emerging and Developing Europe	3.5	1.8	2.2
Russia	4.3	0.6	1.0
Latin America and the Caribbean	2.4	2.4	2.3
Brazil	3.4	2.4	1.9
Mexico	1.4	1.0	1.5
Middle East and Central Asia	2.6	3.5	3.8
Saudi Arabia	2.0	4.0	4.0
Sub-Saharan Africa	4.1	4.1	4.4
Nigeria	4.1	3.9	4.2
South Africa	0.5	1.1	1.2
Memorandum			
Emerging Market and Middle-Income Economies	4.3	4.1	3.9
Low-Income Developing Countries	4.2	4.4	5.0

Source: IMF, WEO, October 2025

Global economic growth is expected to slow gradually, declining from 3.3 percent in 2024 to 3.2 percent in 2025, and further to 3.1 percent in 2026. These projections remain broadly consistent with the July 2025 World Economic Outlook Update, reflecting a measured adjustment to ongoing trade tensions. However, the forecast remains notably below the pre-pandemic average of 3.7 percent. Over the next six quarters, the global economy is anticipated to expand at an average annualized rate of 3.0 percent—representing a 0.6 percentage point decline from the 2024 average of 3.6 percent.

Growth in advanced economies is projected to moderate to 1.6 percent in both 2025 and 2026, marking a 0.2 percentage point decline compared to 2024 and the estimates published in the October 2024 World Economic Outlook. In the United States, economic expansion is expected to ease to 2.0 percent in 2025 and stabilize at 2.1 percent in 2026. Meanwhile, the euro area is anticipated to experience a modest recovery, with growth rising to 1.2 percent in 2025 and slightly tapering to 1.1 percent in 2026. Although these figures reflect an improvement over earlier projections from April and July, they represent a cumulative downward revision of 0.4 percentage points relative to the October 2024 forecast.

Growth in emerging markets and developing economies is projected to moderate, gradually declining from 4.3 percent in 2024 to 4.2 percent in 2025, and further to 4.0 percent in 2026. These figures are broadly aligned with the July 2025 World Economic Outlook Update and reflect a cumulative upward revision of 0.6 percentage points compared to the April 2025 forecast, suggesting a slight improvement in medium-term prospects. Within this group, emerging and developing Asia is expected to decelerate from 5.3 percent in 2024 to 5.2 percent in 2025, and down to 4.7 percent in 2026. In China, the GDP growth forecast for 2025 was revised downward by 0.6 percentage points in the April 2025 WEO, largely due to escalating trade tensions with the United States.

In Latin America and the Caribbean, growth is projected to remain stable at 2.4 percent in 2025 and fall slightly to 2.3 percent in 2026. Growth in emerging and developing Europe is projected to decline substantially, from 3.5 percent in 2024 to 1.8 percent in 2025, and to recover modestly to 2.2 percent in 2026. This is driven mainly by a sharp drop in the growth forecast in Russia, from 4.3 percent in 2024 to 0.6 percent in 2025 and to 1.0 percent in 2026.

Economic growth in Sub-Saharan Africa is expected to remain modest, holding steady at 4.1 percent in 2025 before rising to 4.4 percent in 2026. This reflects a cumulative upward revision of 0.5 percentage points compared to the April 2025 World Economic Outlook, though slightly lower by 0.1 percentage points than the October 2024 forecast. Nigeria’s growth outlook has been revised upward, supported by favourable domestic conditions such as increased oil production, improved investor sentiment, and a more expansionary fiscal stance anticipated in 2026. Additionally, Nigeria’s limited exposure to elevated U.S. tariffs has helped buffer external risks. In contrast, many other economies in the region face downward revisions due to shifting global trade dynamics and reductions in official development assistance.

Figure 2: Outlook of the imposed tariffs for Africa and the world

COUNTRY (CLICK TO SORT)	CONTINENT	2 APRIL RATE	NEW RATE ↓ (CLICK TO SORT)
DZ Algeria	Africa	30%	30%
LY Libya	Africa	31%	30%
ZA South Africa	Africa	30%	30%
TN Tunisia	Africa	28%	25%
AO Angola	Africa	32%	15%
BW Botswana	Africa	37%	15%
CM Cameroon	Africa	11%	15%
TD Chad	Africa	13%	15%
CI Côte d'Ivoire	Africa	21%	15%
CD Democratic Republic of Congo	Africa	11%	15%
GQ Equatorial Guinea	Africa	13%	15%
GH Ghana	Africa	10%	15%
LS Lesotho	Africa	50%	15%
MG Madagascar	Africa	47%	15%
MW Malawi	Africa	17%	15%
MU Mauritius	Africa	40%	15%
MZ Mozambique	Africa	16%	15%
NA Namibia	Africa	21%	15%

COUNTRY (CLICK TO SORT)	CONTINENT	2 APRIL RATE	NEW RATE ↓ (CLICK TO SORT)
BR Brazil	South America	10%	50%
IN India	Asia	26%	50%
SY Syria	Asia	41%	41%
LA Laos	Asia	48%	40%
MM Myanmar	Asia	44%	40%
CH Switzerland	Europe	31%	39%
CA Canada	North America	N/A	35%
IQ Iraq	Asia	39%	35%
RS Serbia	Europe	37%	35%
DZ Algeria	Africa	30%	30%
BA Bosnia and Herzegovina	Europe	35%	30%
CN China	Asia	N/A	30%
LY Libya	Africa	31%	30%
MX Mexico	North America	N/A	30%
ZA South Africa	Africa	30%	30%
BN Brunei	Asia	24%	25%
KZ Kazakhstan	Asia	27%	25%
MD Moldova	Europe	31%	25%
TN Tunisia	Africa	28%	25%

Source: U.S Federal Register, 2025.

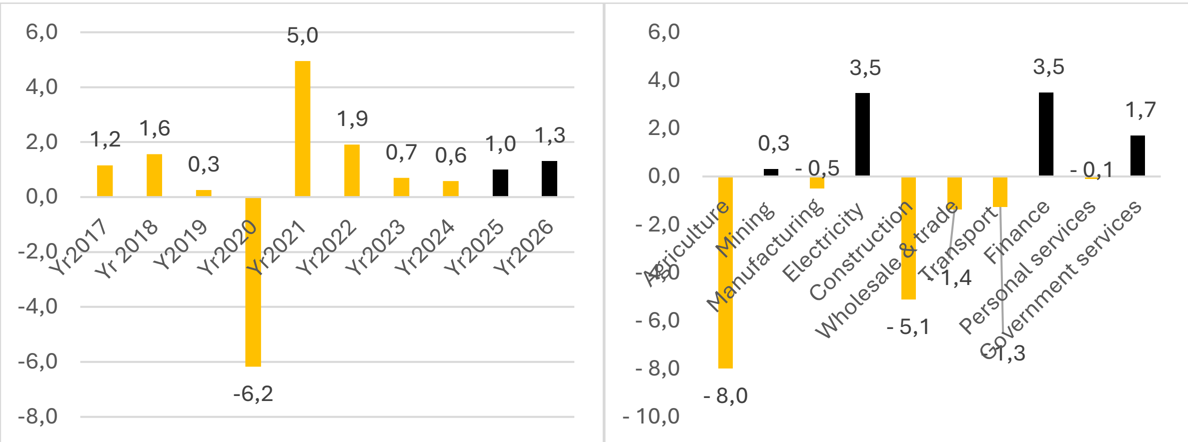
The United States implemented new import tariffs on various countries in August 2025, marking a significant shift from its historically low-tariff trade regime. Given the scale of the U.S. market, these measures are expected to influence global trade patterns and performance, particularly affecting its key trading partners. Initially, U.S. firms absorbed much of the tariff-related costs; however, the financial burden is increasingly being passed on to consumers. This policy shift represents a departure from a trade framework that previously supported the growth and development of emerging and least developed economies, raising concerns about its broader implications for global economic equity and resilience.

1.3 South African Economic Overview

1.3.1 SA Economic Growth

According to the International Monetary Fund (IMF), South Africa is well-positioned to address deep-rooted structural challenges that have long constrained its economic performance. These challenges have contributed to declining real per capita income, persistently high unemployment, widespread poverty, and one of the highest levels of inequality globally. In its 2024 provincial gross domestic product estimates, Statistics South Africa reported that six out of nine provinces experienced increased economic activity, with Limpopo, Gauteng, and the Western Cape recording the highest growth rates.

Figure 3: South Africa's annual GDP growth and Sector Contributions (constant 2015 prices)

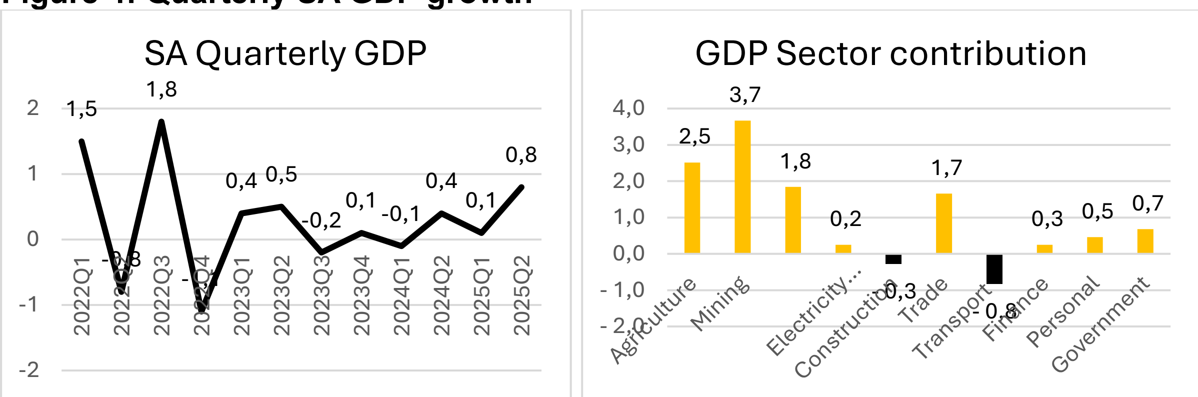


Source: StatsSA, GDP, and IMF forecasts, 2025

South Africa's economic growth continues to fall below the 2.0 percent threshold, reflecting a prolonged period of stagnation. Critically, this growth rate remains consistently lower than the country's estimated annual population increase of 1.5 percent. As a result, the economy is unable to keep pace with demographic expansion, exacerbating socio-economic challenges such as unemployment, poverty, and inequality. In 2024, the SA's economy expanded by only 0.6 percent—falling short of projections by both the National Treasury and the International Monetary Fund. However, positive contributions came from sectors including finance, real estate, mining, and electricity, while contractions in agriculture, forestry, trade, construction, and transport weighed negatively on overall growth. The 2025 National Treasury, Medium-Term Budget Policy Statement (MTBPS) projects that in 2025, South Africa will record an annual GDP growth of 1.2 percent, which is double the 2024 growth. Attributed to this is the progress made in addressing the inherent structural challenges through the implementation of Operation Vulindlela - Phase II, among others.

Overall, the slow pace of growth continues to aggravate structural issues, including rising poverty, unemployment, and crime. In response to emerging global risks, the IMF has revised South Africa's growth projections downward for 2025 and 2026, citing the adverse impact of escalating trade tensions linked to the United States' new tariff regime.

Figure 4: Quarterly SA GDP growth

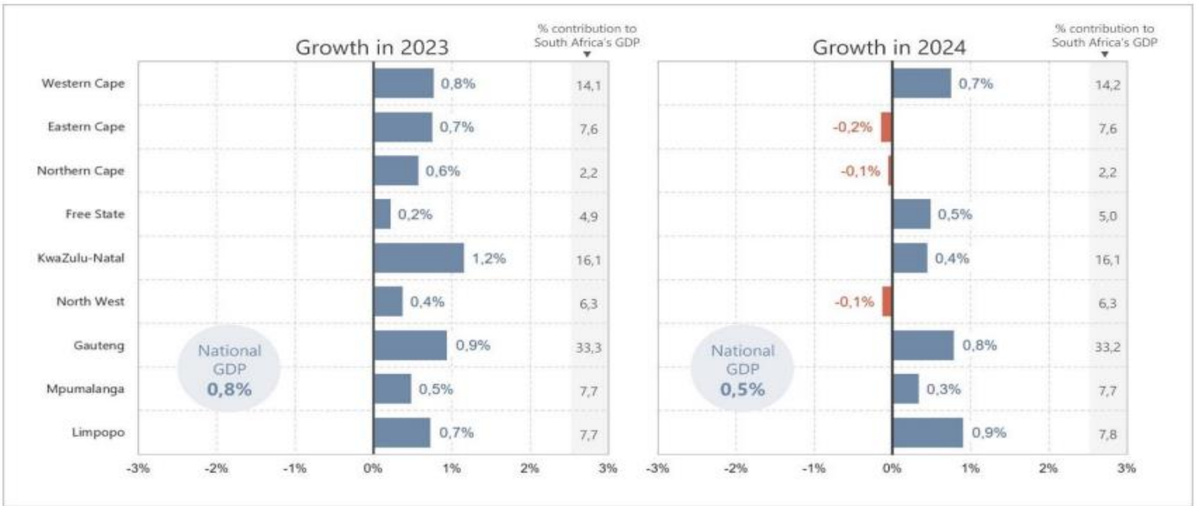


Source: StatsSA, GDP, Q2: 2025.

In the first half of 2025, South Africa's economy recorded modest growth, with a 0.1 percent expansion in Q1 followed by a more encouraging 0.8 percent increase in Q2. The Q2 performance marks the third-highest quarterly growth since Q1 2022 and offers a measure of optimism amid global economic headwinds, including the impact of the United States' tariff policy. While the projected annual GDP growth for 2025 has been revised downward to between 1.0 and 1.3 percent, the Q2 outcome suggests potential for alignment with National Treasury and IMF targets. Furthermore, the combination of low headline inflation and recent interest rate cuts provides a supportive macroeconomic environment for a more positive growth trajectory.

Between the first and second quarters of 2025, eight industries in South Africa recorded positive growth. Notably, the manufacturing sector expanded by 1.8 percent, trade by 1.7 percent, and mining by a robust 3.7 percent during Q2. However, the transport sector emerged as the most significant drag on growth, contracting by 0.8 percent. To accelerate economic performance, South Africa must continue to pursue economic diversification as a strategic imperative. While diversification contributed meaningfully to Limpopo's Q2 2025 growth, it remains insufficiently labour-intensive—a critical shortcoming given the country's persistently high unemployment rate.

Figure 5: Provincial GDP growth



Source: StatsSA, Provincial GDP,2024

In 2024, Gauteng remained the largest province in terms of nominal GDP, contributing 33.2 percent to South Africa's GDP, followed by KwaZulu-Natal with 16.1 percent and Western Cape at 14.2 percent, collectively accounting for about 63.5 percent of national GDP. Limpopo province is the fourth largest contributor, contributing 7.8

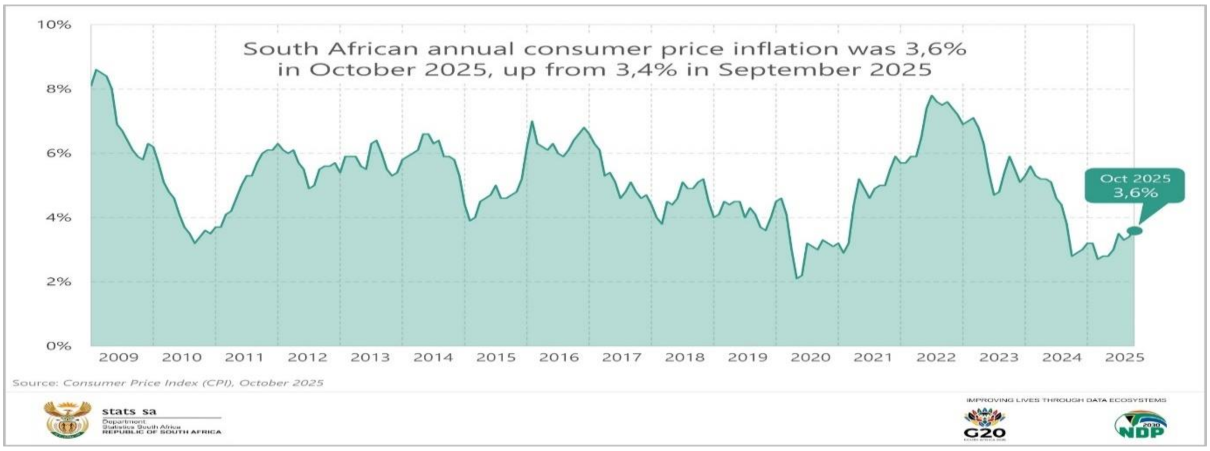
percent, which is an increase from 7.7 percent contribution in 2023, whilst Northern Cape was the smallest contributor at 2.2 percent, which is somewhat relative to its small population.

The composition of South Africa's provincial economies varies significantly by dominant industry. In Gauteng, Western Cape, and Free State, finance, real estate, and business services are the leading contributors, accounting for 27 percent in both Gauteng and Western Cape, and 18 percent in Free State. In contrast, personal services drive economic activity in the Eastern Cape (23%), Limpopo (22%), and KwaZulu-Natal (19%). Meanwhile, mining and quarrying represent the largest share of provincial output in North-West (24%), Mpumalanga (17%), and Northern Cape (17%), reflecting the resource-intensive nature of these regions.

1.3.2 SA Headline Inflation

South Africa's inflation has, in recent months, dipped below the South African Reserve Bank (SARB) target band, strengthening the SARB's argument for reconfiguring the target band to a lower range. Finally, there was a convergence of thoughts between SARB and Treasury, given the agreement on a newly announced inflation target. During the MTBPS address, the Minister of Finance announced the new inflation target of 3 percent, replacing the 3-6 percent target band, with a 1 percentage point tolerance band, which provides flexibility to accommodate any unexpected inflationary shocks.

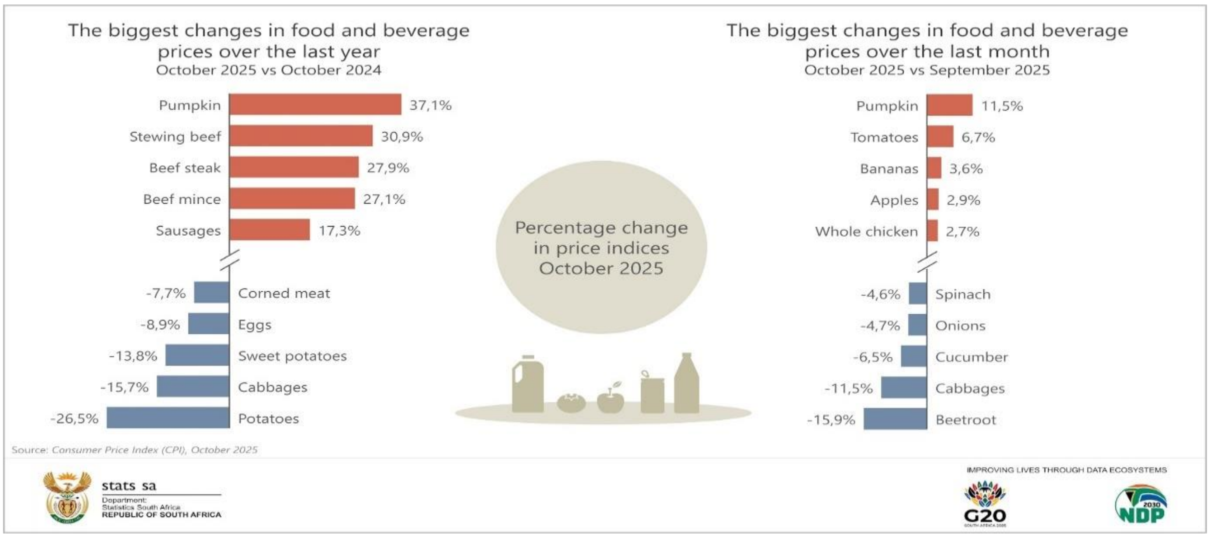
Figure 6: SA Headline Inflation



Source: StatsSA, CPI, October 2025

The annual consumer price inflation increased to 3.6 percent in October 2025 from 3.4 percent in September 2025. This is the highest inflation print since September 2024, when the rate was 3.8 percent, a period of the first cut after the COVID-19 pandemic pause. The main contributors of this increase were housing and utilities (4.5 percent and contributing 1.1 percentage points) and food and non-alcoholic beverages (3.9 percent and contributing 0.7 of a percentage point). On the other side, during October 2025, the annual inflation rate for goods was 3.1 percent, up from 2.9 percent in September 2025, and for services was 4.0 percent, up from 3.9 percent in September 2025.

Figure 7: Shift in Consumer prices



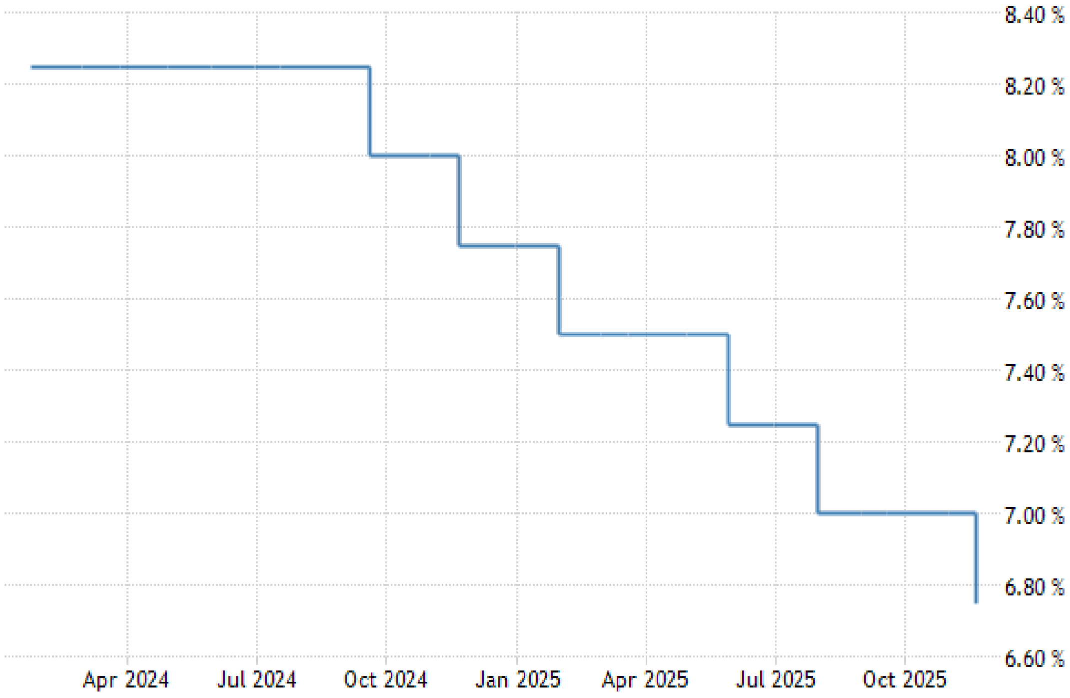
Source: StatsSA CPI, October 2025

In relation to the changes in food and beverages, it is found that meat inflation retreated from its highest level in almost eight years, moderating to 11.4 percent from 11.7 percent in September. Despite the lower reading, several meat products remain in double-digit territory, including stewing beef (30.9%), beef steak (27.9%), and beef mince (27.1%), among others. In addition, potato prices experienced the largest decline of 26.5 percent between October 2024 and October 2025. On month-to-month basis, between September 2025 and October 2025, pumpkin recorded the highest increase in this category of about 11.5 percent, followed by tomatoes at 6.7 percent, with the largest price decline on beetroot of 15.9 percent.

1.3.3 SA Interest Rate

The South African repo rate remained unchanged at 8.25 percent between the May 2023 MPC sitting and July 2024, with the first rate cut announced during the September 2024 SARB Monetary Policy Committee (MPC) meeting.

Figure 8: South Africa's interest rate



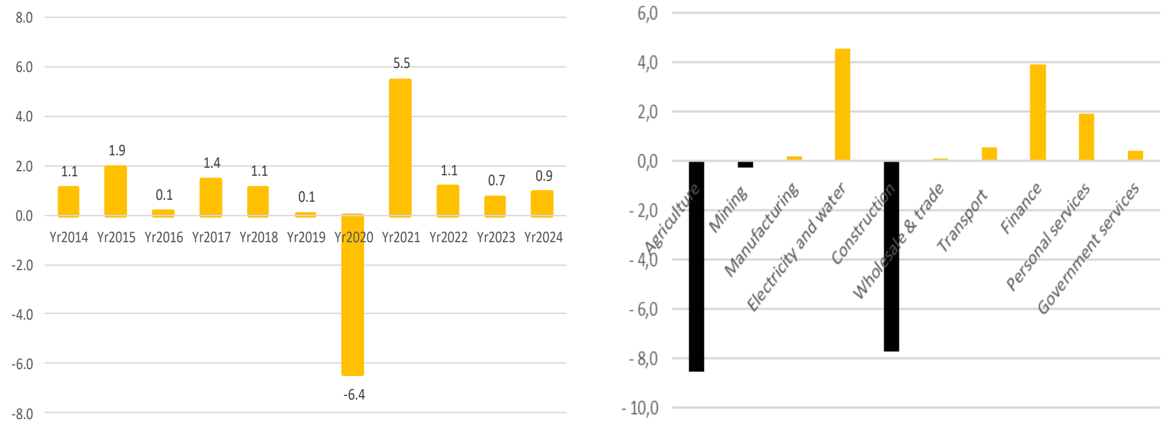
Source: SARB, November 2025

The South African Reserve Bank, during its MPC November 2025 meeting, announced the reduction of the policy rates by 0.25 basis points, resulting in a 6.75 percent repo rate and 10.25 percent prime lending rate, as anticipated by economists and policymakers, given the inflation outlook, amid global uncertainty. This decline in policy rates comes after the new inflation target announced by the National Treasury, moving from a wider target band of 3-6 percent. Accordingly, this lower target will decrease inflation expectations and inflation, creating room for lower interest rates. Since September 2024, policy rates have been reduced cumulatively by 150 basis points, despite the pauses at some stage, but with no increase during this period.

1.4 Limpopo Economic Overview

In a year marked by mixed national economic outcomes, Limpopo emerged as one of South Africa’s top-performing provinces, recording a growth rate of 0.9 percent in 2024, according to the latest provincial GDP estimates from Statistics South Africa. This achievement was realized despite notable challenges in the province’s traditional primary sectors. The expansion was largely driven by strong growth in the finance, real estate, and business services industries, complemented by solid performance in personal services—particularly health and education. Additional support came from gains in utilities, transport, communication, general government, manufacturing, and trade, reflecting the province’s gradual shift toward a more diversified economic base.

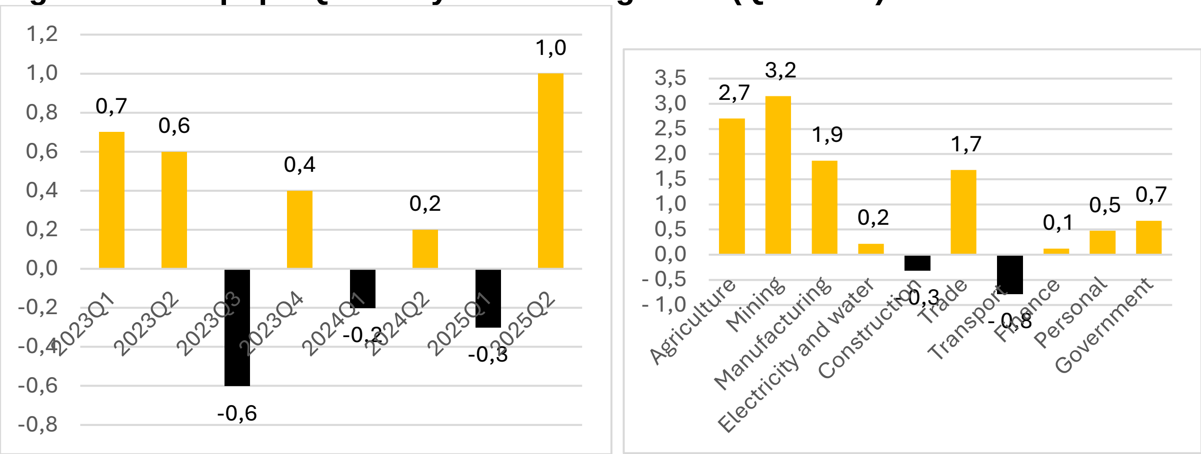
Figure 9: Limpopo annual economic growth and sector contributions



Source: StatsSA, GDP, 2024.

Over the past 10 years, Limpopo's GDP has only grown beyond 2.0 percent in 2021 at 5.5 percent from a negative growth of 6.4 percent in 2020, which was the result of the COVID-19 pandemic. During 2024, the province's GDP only grew by 0.9 percent, following a 0.7 percent growth in 2023. The agriculture sector, mining, and construction contributed negatively to the provincial GDP growth in 2024, while manufacturing, wholesale, transport, electricity, finance, government services, and personal services recorded positive growth.

Figure 10: Limpopo Quarterly economic growth (Q2: 2025)

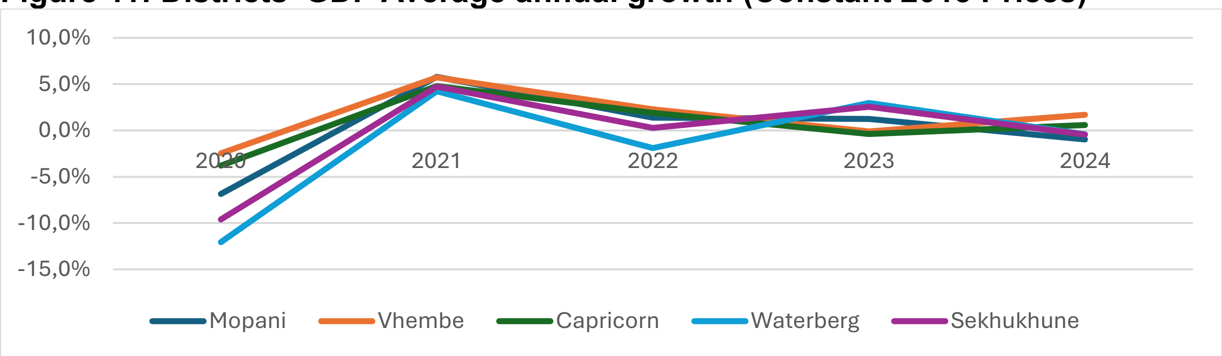


Source: Quantec, GDP, Q2: 2025.

During Q2: 2025, the Limpopo economy grew by 1.0 percent, whilst South Africa recorded a positive increase of 0.8 percent. These growth rates reflect a desirable forward-looking picture. However, quarterly, the sector performance differs due to various sector-specific factors, such as the rain pattern effect in the agricultural sector and the commodity prices in the mining sector.

The agriculture and mining sectors remain the backbone of Limpopo's economy, although there is a fundamental need for economic justification. In Q1:2025, Agriculture recorded a considerable positive growth of 15.7 percent, whilst mining became the negative contributor by 4.8 percent. However, in Q2, mining became the largest contributor to GDP, with agriculture being the second main positive contributor. During this quarter, eight (8) industries recorded positive growth, with only construction and transport having negative growth.

Figure 11: Districts' GDP Average annual growth (Constant 2015 Prices)



Source: S&P Global, 2025

The figure above depicts the average annual growth by districts. In terms of the Districts' GDP growth, during 2024, three districts (Waterberg, Sekhukhune, and Mopani) recorded a negative growth, whereas, the two districts (Capricorn and Vhembe) that have recorded positive growth in the 2024, and are the ones that recorded negative growth during the 2023. Traditionally, mining and agriculture in the province and districts are the main sectors contributing to economic growth.

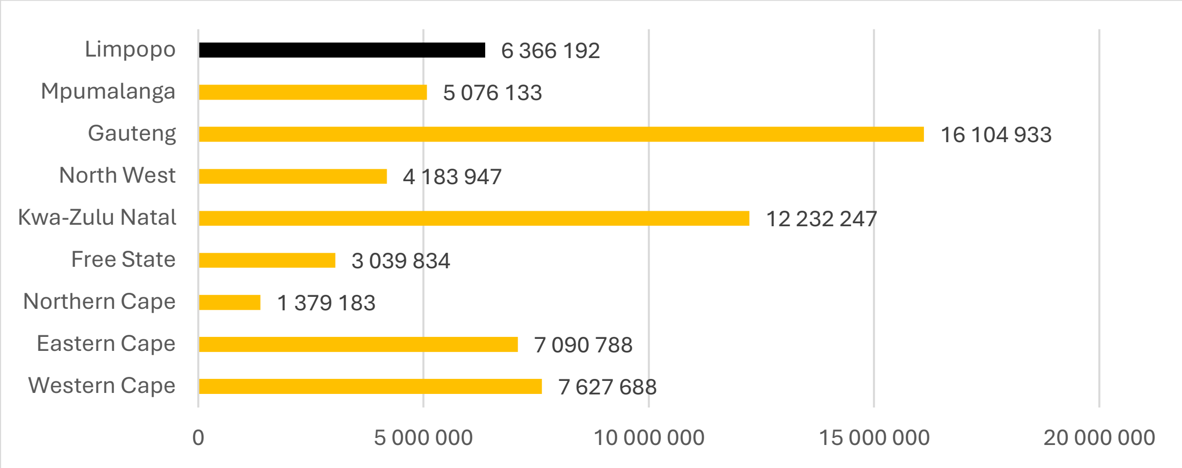
1.5 Demographics

According to Statistics South Africa’s 2024 mid-year population estimates, the country’s population continues to grow steadily on an annual basis. This sustained demographic expansion necessitates responsive and inclusive government policies aimed at improving livelihoods and meeting the evolving needs of the population. In line with its constitutional mandate, the government is obligated to provide essential services and basic needs, particularly for vulnerable and impoverished communities, ensuring that socio-economic development keeps pace with population growth.

1.5.1 Population Per Province

South Africa’s provincial population composition varies in nature, in the sense that some provinces are densely populated, such as Gauteng, while others are less populated, such as the Northern Cape. Socio-economic factors remain the reason for these variations. People, by their nature, have different preferences; however, the majority will prudently reside where there are economic opportunities, security, and better livelihoods.

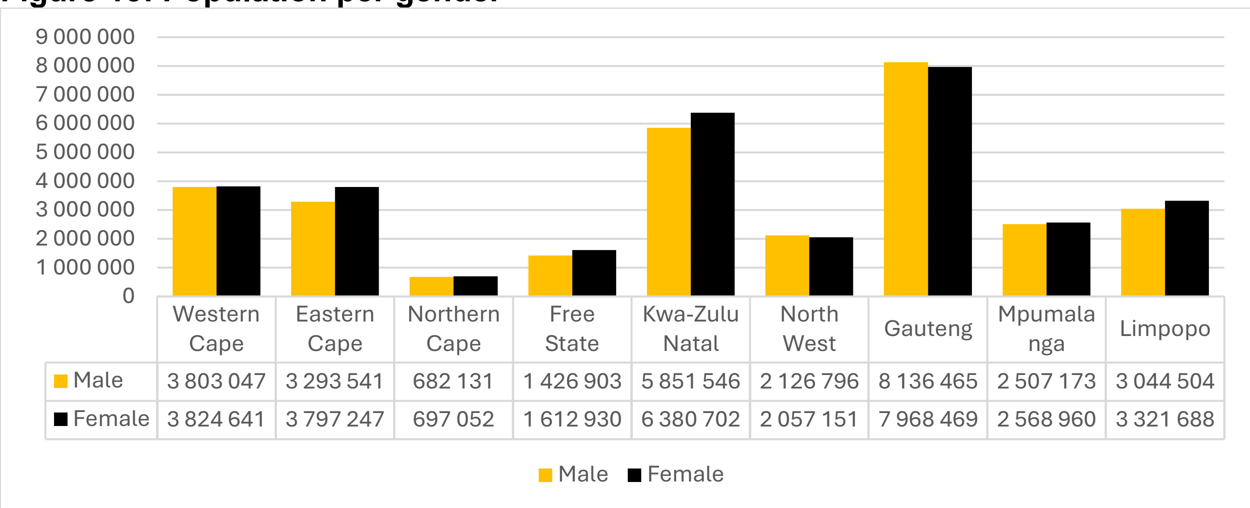
Figure 12: South African provincial population



Source: StatsSA, GHS, 2024

According to StatsSA, General Household Survey, Gauteng (16.1 million) continues to be the largest populous province, followed by KwaZulu-Natal (12.2 million) and then Western Cape (7.6 million). Limpopo has approximately 6.3 million people, thereby making it the fifth largest populous province in the country. Inherently, the Northern Cape has the lowest population size, with only around 1.3 million people, resulting from its low economic activity. The endowments of provinces, as well as characteristics, influence provincial population.

Figure 13: Population per gender



	Western Cape	Eastern Cape	Northern Cape	Free State	Kwa-Zulu Natal	North West	Gauteng	Mpumalanga	Limpopo
Male	3 803 047	3 293 541	682 131	1 426 903	5 851 546	2 126 796	8 136 465	2 507 173	3 044 504
Female	3 824 641	3 797 247	697 052	1 612 930	6 380 702	2 057 151	7 968 469	2 568 960	3 321 688

Source: StatsSA, GHS, 2024

For effective policy direction and planning, gender demographics play a critical role. While provinces with a higher female population may be expected to experience elevated birth rates, recent data show that the gender distribution across South African provinces is relatively balanced. In Limpopo, however, females outnumber males, with approximately 3.3 million women compared to 3.0 million men in 2024. This disparity is largely attributed to male migration to provinces such as Gauteng and Mpumalanga in pursuit of economic opportunities. Consequently, many women remain in Limpopo to manage household responsibilities, often facing increased vulnerability to socio-economic challenges, including limited access to economic opportunities and exposure to crime. These dynamics underscore the importance of gender-responsive policies that address both economic inclusion and social protection.

1.6 Education

Over time, investment in education has yielded positive results, such as opening economic opportunities for the citizens, which range from employability, creativity and innovation, among others. In South Africa, education has been declared a basic human right, given its developmental potential, and is one of the strongest instruments for reducing poverty and improving health, gender equality, and stability. Education brings about significant, consistent returns in terms of income and is the most important factor to ensure equity and inclusion. Though South Africa's education system still faces inequality as a result of the apartheid system, which offered dual unequal education systems based on race, resulting in a weak school system for the underprivileged, mostly in rural areas.

Education must provide skills needed in the labour market; however, to some extent, the SA school system is not yet fully equipped to fulfil such. The post-apartheid government was faced with a school system that was highly fragmented, segregated by race, and with greatly discriminatory funding for teachers, learning materials, and schools. The democratic government has been in a battle to reduce these injustices and failures.

On a post-metric level, there were various interventions, such as an increase in TVET Colleges as well as Universities, to accommodate the required skills in the labour market. One of the challenges encountered in this context is the ever-changing labour market system, such as the recent artificial intelligence taking over, and education needs to effectively accommodate such a phenomenon. To this effect, role players such as educators, from as early as the foundation level, need to be equipped to effectively respond to these changes. Further to this, on a downward stream, Government called for increased Early Childhood Development (ECD) centres to ensure kids start learning at a young age, to make them familiar with the learning system. Ever since this initiative was implemented, there has been a sizeable increase in the ECD centres; however, there is still some reluctance by some households to enrol little children in the ECD centres.

1.6.1 Educational Performance

Table 1: Percentage of children aged 0–4 years who used different childcare

Care arrangements for children aged 0–4 years	Province (Per cent)									
	WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
Grade R, Pre-school, nursery school, crèche, edu-care centre	42,1	31,2	22,0	41,3	26,3	31,0	41,1	32,3	40,5	**35,0**
Day mother/gogo	7,7	4,5	3,0	9,8	1,9	1,5	5,2	1,3	15,1	**5,4**
Home based play group	0,7	0,8	0,0	0,0	0,1	0,0	0,2	0,0	0,0	**0,2**
School (Grade 1 or 2)	0,6	0,4	0,0	0,0	0,3	0,2	0,2	0,3	0,2	**0,3**
At home with parent or guardian	36,3	50,0	63,1	43,7	57,6	62,7	43,9	59,0	38,1	**49,1**
At home with another adult	9,0	11,3	9,8	4,7	12,9	4,2	7,7	5,3	5,7	**8,5**
At home with someone younger than 18 years	0,6	0,2	0,0	0,0	0,1	0,0	0,1	0,2	0,0	**0,1**
At somebody else's dwelling	2,8	1,4	1,7	0,3	0,5	0,6	0,8	1,4	0,4	**1,0**
Other	0,2	0,3	0,4	0,3	0,2	0,0	0,9	0,2	0,0	**0,3**
Total	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**

Source: StatsSA, GHS, 2024

Policy decisions and investments by the government related to access to ECD provisioning have increased over time. It is very difficult to measure the direct contribution of the state towards ECD activities since a household-based survey, such as the General Household Survey (GHS), is not designed to accurately identify the suppliers of ECD services; however, enrolment with ECD remains on the increase. Nationally, 49.1 percent of children aged 0–4 stayed at home with a parent or guardian, while 8.5 percent were cared for by another adult. In comparison, Limpopo recorded 38.1 percent and 5.7 percent, respectively.

Table 2 : School enrolment by Province between 2024 and 2025

Province	2024	2025	2024/25 difference
EC	1 802 963	1 795 290	- 7 673
FS	724 775	722 066	- 2 709
GP	2 737 072	2 770 398	33 326
KZN	2 915 703	2 927 458	11 755
LP	1 827 906	1 853 624	25 938
MP	1 165 266	1 178 383	13 117
NC	311 352	314 185	2 833
NW	891 089	899 392	8 303
WC	1 303 247	1 308 843	5 596
National	13 679 373	13 769 639	90 266

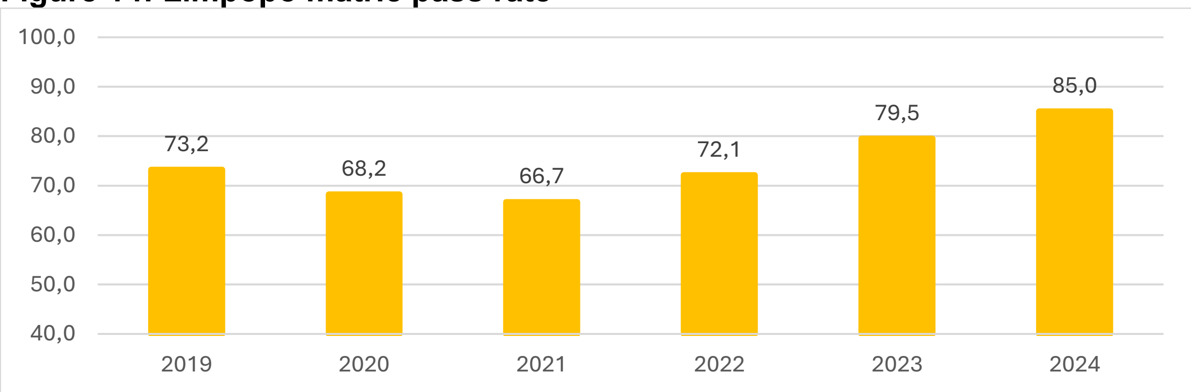
Source: DBE,2025

In terms of national school enrolment, there are about 13.7 million learners in school, an increase of 90 thousand between 2024 and 2025. Limpopo has the third largest number (1.8 million) of enrolled learners in 2025, with Kwa-Zulu Natal being the highest number (2.9 million), followed by Gauteng at (2.7 million), while Northern Cape has the lowest number (314 thousand) of enrolled learners in 2025. Between 2024 and 2025, the Eastern Cape and Free State recorded a decline in enrolled learners.

1.6.2 Matric

In South Africa, a matric pass is a significant milestone, which determines the shape of the post-secondary school route possibly to pursue.

Figure 14: Limpopo matric pass rate



Source: Department of Basic Education, 2025

Limpopo province has recorded its highest percentage of matric pass rate in 2024, and it is the highest in history. This milestone reflects the province's sustained investment in strengthening its education system, with a focus on improving teaching quality, learner support, and infrastructure. The record pass rate underscores the effectiveness of targeted interventions and the province's commitment to enhancing educational outcomes for long-term socio-economic development.The lowest pass rate between 2019 and 2024 was recorded in 2020 and 2021, because of the COVID-19 disruption. Since 2021, Limpopo's matric pass rate has increased to 72.1 percent in 2022, 79.5 percent in 2023, and recently to 85.0 percent in 2024.

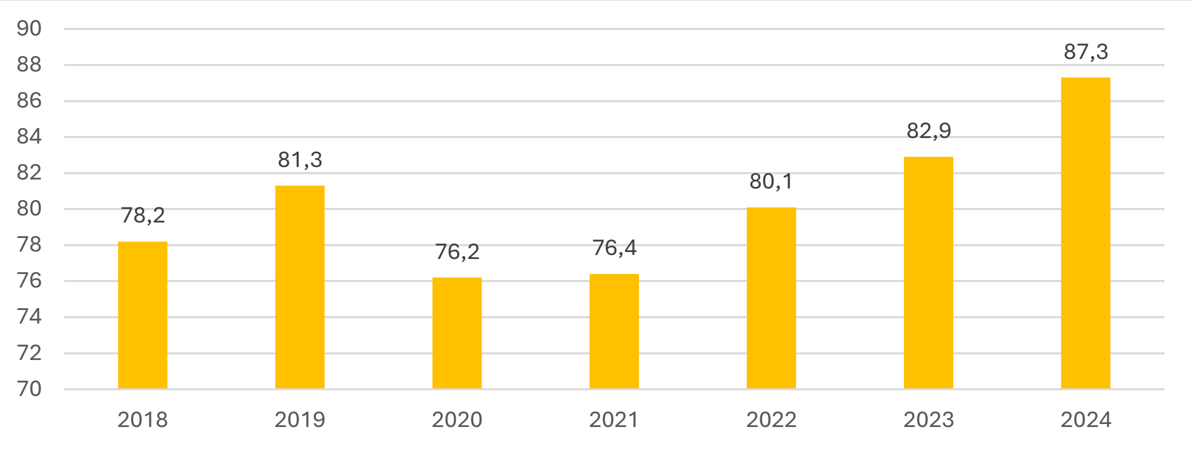
Table 3: Overall performance of the 2024 grade 12 cohort

PROVINCE	TOTAL WROTE	TOTAL ACHIEVED	% ACHIEVED	RANKING
EASTERN CAPE	99 739	84 760	84.98	8
FREE STATE	36 312	33 039	90.99	1
GAUTENG	133 228	117 793	88.41	3
KWAZULU-NATAL	161 962	144 990	89.52	2
LIMPOPO	93 474	79 461	85.01	6
MPUMALANGA	64 201	54 567	84.99	7
NORTH WEST	40 757	35 513	87.52	4
NORTHERN CAPE	12 937	10 892	84.19	9
WESTERN CAPE	62 863	54 414	86.56	5
NATIONAL	705 291	615 429	87.26	

Source: Department of Basic Education, 2024.

As a reflection of population dynamics, majority of learners who wrote the 2024 matric examination were from KwaZulu-Natal, followed by Gauteng province at 161.9 thousand and 133.2 thousand, respectively. The number of learners can effectively influence the pass rate; hence, Free State (90.9%), which is ranked first in terms of pass rate, has the second lowest number of learners (36.3 thousand) who sat for the exam. However, this statement is not holistically a true reflection since the Northern Cape Province (84.1%), which has the lowest population in South Africa, also had the lowest number (12.9 thousand) of learners who wrote matric in 2024 and was ranked number nine in terms of provincial rankings. KwaZulu-Natal despite a high population, is the second highest in terms of matric pass rate. During 2023, Limpopo was the seventh-ranked province, and in 2024, it improved to the 6th ranked province.

Figure 15: NSC examination performance (2018 to 2024)



Source: DBE, 2024

The 2024 National matric pass rate is the highest in the history of South Africa at 87.3 percent, with an increase of 4.4 percentage points from the 2023 matric pass rate. Over the period between 2018 and 2024, the matric pass rate was low in 2020 and 2021 at 76.2 percent and 76.4 percent, respectively, as a result of COVID-19. The current results of 87.3 percent indicate that the country has moved out of the COVID-19 challenges, and there have been improved teaching and learning methods implemented in the education sector.

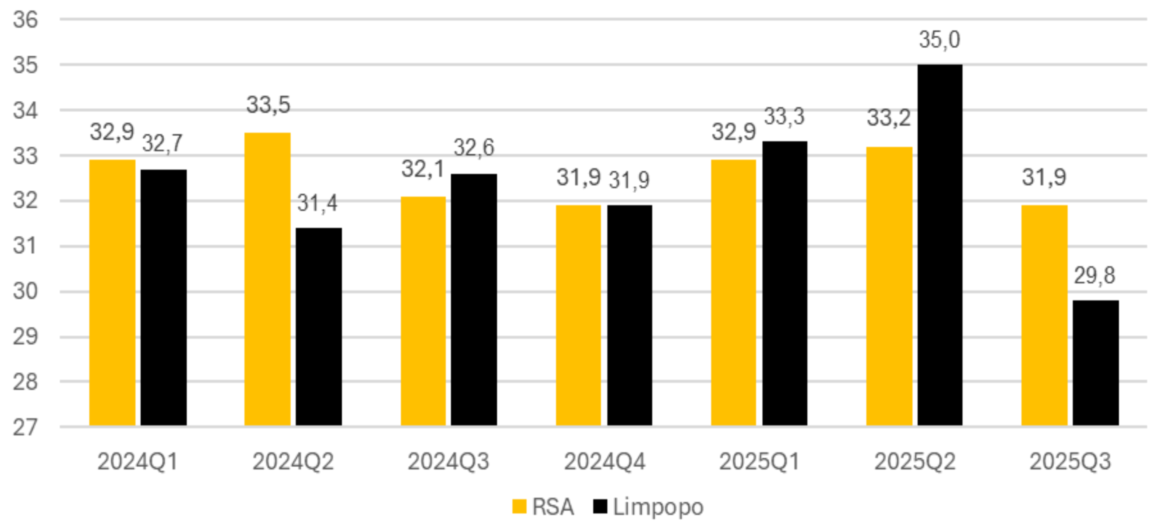
1.7 Labour Market Characteristics

South Africa, including Limpopo province, has been struggling with high and undesirable levels of unemployment over time, largely due to a stagnant economy. This unemployment crisis is further complicated by a growing population. Various factors, including structural challenges, are hindering the country's economic growth, although the National Treasury reported that progress is being made in addressing these issues.

The Quarterly Labour Force Survey (QLFS) questionnaire was recently revised in Q3:2025 to align with international labour statistics standards, incorporating additional questions and reviewing existing ones based on the latest International Conference of Labour Statisticians (ICLS) resolutions. These updates aim to keep South Africa's labour statistics relevant and comparable globally. Notably, the revisions don't impact the measurement or definition of employment and unemployment, but rather enhance the understanding of the labour market.

1.7.1 SA and Limpopo Unemployment

Figure 16: SA and Limpopo Unemployment Rate

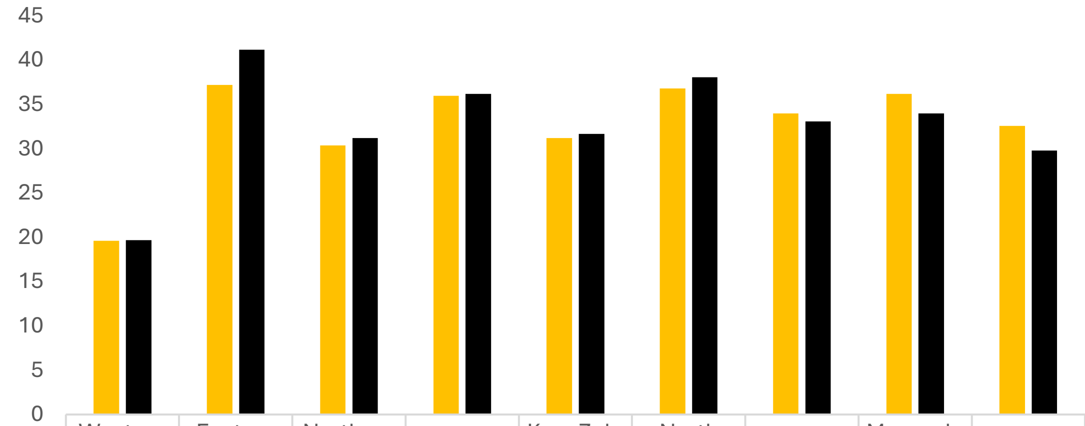


Source: StatsSA, QLFS,Q3, 2025

The Q3: 2025 QLFS shows a decline in unemployment rates for both South Africa and Limpopo compared to the previous quarter. South Africa's unemployment rate dropped to 31.9 percent from 33.2 percent in Q2:2025, while Limpopo's rate decreased to 29.8 percent from 35 percent. Compared to the same quarter last year, unemployment rates were also lower in 2025 for both South Africa and Limpopo. The recent improvement in GDP growth in Q2 of 2025 is likely contributed to the decline in unemployment. Although the GDP growth and unemployment decline didn't coincide in Q2, the Q3:2025 unemployment rate developments may be a result of this growth. Initially, the non-simultaneous occurrence raised concerns about "jobless growth," which isn't ideal for the country.

To address unemployment, the Limpopo Provincial Government is focusing on making the two Special Economic Zones fully operational, aiming to absorb a significant portion of the unemployed labour force into employment.

Figure 17: Quarterly unemployment rate per province



	Western Cape	Eastern Cape	Northern Cape	Free State	Kwa-Zulu Natal	North West	Gauteng	Mpumala nga	Limpopo
Q3 2024	19,6	37,2	30,4	36	31,2	36,8	34	36,2	32,6
Q3 2025	19,7	41,2	31,2	36,2	31,7	38,1	33,1	34	29,8

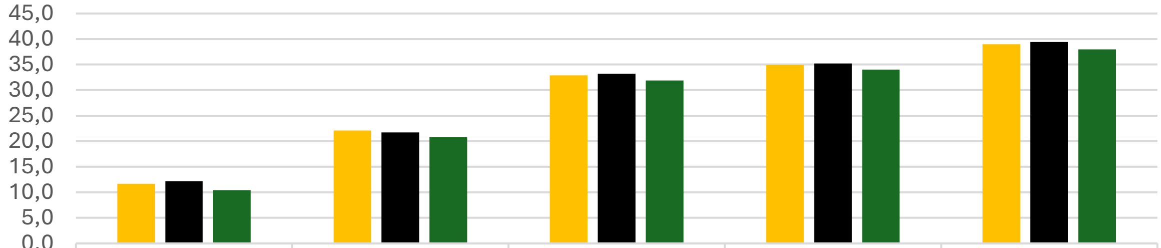
Q3 2024 Q3 2025

Source: StatsSA, QLFS, Q3, 2025.

During Q3 2025, QLFS indicates that Western Cape Province has consistently recorded the lowest rate of unemployment. Eastern Cape, North-West, Free State and Kwa-Zulu Natal recorded higher levels of unemployment in Q3 2025. In comparison with Q3:2024, Limpopo's unemployment rate has decreased from 32.6 percent to 29.8 percent in Q3:2025. One of the factors contributing to high levels of provincial unemployment rates could be population growth; however, the Western Cape is the third largest populous province and has the lowest unemployment rate, which may be attributed to high levels of economic activity.

1.7.2 Unemployment Per Education

Figure 18: Unemployment per educational level



	Graduates	Other Tertiary	RSA	Matric	Less than matric
Q1 2025	11,7	22,1	32,9	34,9	39,0
Q2 2025	12,2	21,7	33,2	35,2	39,4
Q3 2025	10,4	20,8	31,9	34,0	38,0

Q1 2025 Q2 2025 Q3 2025

Source: StatsSA, QLFS, Q3: 2025

Education plays a vital role in the development of a country, to a degree of innovativeness, poverty eradication, among others. It has a significant impact on mitigating a nation's unemployment rate. Possessing a tertiary education, especially a degree, enhances one's likelihood of securing employment. In Q1: 2025, individuals with an educational attainment of less than matric recorded an unemployment rate of 39.0 percent, while graduates had a rate of 11.7 percent, which increased to 12.2 percent in the second quarter and declined to 10.4 percent in Q3: 2025. Unemployment rates for those with matric or lower educational qualifications exceeded the national rate, whereas individuals with other tertiary qualifications and graduates had rates below the national unemployment rate.

1.7.3 Limpopo Labour Market

During Quarter 3: 2025, QLFS indicates an increase in the working-age population (i.e., 15-64 years) in Limpopo Province. In the quarter 3: 2024, there were about 4 million people of working age, which has increased to 4.1 million people of working age in Q3: 2025. In terms of the population employed and those looking for employment, the labour force statistics show that Limpopo has more people employed than unemployed. In Q3:2024, there were about 1.6 million people in employment and about 755 thousand unemployed. During Q3 2025, there are about 1.6 million people employed and about 659 thousand unemployed.

Table 4: Limpopo Labour force characteristics

	Jul-Sep 2024	Oct-Dec 2024	Jan-Mar 2024	Apr-Jun 2025	Jul-Sep 2025
Population 15-64 years	4 049	4 061	4 074	4 086	**
Labour force	2 314	2 267	2 231	2 239	2 214
Employed	1 559	1 543	1 488	1 515	1 555
Unemployed	755	724	743	814	659
Outside the Labour force	1 735	1 794	1 843	1 757	1 884
Key rates in relation to the working-age population					
Labour force participation rate	57.2	55.8	54.8	57.0	54.0
Employed/population ratio (Absorption)	38.5	38.0	36.5	37.1	37.9
Inactive rate	42.8	44.2	45.2	43.0	46.0
Labour underutilisation indicators (%)					
LU1 -unemployment rate	32.6	31.9	33.3	35.0	29.8
LU2- Combined rate of unemployment and time-related underemployment	38.3	37.0	37.4	39.4	43.4
LU3- Combined rate of unemployment and potential labour force	46.3	46.5	48.6	47.7	45.1
LU4- Composite measure of labour utilisation	50.9	50.5	51.8	51.3	48.7

Source: StatsSA, QLFS, Q3, 2025

The newly adopted ICLS methodology has brought changes to how labour statistics are measured, introducing concepts like "outside labour force" and labour underutilisation indicators. According to the updated data, those outside the labour force, including potential labour force and others not in the labour force, increased from 1.757 thousand to 1.884 thousand between Q2 and Q3:2025. Limpopo's labour force participation rate declined to 54.0 percent in Q3:2025, down from 57.0 percent in the previous quarter. Despite this, the province saw a significant 5.2 percent drop in unemployment rate, making it the province with the second-lowest unemployment rate after the Western Cape.

1.7.4 Limpopo Youth Labour Market Indicators

Limpopo's youth employment rose from 555 thousand in Q3: 2024 to 574 thousand in Q3: 2025. The Province is urged to focus on job creation, skills development, and entrepreneurship to address youth unemployment.

Table 5: Limpopo youth labour force

	Jul-Sep 2024	Oct-Dec 2024	Jan-Mar 2025	Apr-Jun 2025	Jul-Sep 2025
	Thousand				
Population 15-34 years	**2156**	**2153**	**2150**	**2148**	**2144**
Labour Force	**1048**	**999**	**974**	**1036**	**978**
Employed	555	538	527	539	574
Unemployed	**493**	**461**	**448**	**497**	**404**
Outside the Labour Force	**1107**	**1154**	**1176**	**1111**	**1167**
Potential Labour Force	330	357	383	312	352
Available job-seekers	329	357	383	310	352
Discouraged work-seekers	287	314	321	269	279
Other (Available job-seekers)	42	44	62	41	73
Unavailable job-seekers	1			1	
Other (Outside the Labour Force)	778	797	793	799	814
Key rates in relation to the working-age population					
Labour force participation rate	48,6	46,4	45,3	48,3	45,6
Employed / population ratio (Absorption)	25,8	25,0	24,5	25,1	26,8
Inactivity rate	51,4	53,6	54,7	51,7	54,4
Labour underutilization indicators (%)					
LU1 - Unemployment rate	47,0	46,1	46,0	48,0	41,3
LU2 - Combined rate of unemployment and time-related underemployment	52,3	50,4	49,4	52,0	46,0
LU3 - Combined rate of unemployment and potential labour force	59,7	60,3	61,2	60,0	56,8
LU4 - Composite measure of labour underutilization	63,7	63,5	63,7	63,1	60,3

Source: StatsSA, QLFS Q3, 2025

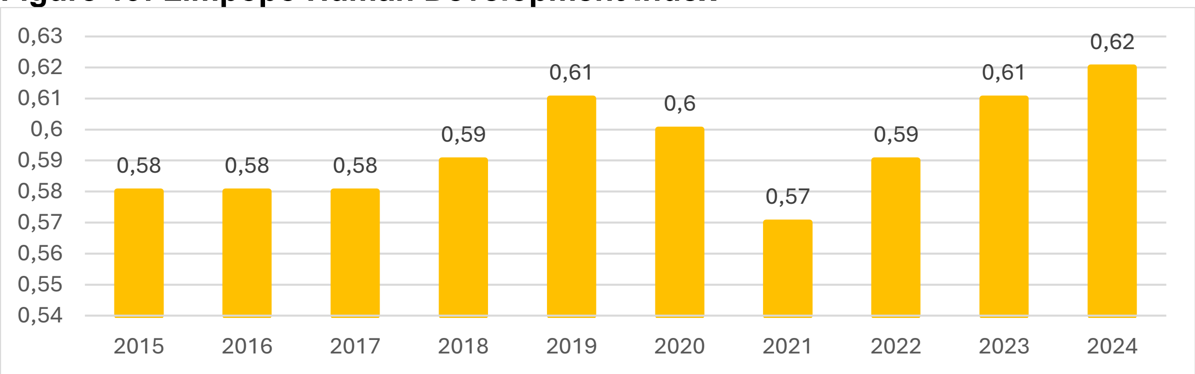
Limpopo's youth unemployment rate dropped significantly from 48.0 percent in Q2 2025 to 41.3 percent in Q3 2025, although it's still high. Out of 2.1 million youth, 978 thousand were in the labour force, with 574 thousand employed and 404 thousand unemployed. To address this, developing and implementing youth economic empowerment programs is crucial. Initiatives to curb unemployment include investing in infrastructure projects, supporting small businesses, and expanding youth employment programs through collaboration with national initiatives. Departments are jointly working closely with the private sector to implement policies that drive sustainable employment growth, particularly for young people.

1.8 Development Indicators

1.8.1 Human Development Index

Human Development Index (HDI) remains one of the main measures of a country's developmental levels. HDI was developed to measure and track development progress among countries as well as regions, so that where there is regression, intervention should be provided. HDI is a composite statistic that measures a country's level of development on a scale from 0 to 1, where 1 indicates the highest level of development. It is calculated using three key dimensions: life expectancy at birth (health), mean and expected years of schooling (education), and Gross National Income per capita (standard of living).

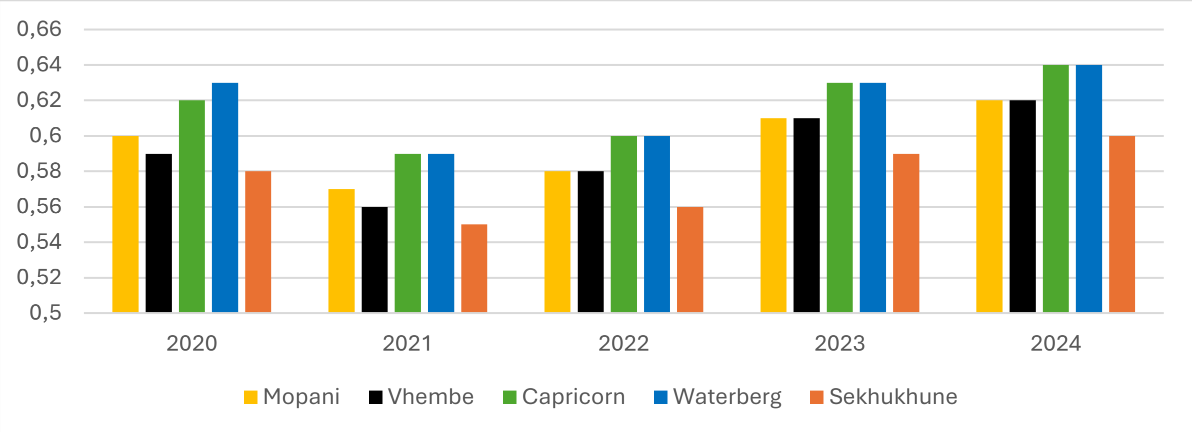
Figure 19: Limpopo Human Development Index



Source: S&P Global, 2025

For the previous 10 years, the Limpopo HDI levels have ranged between 0.58 and 0.62, thus implying moderate levels. The lowest level of HDI was recorded in 2021 at 0.57, which was a result of the COVID-19 pandemic. However, since then, the HDI levels for Limpopo have been increasing consistently, reaching the highest level of 0.62 for the period under review in 2024. Despite the highest level over this period being in 2024, there is a reflection that the second-highest level was in 2019, just before the pandemic. Had the pandemic not occurred, Limpopo's development index may likely have accelerate beyond the current state.

Figure 20: Limpopo Districts Human Development Index



Source: S&P Global, 2025

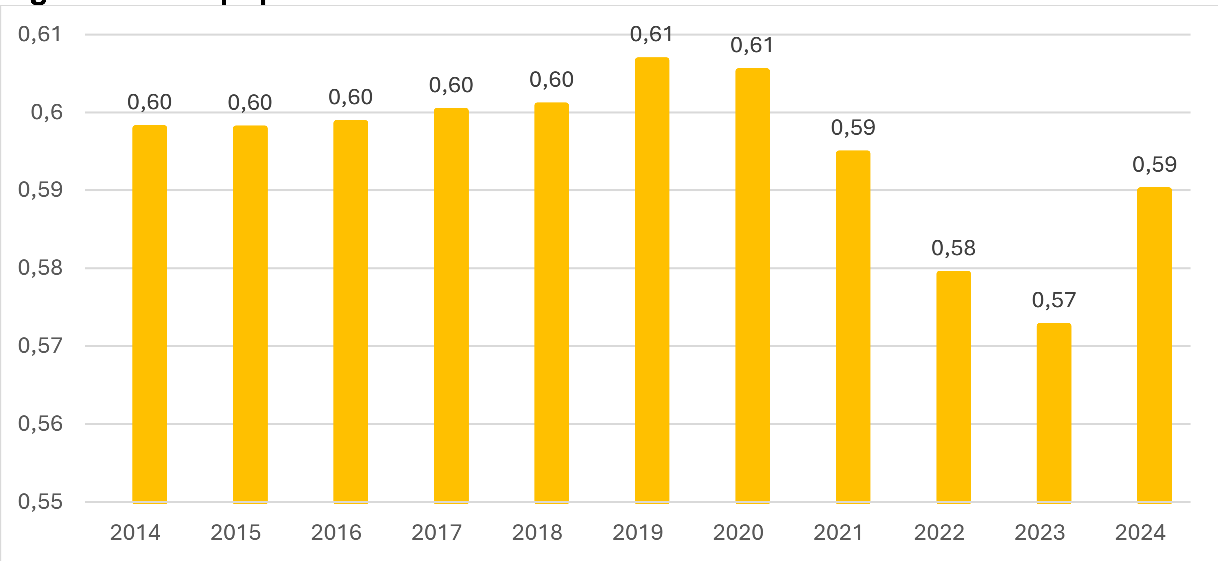
Over the five years from 2020 to 2024, the Human Development Index (HDI) for the Limpopo reflects a positive trajectory, with the highest levels recorded in 2024. This upward trend suggests that the policies and interventions implemented during this time have contributed meaningfully to improving human development outcomes. However, the data also highlights the adverse impact of the COVID-19 pandemic, as HDI levels declined between 2021 and 2022. This temporary setback underscores the vulnerability of development indicators to global health crises.

At the district level, notable disparities are evident. Sekhukhune consistently recorded the lowest HDI values during the review period, while Waterberg achieved the highest. Greater Sekhukhune, endowed with significant mineral resources, holds potential for economic growth that could enhance HDI levels. Nevertheless, mining activities may also pose health risks to surrounding communities, which could offset these gains and negatively influence overall human development outcomes.

1.8.2 Limpopo Inequality - Gini Coefficient

South Africa has been experiencing an income inequality challenge for a considerable period. The Gini coefficient is the most common measurement of levels of inequality. The Gini is an index between 0 and 1 that measures the distribution of income in an economy and shows how the distribution of income differs from total equality. Total equality exists when the Gini coefficient is zero, implying that all households earn an equal income. Whereas a measure of 1 demonstrates total inequality, meaning one household earns all the income, whilst other households earn almost nothing.

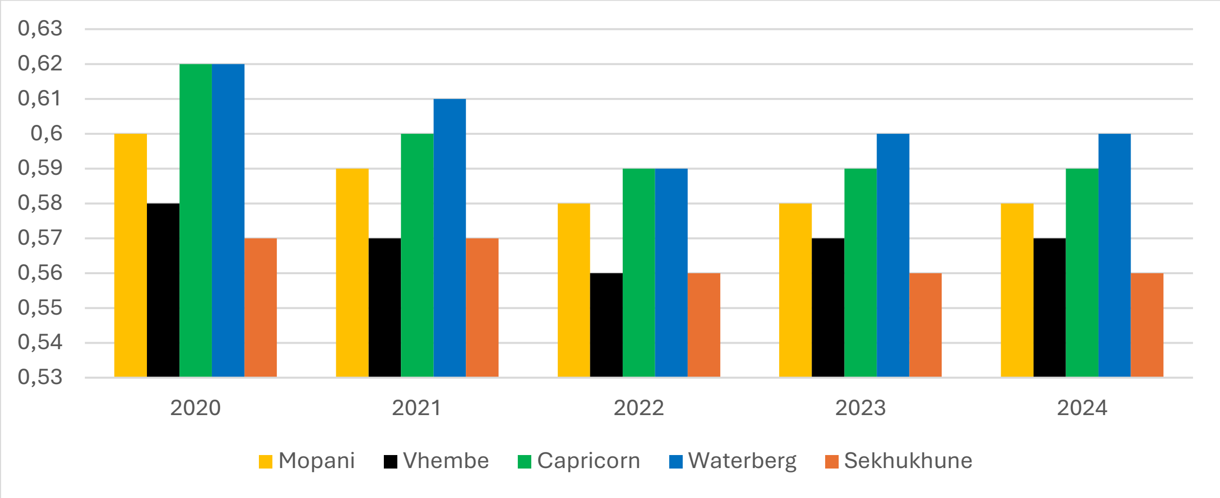
Figure 21: Limpopo Gini Coefficient



Source: S&P Global,2024

Between 2020 and 2023, Limpopo experienced a gradual decline in inequality levels, with values ranging from 0.61 to 0.57. The province recorded its highest inequality levels during 2019 and 2020, while the lowest level of 0.57 was achieved in 2023. However, this improvement was not sustained, as inequality rose again to 0.59 in 2024. Although the reduction in inequality is evident, the pace of change remains slower than anticipated. Continued and strengthened efforts are therefore required to address income disparities more effectively and ensure meaningful progress in reducing provincial inequality.

Figure 22: District's Gini Coefficient

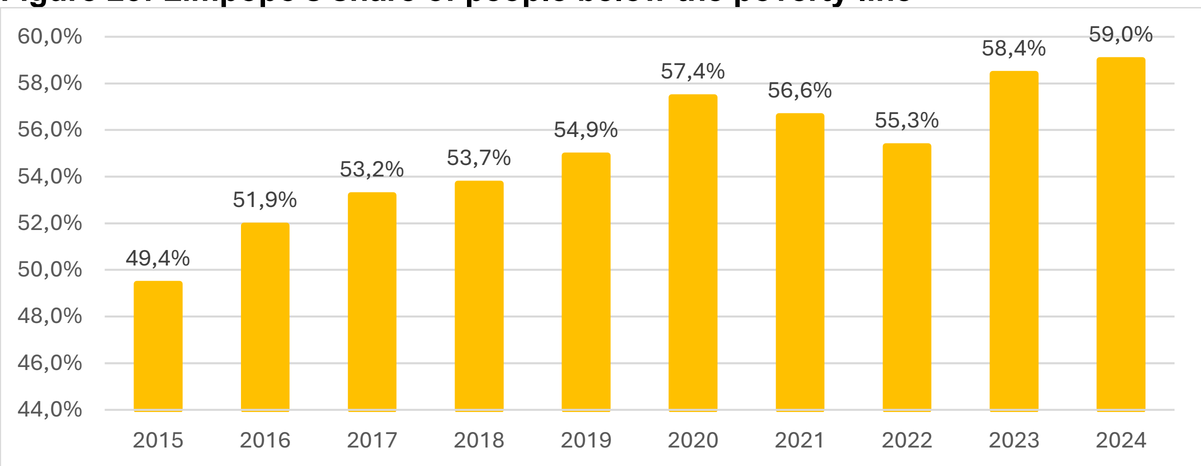


Source: S&P Global,2024

Over the past five years, the Waterberg district has consistently recorded the highest levels of income inequality, followed closely by the Capricorn district. In contrast, the Sekhukhune region has reported comparatively lower levels of inequality during the same period. These variations can largely be attributed to underlying economic disparities across the districts, reflecting differences in resource distribution, industrial activity, and overall economic opportunities.

1.8.3 Limpopo Poverty Rate

Figure 23: Limpopo's share of people below the poverty line

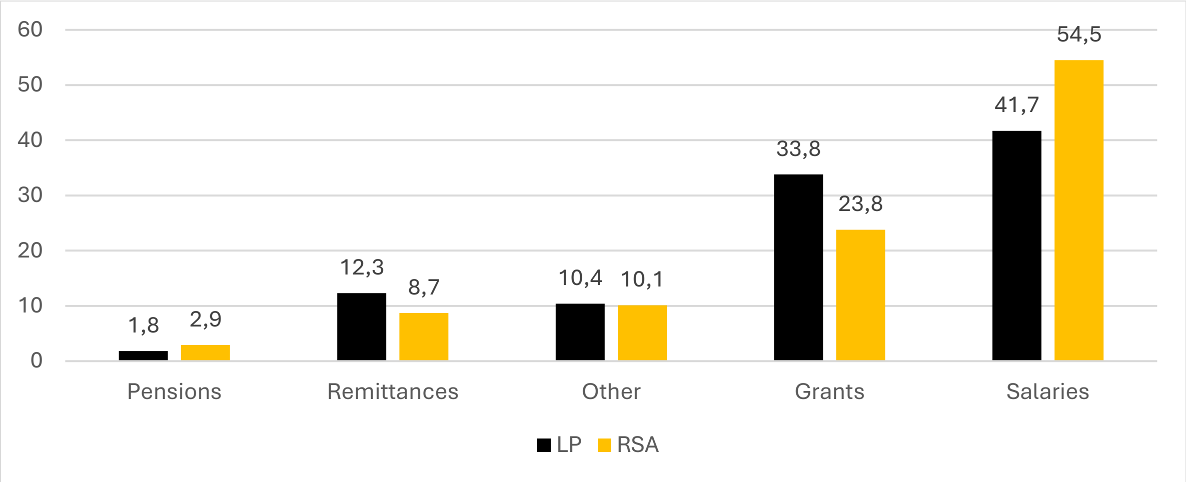


Source: S&P Global, 2025

During 2015, Limpopo had 49.4 percent of people living below the poverty line, which continued to increase every year until it reached 57.4 percent in 2020. From 2020, the share of people living under the poverty line declined to 56.6 percent in 2021 and subsequently to 55.3 percent in 2022. However, during 2023, the share of people living below the poverty line then increased to 58.4 percent and to 59.0 percent in 2024. It is therefore significant for government intervention through economic and developmental policies and strategies to create economic opportunities to lower the share of the poverty line trend.

1.8.4 Main Sources of Household Income

Figure 24: Household sources of Income



Source: StatsSA, GHS, 2024

South Africa, as a developing country facing persistent socio-economic challenges, requires broad-based economic participation to achieve sustainable household financial stability. Nationally, approximately 54.5 percent of households rely primarily on salaries as their main source of income, while in Limpopo, this figure is lower, at 41.7 percent. Salaries remain the dominant income source in both contexts, followed by grants, remittances, and pensions. It is concerning, however, that a significant proportion of households continue to depend heavily on government grants, despite the possibility of multiple income streams per household. This reliance underscores the extent to which public provision remains central to household survival, highlighting the need for policies that expand employment opportunities and reduce dependence on social transfers.

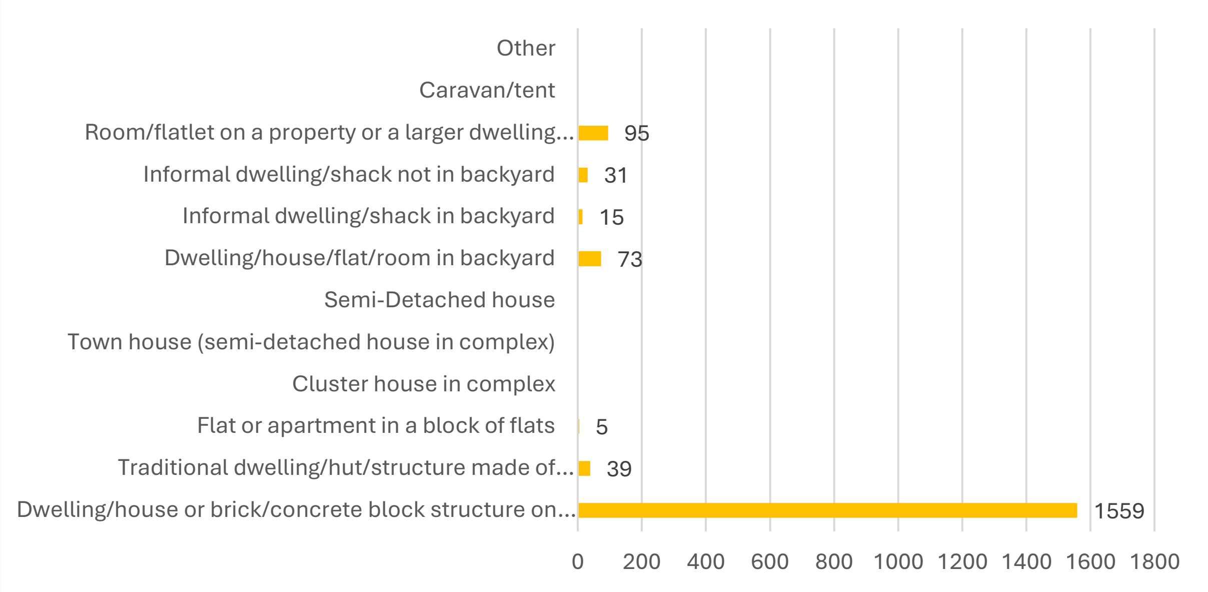
1.9 Household Infrastructure

Household infrastructure refers to the basic services and facilities that support communities. This includes transportation, energy, water, telecommunications, waste management, and digital systems, which are essential for a community or country to operate and grow. In South Africa, the provision of basic household infrastructure is a constitutional mandate, where the government has a duty to provide these basic services to communities that cannot afford them. The poor are unable to afford the construction of proper housing structures for themselves, given their economic status, and are dependent on the government to improve their quality of life. Household infrastructure takes into account types of residential areas as well as how and where these facilities are constructed.

1.9.1 Dwellings

The type of dwelling occupied by households is shaped by factors such as income, cultural traditions, geographic setting, and age demographics. In many instances, people do not live in the kind of housing they would ideally prefer, but rather in dwellings determined by their circumstances. A significant portion of housing stock consists of government-provided units, reflecting the state's ongoing commitment to ensuring access to adequate shelter as a fundamental human right. Since the transition to democracy, South Africa has consistently prioritized housing delivery for households unable to afford decent accommodation, reinforcing its pledge to improve living standards for vulnerable communities.

Figure 25: Limpopo household access to dwelling by type



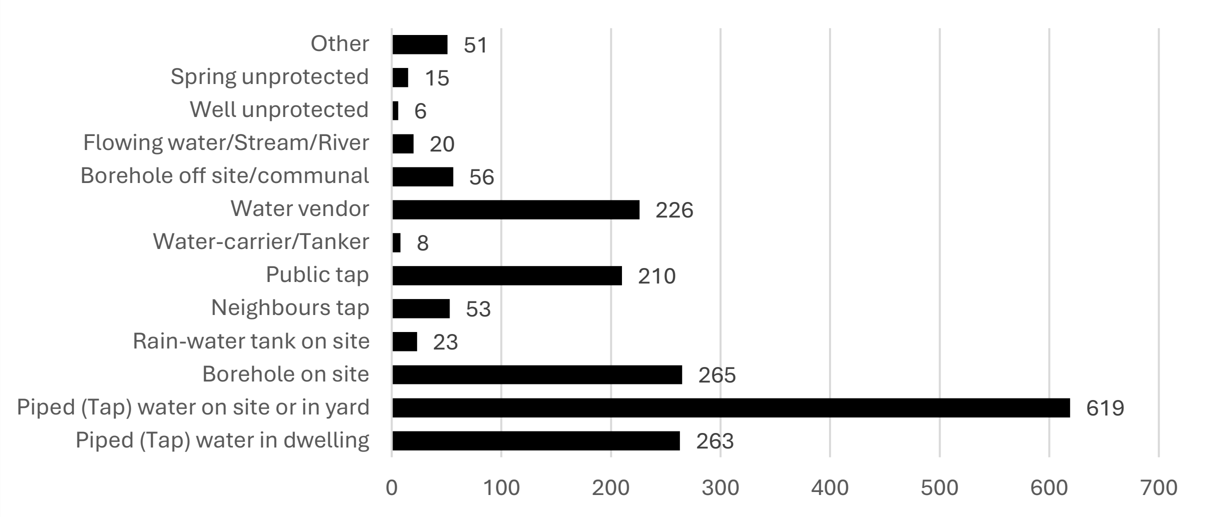
Source: StatsSA, GHS, 2024

As portrayed in Figure 24 above, most households in Limpopo live in formal brick or concrete houses on separate stands or farms. Smaller numbers occupy rooms or flatlets within larger properties, backyard dwellings, and the least common are apartments in blocks of flats. Ongoing government housing provision for low-income families has reduced reliance on shacks and informal dwellings.

1.9.2 Water Infrastructure

Access to clean and reliable water is essential not only for meeting social needs but also for supporting economic activity, as it serves as a key factor in attracting investment. Despite progress made, Limpopo continues to face a backlog in water provision for both households and business operations. The province relies on multiple sources of water, which are outlined below.

Figure 26: Limpopo household access to water by type



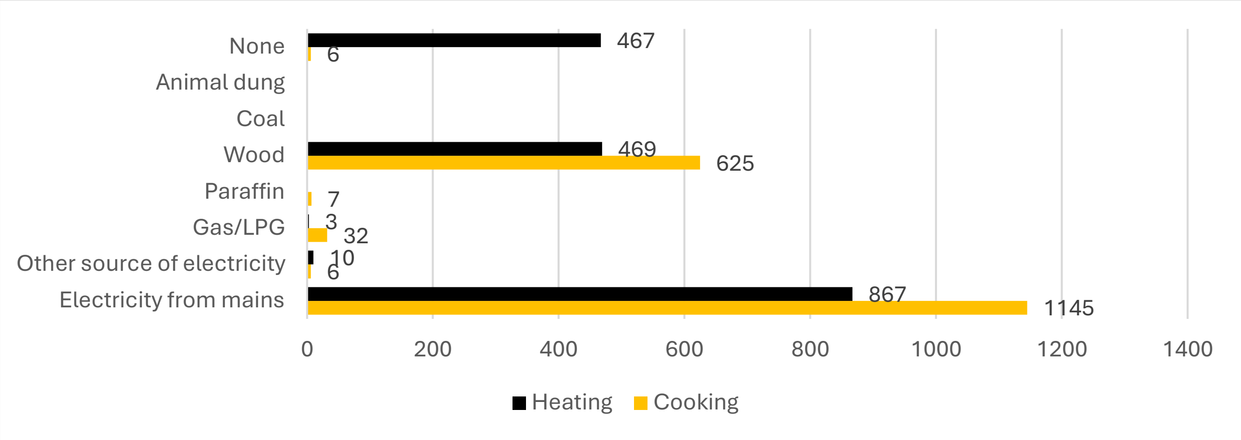
Source: StatsSA, GHS, 2024

Out of 1.8 million households in Limpopo, approximately 619 thousand households rely on piped water on site or in the yard. A smaller share, about 263 thousand households, have piped water directly inside their dwellings, while 210 thousand households depend on public taps. Around 265 thousand households use boreholes, and approximately 226 thousand households purchase water from vendors, which places additional strain on household finances. Despite these provisions, a portion of households still rely on unsafe water sources such as rivers, streams, dams, springs, or wells. To address this, the province needs sustained investment in water infrastructure, including the construction of dams, drilling of boreholes, and establishment of purification plants, particularly in rural areas.

1.9.3 Source of Energy

For the effective development of society and easing of day-to-day household activities, there is a need for a proper source of energy. In Limpopo, the main source of energy is required for heating and cooking at the household level.

Figure 27: Limpopo household sources of energy

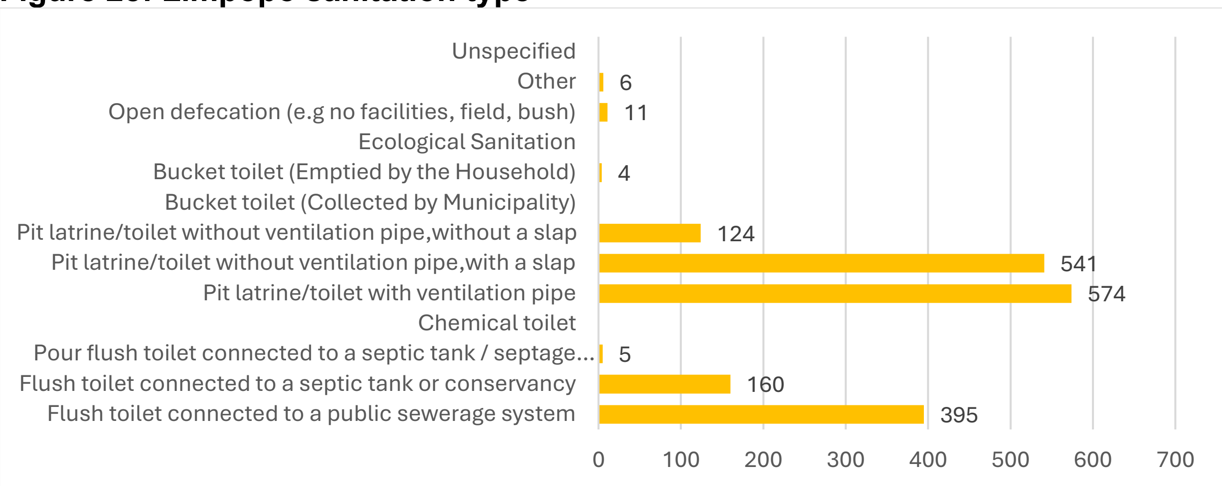


Source: StatsSA, GHS,2024

Electricity from the mains is the dominant energy source, with approximately 1.1 million households using it for cooking and 867 thousand households relying on it for heating. The second most common source is wood, which is used by about 625 thousand households for cooking and 469 thousand households for heating.

1.9.4 Sanitation

Figure 28: Limpopo sanitation type

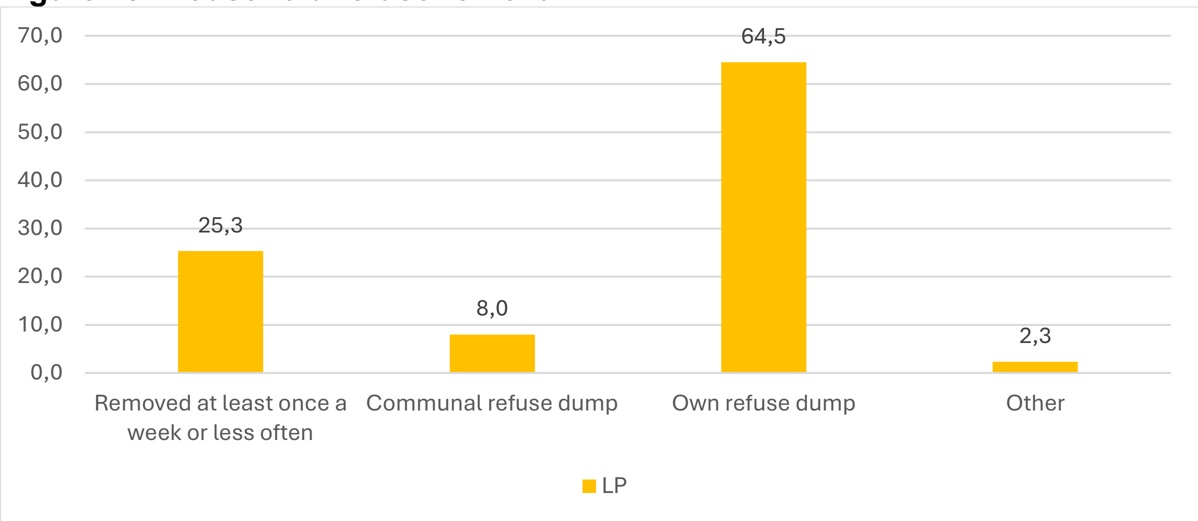


Source: StatsSA, GHS 2024.

Access to safe and hygienic sanitation is a human right as enshrined in the Constitution of the Republic of South Africa. South Africa at large has, over time, made significant progress in ensuring universal access to improved sanitation. In Limpopo, the most common type of sanitation used is the pit latrine/toilet with a ventilation pipe, used by 574 thousand households, with the second highly used being the pit latrine/toilet without a ventilation pipe, used by 541 thousand households. There are still around 11 thousand households still subjected to open defecation, and on the other hand, flush toilets connected to a public sewerage system are increasing. Limpopo needs to increase the provision of proper sanitation facilities and maintain the existing ones for prolonged usage. However, there is a need to address the sanitation backlogs to eradicate the use of improper sanitation, such as open defecation.

1.9.5 Refuse Removal

Figure 29: Household refuse removal



Source: StatsSA, GHS,2024

In Limpopo, majority of households (64.5%) dispose of refuse through their own refuse dumps. About 25.3% of households benefit from refuse removal services at least once a week or less frequently, while only 2.3% use alternative disposal methods. This significant reliance on self-disposal is largely due to the province's high proportion of rural households, where formal refuse removal systems remain limited or ineffective.

Own refuse dump may lead to health hazards as well as water and land pollution, thereby having a negative effect on human, animals, and plant health. Own refuse dump is uncontrolled, and as such, unprocessed waste becomes a breeding ground for diseases. The Limpopo government should enhance the provision of recycling and waste bins in various zoned areas, and enhance the programmes of litter picking, which could be extended to recycling. Recycling has the potential to reduce the final amount of waste for disposal, whereby the recycled products can generate income.

1.10 Climate Change

1.10.1 Climate Change Impacts in South Africa

Climate change is a pressing reality, and South Africa, like many developing countries, is highly vulnerable to its impacts. Rising greenhouse gas emissions, largely from coal-based energy production, place the country among the world's top emitters, with over 80 percent of electricity generated from coal. This reliance contributes to global warming, environmental degradation, and public health risks. The effects are already visible across the economy, biodiversity, and livelihoods, with agriculture particularly at risk due to extreme weather, droughts, and shifting rainfall patterns. Limpopo is one of the most climate-vulnerable provinces, facing hotter, drier conditions, reduced water security, and threats to food production and livestock.

Efforts to address these challenges include government initiatives to build climate-resilient infrastructure, community adaptation plans, and climate finance mechanisms to support emission reduction and adaptation. International partners such as the World Bank are assisting South Africa's transition to a low-carbon, climate-resilient economy through investment plans aligned with the Paris Agreement, which emphasizes just and equitable transitions, poverty reduction, and nationally determined contributions to cut emissions and strengthen resilience.

Figure 30: Nationally Determined Contributions across SADC

Source: UNFCCC, 2025

Nationally Determined Contributions are national policy instruments that communicate countries' domestic climate commitments to the international community, report progress towards these commitments, and outline support that is needed to ensure effective implementation. In SADC, the NDC focuses on nature-based solutions, renewable technologies, green recovery, and climate finance to mitigate the effects of the ongoing climate change.

1.10.2 Environmental Challenges

Table 6: Environmental challenges as experienced by Households per province

ENVIRONMENTAL PROBLEMS EXPERIENCED	THOUSANDS									
	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	South Africa
LITTERING	215	521	114	543	831	378	1 297	783	387	**5 069**
OUTDOOR/INDOOR AIR POLLUTION	541	742	157	549	936	386	1 955	712	659	**6 636**
WATER POLLUTION	229	502	73	218	619	212	1 074	235	233	**3 395**
LAND DEGRADATION/OVER-UTILISATION OF NATURAL RESOURCES	221	382	97	220	406	346	1 124	354	320	**3 470**
EXCESSIVE NOISE/NOISE POLLUTION	367	842	148	507	844	740	1 869	1 058	818	**7 194**
IRREGULAR OR NO WASTE REMOVAL	296	183	70	187	263	183	1 175	295	175	**2 826**
TOTAL NUMBER OF HOUSEHOLD RSA	**2 195**	**1 780**	**388**	**1 024**	**3 387**	**1 432**	**5 981**	**1 542**	**1 822**	**19 551**

Source: StatsSA, GHS, 2024

Environmental challenges faced by households are shaped by geographic location, resource endowments, and socio-economic activities. Communities situated near industrial zones are particularly vulnerable to air pollution, with Gauteng households reporting the highest exposure to both outdoor and indoor air pollution. In Limpopo, the most prevalent environmental issue is noise pollution, followed by air pollution. At the national level, the pattern is similar, with excessive noise identified as the leading environmental concern, followed by air pollution.

1.11 Conclusion

Global economic uncertainty continues to weigh on growth prospects, with the IMF projecting a gradual slowdown in global output between 2024 and 2026. Advanced economies remain stagnant, while Sub-Saharan Africa shows modest but steady growth potential. For South Africa, regional integration through the African Continental Free Trade Area offers opportunities, even as global trade tensions and US tariff policies pose risks to its economic performance.

Domestically, South Africa's economy remains challenged by growth rates that lag behind population increases, compounded by socio-economic issues such as poverty, unemployment, and crime. Recent monetary policy adjustments, including repo rate cuts by the SARB, have provided some relief, supported by lower inflation. However, structural constraints continue to limit inclusive growth, particularly as expansion is driven by non-labour-intensive sectors.

At the provincial level, Limpopo has shown modest positive growth, contributing as the fourth largest provincial economy. Yet high unemployment highlights the need for more labour-absorbing industries. Encouragingly, government investments in education and health are yielding results, with improved matric pass rates and rising Human Development Index levels after the COVID-19 decline. Inequality has also eased over the past decade, reflecting gradual progress.

Looking ahead, the government’s Medium-Term Development Plan outlines strategies to combat poverty through job creation and social security, while continuing to deliver basic services despite fiscal constraints. Sustained investment in human capital and social infrastructure will be critical to ensuring that economic growth translates into improved livelihoods and resilience for South Africa’s population.

CHAPTER 2: BUDGET POLICY PRIORITIES

2.1 Introduction

Budget policy priorities are central to shaping a nation's economic path and social progress. They aim to balance growth with stability by ensuring resources are used effectively to meet immediate needs while maintaining long-term sustainability. In uncertain times, clear budgeting strategies help restore confidence, strengthen fiscal resilience, and promote inclusive prosperity. Transparency, accountability, and strategic investment are key to driving reforms, protecting vulnerable groups, and supporting sustained development.

At the global level, instability has intensified, with IMF forecasts shifting as shocks emerge. Rising U.S. tariffs have triggered trade tensions, forcing partners to seek new markets and raising costs for American importers. The IMF warns that prolonged uncertainty, protectionism, and labour market disruptions could slow growth, while weak fiscal positions, financial market risks, and institutional erosion further threaten stability. To address these challenges, policymakers are urged to rebuild confidence through sustainable policies, enhance trade diplomacy, restore fiscal buffers, safeguard central bank independence, and accelerate structural reforms for long-term resilience.

The Limpopo Medium Term Provincial Budget Overview, 2025, is aligned with the National Treasury's Medium Term Budget Policy Statement (MTBPS), which sets out fiscal policy for the next three years. Often referred to as the "mini-budget," the MTBPS plays a critical role in shaping the main budget by updating economic forecasts, revising spending estimates, and allocating funds for unforeseen needs. Following its tabling, provinces are required to present the provincial medium-term budgets within 30 days as prescribed in the Public Finance Management Act. The Limpopo's mid-term budget adjustment focuses on accelerating the provincial priorities, which are aimed at tackling developmental challenges and unlocking economic opportunities through higher productivity in manufacturing, structural transformation with greater value addition, and significant investment in infrastructure. These measures aim to boost employment creation and stimulate sustainable growth in the provincial economy.

Limpopo's economy showed modest but positive growth, with GDP rising by 0.9 percent in 2024 and 1.0 percent in Q2 2025**,** despite persistent unemployment challenges. This progress reflects resilience against broader national and global pressures and highlights the province's efforts toward economic diversification, particularly in capital-intensive sectors. A major boost came from the recent investment conference, which attracted substantial commitments from investors. These pledges are seen as a significant step toward industrializing the province, with the conference aiming to draw new investments and promote sustainable, inclusive growth across sectors such as mining, energy, agriculture, and industrial development.

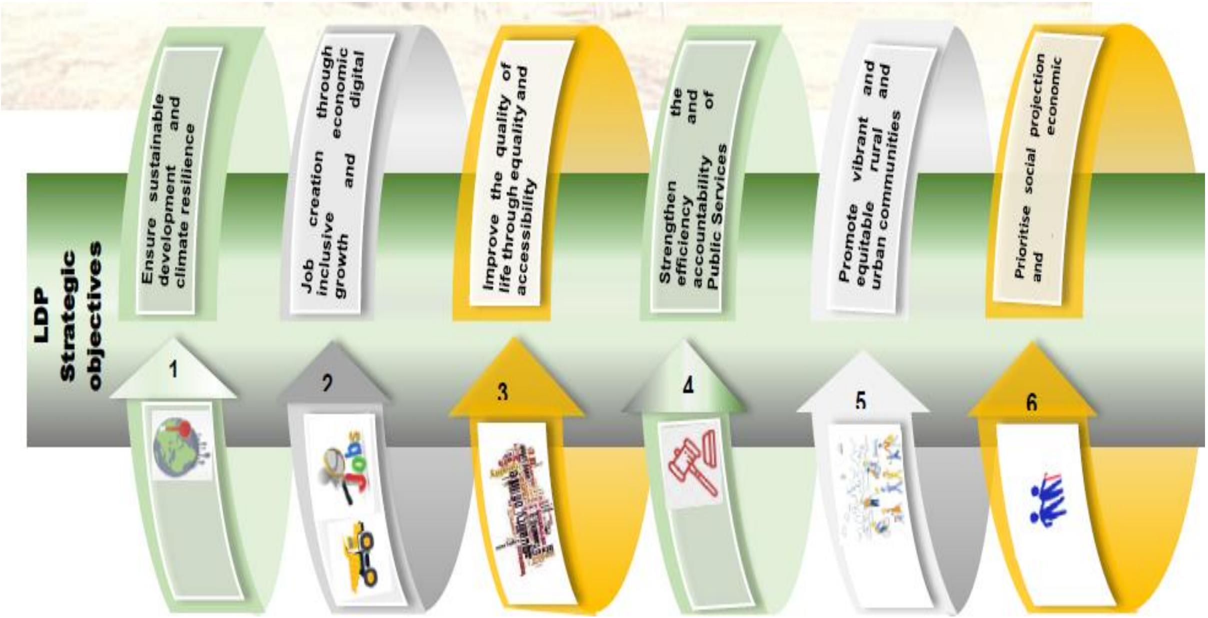
2.2 Implementation Approach of The Provincial Priorities

The Limpopo Development Plan (LDP) 2025–2030, adopted by the Provincial Executive Council in April 2025, replaces the 2020–2025 plan and is aligned with the national frameworks such as the National Development Plan (NDP) and Medium Term Development Plan 2024-2029 (MTDP). It sets out a roadmap to address socio-economic challenges and drive provincial development through collaboration among government, civil society, labour, and the private sector. Guided by the District Development Model (DDM), the plan stresses the importance of stakeholder participation and intergovernmental cooperation, while placing the private sector at the core of the growth agenda. To achieve its objectives, the provincial government must foster a conducive environment that supports investment, promotes inclusivity, and advances sustainable economic transformation.

2.3 Discussion of Provincial Priorities

The Limpopo Development Plan 2025-2030 (LDP) highlights critical areas for provincial socio-economic development. The LDP is a strategic blueprint, designed to foster an inclusive, resilient, and prosperous Limpopo as it embodies government commitments to transforming the provincial economy, addressing the pressing social issues and ultimately uplifting the lives of all residents.

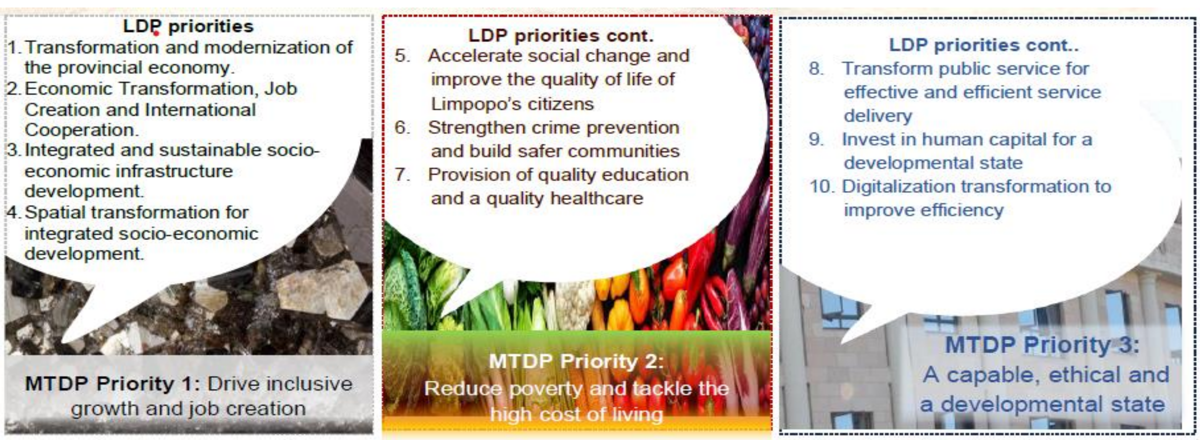
Figure 31 : The development objectives of the LDP 2025-2030



Source: LDP 2025-2030

The LDP continues to put its focus on placing the province on a higher economic growth path, and it has entrenched its focus on mining, agriculture, and tourism sectors, inclusive of manufacturing, together with the identified sunrise industries. The alignment of the Limpopo provincial 10 targets to the national MTDP 3 priorities is outlined below.

Figure 32 : LDP 2025-30 priorities aligned to MTDP priorities



Source: LDP 2025-2030

2.3.1 Priority 1: Transformation and Modernisation of the Provincial Economy

The overarching strategic intent is to move beyond the 'resource curse' by structurally transforming the provincial economy through increased value addition and extensive industrialisation, which is predicated on robust infrastructure and targeted skills development.

Department of Agriculture and Rural Development is the central implementing agent for the Revitalisation of Agriculture and Agro-processing Value Chain (RAAVC) Plan. The department's focus is on catalytic projects in key sectors like fruits, vegetables, and red/white meat. Significant results for the period include the development of 229 hectares of citrus through projects such as the Zebediela Citrus Revitalisation and Majeje Citrus. In line with climate adaptation, 634 producers were supported through Climate-Smart Agriculture initiatives, 1,687 hectares of land were rehabilitated, and 1,400 hectares were cleared of Alien Invasive Plants. It is critical to mention that the department has created 5,053 job opportunities, underscoring the sector's contribution to employment.

Department of Economic Development, Environment and Tourism (LEDET)'s strategic contribution includes developing the Limpopo Climate Change Response Strategy to identify adaptation and mitigation measures across key sectors like energy and resource efficiency. The department implemented a focused manufacturing programme, in partnership with the Limpopo Economic Development Agency (LEDA) and the DTIC, to support local SMMEs. The Limpopo Tooling Initiative (LTI) operated to develop specialised tooling skills, with continued operations secured through MerSETA funding beyond the 2025/26 financial year. Through the Limpopo Tourism Agency (LTA), LEDET supported economic diversification by registering 226 tourist guides and implementing eight marketing collaborations alongside four domestic campaigns to boost provincial tourism.

Furthermore, LEDET championed the development of the provincial climate change response strategy. The Strategy identifies measures needed to adapt to current climate changes and future climate changes that are likely to occur as well as key areas wherein provincial actions can assist in mitigating the impact of climate change in energy, transport and resource efficiency.

2.3.2 Priority 2: Economic Transformation and Job Creation Through Regional Integration

This priority leverages the province's borders with Botswana, Zimbabwe, and Mozambique to establish Limpopo as a trade gateway, promoting export of goods and services, and fostering regional industrial and market integration.

Department of Economic Development, Environment and Tourism (LEDET) plays the core role in economic diplomacy. The department successfully operationalized the Memorandum of Understanding (MoU) with Bulawayo Metropolitan Province in Zimbabwe and actively participated in regional platforms such as the Ongwediva Trade Fair in Namibia. Domestically, international participation was successfully attracted during the Limpopo Investment Conference in November 2024, validating the province's economic diplomacy efforts and commitment to the SADC Regional Integrated Strategic Development Plan (RISDP).

2.3.3 Priority 3: Integrated and Sustainable Socio-Economic Infrastructure Development

The province is strategically investing in public infrastructure such as road networks and specific infrastructure development relating to education, health, and human settlements, to unlock inclusive socio-economic growth and facilitate industrialisation, with an emphasis on sustainable public-private partnerships.

Department of Public Works, Roads and Infrastructure (LDPWRI) and Road Agency Limpopo (RAL) have achieved a milestone with the approval of the Limpopo Infrastructure Maintenance Strategy (LIMS). Operational achievements include the blading of 55,647.66 km of gravel roads and the upgrading of 144.83 km of gravel roads. Furthermore, 10 bridges were constructed, and 2,959,500 m² of roads were rehabilitated. In social infrastructure, 35 schools were constructed, alongside the completion of health facilities such as the Maphutha Malatjie outpatient department and Mothiba Clinic. The department reported the creation of 510,000 Expanded Public Works Programme (EPWP) work opportunities, exceeding its five-year target.

Departments of Education (DoE), Department of Co-operative Governance, Human Settlements and Traditional Affairs (CoGHSTA) and Department of Sport, Arts and Culture (DSAC) jointly contributed to social infrastructure delivery, with the completion of 18 schools by DoE, two Traditional Council Offices by CoGHSTA, and two libraries by DSAC.

2.3.4 Priority 4: Spatial Transformation for Integrated Socio-Economic Development

The strategy focuses on achieving spatial justice and poverty alleviation by improving integrated settlement development, ensuring linkages between job opportunities and housing, and guaranteeing access to essential infrastructure for all citizens.

Department of Co-operative Governance, Human Settlements and Traditional Affairs (CoGHSTA) surpassed its target by delivering 5,066 housing units and 3,254 serviced sites through the Integrated Settlements Upgrading Programme (ISUP) grant. Significant planning was undertaken, with the completion of engineering designs for 26 multi-year bulk infrastructure projects to unlock future site servicing in various municipalities. In terms of public safety and asset management, approximately 577 asbestos roofs were removed, and the Rental Tribunal successfully resolved 97 percent of the 188 rental disputes brought before it.

2.3.5 Priority 5: Accelerate Social Change and Improve The Quality of Life of Limpopo's Citizens

The core focus is on transforming the lives of vulnerable groups, advancing social development, and addressing social ills through comprehensive social protection services and poverty reduction initiatives.

Department of Social Development (DSD) extended crucial services across multiple vulnerable groups. The department provided community-based care to 15,614 older persons and residential care for 539. It offered preservation, reunification, and parenting services to 99,968 family members. For persons with disabilities, 3,950 individuals accessed services through protective workshops. Furthermore, DSD engaged 3,752 Non-Profit Organisations (NPOs) through a de-registration campaign to monitor compliance and build capacity in the sector.

2.3.6 Priority 6: Strengthen Crime Prevention and Social Cohesion

This priority mandates interventions to ensure safer living environments, enhance social cohesion, and enforce the law effectively while holding perpetrators of crime accountable.

Department of Transport and Community Safety (DTCS) implemented a significant Crime Prevention Through Environmental Design (CPTED) project, employing 500 EPWP participants for de-bushing and cleaning crime hotspots. The department provided rigorous oversight by monitoring 104 police stations using the National Monitoring Tool to ensure compliance with the Domestic Violence Act and improve service delivery standards. Community engagement undertaken through Community Police Forums and Community Safety Forums enabled collaborative operations that resulted in multiple arrests and the confiscation of illegal firearms.

2.3.7 Priority 7: Provision of Quality Education and Quality Health Care System

The Province’s commitment to human capital development is demonstrated through improved educational outcomes and the expansion of comprehensive primary healthcare services to address the province's quadruple burden of disease.

Department of Education (DoE) achieved a crucial strategic objective by realizing a 5 percent improvement in the National Senior Certificate (NSC) pass rate. Access to Early Childhood Development (ECD) was expanded, with 164,853 children accessing registered programmes and 2,100 ECD centres funded. In alignment with digital transformation, the department procured and distributed 35,000 learner tablets and 680 laptops to educators. Additionally, over 1.6 million learners benefited from the National School Nutrition Programme (NSNP).

Department of Health (DoH) significantly improved healthcare quality by increasing the number of Primary Health Care (PHC) facilities improving the Ideal Clinic status to 60.7 percent, dramatically surpassing the 30 percent target. The availability of essential medicines was consistently maintained above 80 percent. Specialist outreach programmes facilitated 2,424 surgical procedures at peripheral hospitals. Infrastructure progress included the Limpopo Central Hospital reaching 30 percent physical completion, and Emergency Medical Services (EMS) capacity was boosted with the commissioning of the remaining 203 new ambulances.

2.3.8 Priority 8: Transform the Public Service for Effective and Efficient Service Delivery

The focus is on professionalising the public sector, improving governance, strengthening financial management, enhancing service delivery coordination, and actively combating corruption. **Office of the Premier (OTP)** reinforced its commitment to clean governance by approving the Anti-Corruption Policy and Plan, as well as the Whistle Blowing Policy. Crucially, 92 percent of cases reported through the National Anti-Corruption Hotline were successfully resolved. The OTP also developed the Intergovernmental Relations (IGR) Integrated Planning, Monitoring, and Evaluation Framework to ensure seamless alignment across all government spheres.

Provincial Treasury (LPT)'s Audit Support and Improvement Strategy yielded strong results for the 2024/25 financial year, with five departments (OTP, DTCS, LPT, DTCS, and LEDET) and one Public Entity (LTA) achieving Clean Audits. The Treasury provided targeted support to five priority municipalities, leading to notable improvements in their financial management and a reduction in audit findings. Financial mismanagement at the municipal level requires LPT and CoGHSTA to enhance targeted support and interventions to continuously improve municipal financial governance and accountability, including assistance with budget preparation, revenue collection, and expenditure management. The main aim is to foster financially sustainable municipalities, capable of delivering essential services to their communities.

Department of Economic Development, Environment and Tourism (LEDET) has a long-standing partnership with the South African Local Government Association (SALGA) and the University of Johannesburg to train municipal councillors and officials on the local economic development (LED) program. A total of 75 councillors, including municipal officials, have joined this three-year training program with the University of Johannesburg. Their graduation is anticipated in the next couple of years. The LED Program was initiated to empower LED practitioners in the province to acquire the requisite skills in economic development. Since the program's inception in 2017, over 150 people have completed the program.

2.3.9 Priority 9: Invest in Human Capital for a Development State

The Limpopo Human capital Strategy

This initiative drives the implementation of the Limpopo Human Capital Investment Strategy (LHCIS) to address critical skills gaps and prepare the public service for the demands of a developmental state.

Office of the Premier (OTP) successfully partnered with MerSETA to initiate apprenticeship training for 500 young people in various trades such as motor mechanics and welding. To enhance leadership capacity and compliance with the National Framework Towards the Professionalisation of the Public Sector, 226 Senior Management Service (SMS) members benefited from the Limpopo SMS Capacity Building Programme.

2.3.10 Priority 10: Digitalization transformation to improve efficiency

The long-term objective for digital transformation is to establish the provincial digital backbone, foster a culture of innovation, and ensure the province can actively participate and benefit from the Fourth Industrial Revolution (4IR). Through the Limpopo Connexion (LCX), a subsidiary of LEDA, LEDA completed Phase I of the Limpopo Broadband Network Project, which included laying 142 km of fibre. Core digital infrastructure was established, with the successful construction of a fully equipped Data Centre, a Network Operating Control Centre (NOCC), and a Call Centre. Furthermore, Limpopo Economic Development Agency (LEDA), in partnership with LEDET, is leading the establishment of a Digital Hub within the Seshego Industrial Park. This strategic initiative is designed to equip youth, particularly those in townships and rural areas, with essential 4IR skills. The agency also advanced the development of the Limpopo Science and Technology Park (LSTP), with the master plan now finalised.

2.4 Conclusion

Limpopo Province continues to face structural economic challenges rooted in historical poverty and limited revenue capacity. Despite global instability and fiscal constraints, the province has shown resilience, achieving modest GDP growth of 0.9 percent in 2024 and 1.0 percent in the second quarter of 2025. This progress reflects a strategic focus on structural transformation, including accelerating high-productivity sectors such as manufacturing, increasing value addition in mining and agriculture, and attracting significant investment, as demonstrated by the recent successful investment conference. These measures aim to create jobs, drive sustainable growth, and position the province on a more inclusive economic path.

The strategic response to these challenges is the Limpopo Development Plan (LDP) 2025-2030, which functions as the provincial government's five-year strategic blueprint for economic growth, environmental sustainability, and social upliftment. Adopted by the Executive Council (EXCO) and fully aligned with the National MTDP, the LDP translates the three high-level national priorities into ten specific, mandate-aligned priorities tailored for effective provincial implementation. The execution of this plan is strictly guided by the Provincial Integrated Planning Framework and the District Development Model, placing a strong emphasis on private sector participation and intergovernmental cooperation. Ultimately, this framework ensures that all departmental mandates, including those that are cross-cutting, are rigorously monitored and evaluated by EXCO to achieve accountability and realise the vision of a prosperous, resilient Limpopo.

CHAPTER 3: PROVINCIAL INFRASTRUCTURE PERFORMANCE AND DELIVERY

3.1 Introduction

Infrastructure development continues to serve as the cornerstone of South Africa's economic recovery and long-term growth strategy. The 2025 Medium-Term Budget Policy Statement (MTBPS), as presented by the Minister of Finance, underscores a decisive national shift from consumption-driven expenditure toward investment-led development, firmly positioning infrastructure as a key catalyst for socio-economic transformation. In line with this commitment, the MTBPS outlines several strategic measures which include a 7.5 percent increase in capital expenditure over the medium term; the mobilisation of private-sector investment through public-private partnerships (PPPs) and blended financing instruments; the establishment of the Infrastructure Finance and Implementation Support Agency by March 2026 to enhance project preparation and financing; and a target of R1 trillion in public-sector infrastructure investment over the next three years.

These national priorities inform Limpopo Province's approach to accelerating infrastructure delivery, strengthening governance, and improving service outcomes. This chapter presents a comprehensive mid-year review of the Limpopo provincial infrastructure performance, highlighting progress achieved, emerging challenges, and the targeted interventions necessary to ensure full and efficient delivery for the remainder of the 2025/26 financial year.

3.2 Provincial Infrastructure Reform Context

Limpopo Province is driving a comprehensive transformation of its infrastructure planning, delivery, and oversight systems. Central to this reform is a strategic partnership between the Provincial Treasury and the Department of Public Works, Roads and Infrastructure (DPWRI) to institutionalise the Infrastructure Delivery Management System (IDMS) as the province's standardised, end-to-end governance framework for infrastructure delivery.

Historically, infrastructure implementation has faced persistent challenges, including under-expenditure, fragmented and delayed procurement processes, limited technical capacity, weak contractor performance, and inconsistent compliance with planning and reporting requirements. These systemic issues often led to reactive project acceleration during the first two quarters of the financial year, undermining fiscal discipline and compromising the quality and timeliness of delivery.

To address these gaps, the province has adopted a governance-led approach that strengthens planning, coordination, accountability, and performance monitoring. This structural shift enables integrated infrastructure management through rigorous project appraisal and prioritisation, advancement of shovel-ready projects, alignment of project pipelines with fiscal and spatial frameworks, and improved transparency in reporting and oversight. Key interventions include the implementation of Project Readiness Appraisal (PRA) to ensure only fully prepared projects proceed to tender, and the finalisation of the Limpopo Integrated Infrastructure Master Plan (LIIMP) over the MTEF, which will consolidate a single, prioritised, spatially aligned infrastructure pipeline across all sectors, enhancing coordination, reducing duplication, and supporting long-term sustainability.

3.3 Infrastructure Adjustment Estimates For 2025/26 Financial Year

The 2025/26 financial year provincial infrastructure planning and readiness report was finalised in March 2025 for implementation from April, based on the appropriated budget of R8.3 billion. Following mid-term departmental reviews, adjustments to the infrastructure budget have been made to align allocations with project readiness and emerging priorities.

Table 7: Summary of provincial infrastructure adjustments estimates

Votes	Provincial Adjustment Appropriation 2025/26 Financial Year							
	2025/26 Main appropriation	2025/26 Adjustment	2025/26 Proposed appropriation	Adjusted appropriation	% Growth	Expenditure 30 September 2025	Main Appropriation % Expenditure 30 September 2025	Adjusted Appropriation % Expenditure 30 September 2025
Education	1 692 385	1 737 368	44 983	1 737 368	2,6%	848 106	50%	49%
Agriculture and Rural Development	210 194	257 788	47 594	257 788	18,5%	116 521	55%	45%
EDET	31 000	40 003	9 003	40 003	22,5%	8 146	26%	20%
Health	907 242	1 077 927	170 685	1 077 927	15,8%	597 233	66%	55%
PWR&I - Roads	3 382 378	3 669 244	286 866	3 669 244	7,8%	1 027 570	30%	28%
PWR&I - Works	547 423	429 000	-118 423	429 000	-27,6%	110 563	20%	26%
Transport and Community Safety	141 688	83 688	-58 000	83 688	-69,3%	19 871	14%	24%
CoGHSTA - Human Settlement	1 109 617	1 310 809	201 192	1 310 809	15,3%	821 563	74%	63%
CoGHSTA - Traditional Affairs	25 000	37 782	12 782	37 782	33,8%	17 248	69%	46%
Social Development	15 000	15 000	-	15 000	0,0%	5 560	37%	37%
Sport, Arts and Culture	267 064	142 181	-124 883	142 181	-87,8%	58 229	22%	41%
TOTAL	**8 328 991**	**8 800 790**	**471 799**	**8 800 790**	**5,4%**	**3 630 610**	**44%**	**41%**

The provincial infrastructure budget is proposed to increase from the main appropriation of R8.3 billion to R8.8 billion, reflecting a 5.4 percent upward adjustment. This increase is primarily driven by additional allocations to the Departments of Cooperative Governance, Human Settlements and Traditional Affairs, and Public Works, Roads and Transport, as detailed below.

Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA)

The department’s infrastructure budget is proposed to increase from R1.1 billion to R1.3 billion, driven by rollovers of R0.873 million for the Human Settlement Development Grant (HSDG), R0.319 million for the Informal Settlement Upgrading Partnership Grant (ISUPG), and R5.966 million for capital asset payments under equitable share funding. Additionally, the province has augmented the human settlement component with R200 million and allocated R6.816 million for the construction of traditional council offices. The Housing Development Agency (HDA) is implementing R88.057 million of the budget, comprised of R26.457 million for operational support and R61.600 million for project implementation, whereas current performance stands at R16.602 million, representing 18.9 percent, because of delays in the late enactment of DORA and concurrence from the National Department. For

2025/26, the department targets delivery of 3,236 housing units, 1,962 serviced sites, and 1,500 title deeds.

Department of Public Works, Roads and Infrastructure

The department’s infrastructure budget is set to increase from R3.930 billion to R4.098 billion, representing an upward adjustment of R168.443 million. The Works Component’s infrastructure budget is proposed to decrease from R547.423 million to R429.000 million, while the Roads Component will increase from R3.383 billion to R3.669 billion. The Roads Agency Limpopo’s allocation is included in the department’s allocation, and it is declining slightly from R958.617 million to R949.328 million. The agency will implement 21 road upgrade projects and 22 preventative maintenance projects, funded through 25 percent of the PRMG allocation - R514.000 million in line with grant conditions. These adjustments enhance the Department’s capacity to stabilize the provincial road network and improve the condition of paved roads, mitigating further deterioration.

Key highlights to the adjustment include, amongst others, surrenders from provincial earmarked funded projects, that is, the ZCC St. Engenas R71 Interchange, the construction of houses for legislators, and the energy efficiency project. The positive trajectory emanates from equitable share (which includes re-allocation for disaster funding, procurement of new buildings, refurbishment of office building for LEDET, and transfer to RAL for ongoing provincial infrastructure road upgrades projects) and Provincial Roads Maintenance Grant (PRMG) disaster funding for rehabilitation of storm-damaged infrastructure.

Department of Education

As at 30 September 2025, the Department of Education had spent R852.120 million, or 50.0 percent of its appropriated budget of R1.692 billion. Infrastructure projects are being implemented through the Department of Public Works, Roads and Infrastructure (LDPWR&I), Independent Development Trust (IDT), Development Bank of Southern Africa (DBSA), and The Mvula Trust, with sanitation and in-house projects managed by the Departments Infrastructure Technical Resource Unit (ITRU).

The department's infrastructure budget is proposed to increase by R44.983 million, following the surrender of R100 million in earmarked funding for storm-damaged schools, offset by R140 million in disaster funding from the Education Infrastructure Grant (EIG) and amongst others a rollover of R2.222 million from the ECD Infrastructure Grant. This adjustment brings the revised appropriation to R1.737 billion.

Department of Health

The infrastructure budget for the 2025/26 is set to increase from R907.242 million to R1.078 billion, an upward adjustment of R170.685 million. This growth is primarily driven by significant increases in allocations for maintenance and repairs, which rise from R515.402 million to R702.530 million, and for upgrades and additions, which increase from R242.249 million to R277.296 million. Conversely, funding for rehabilitation and refurbishment will decline from R114.893 million to R68.493 million.

The adjustments strengthen key infrastructure priorities, with major increases directed toward routine and backlog maintenance, energy upgrades, and relocatable units. Support for technical services through the ITRU is strengthened to improve project delivery, while nursing college campuses receive additional allocations to enhance training facilities and accommodation. Key hospitals benefit from targeted upgrades to essential services and infrastructure, and new funding addresses emerging needs in emergency services and clinic enabling works. Overall, the changes reinforce reliability, functionality, and timely completion of priority projects.

Department of Agriculture and Rural Development

The infrastructure budget for the Limpopo Department of Agriculture and Rural Development is proposed to increase from R210.194 million to R257.788 million. This adjustment includes amongst others a rollover of R15.807 million from the Comprehensive Agricultural Support Programme (CASP) conditional grant for earmarked infrastructure projects, an additional R25.000 million for disaster funding infrastructure affected by floods, an additional R3.286 million for the maintenance of broiler houses, and a R4.000 million shift from transfers and subsidies to capital assets to fund infrastructure requirements.

Department of Sport, Arts and Culture

The department's infrastructure budget is proposed to be reduced from R245.994 million to R142.181 million. This adjustment is primarily due to anticipated underspending on the equitable share allocation for the Limpopo Provincial Theatre, which has recorded 52 percent progress or an expenditure of R39.169 million against a budget of R216.000 million in the current financial year. Consequently, the theatre's budget will be revised downward from R216.000 million to R81.000 million. Additionally, R10.000 million under the equitable share has been allocated to address funding pressures for the payment of capital assets related to the construction of three libraries, where contractors were terminated.

3.4 Limpopo Provincial Government Infrastructure Expenditure Plans

The infrastructure budget is funded from both conditional grants and an equitable share. The Limpopo Provincial Government has allocated R21.9 billion for infrastructure delivery over the 2026 Medium Term Expenditure Framework (MTEF) period. All infrastructure departments will prioritise projects in line with the allocation and conditions stipulated in the grants framework.

Table 8 : Summary of provincial infrastructure payments and estimates by vote

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium term estimates		
R thousand	2022/23	2023/24	2024/25	2025/26			2026/27	2027/28	2028/29
Vote 03: Education	1 502 048	1 453 584	1 407 827	1 692 385	1 737 368	1 737 368	1 687 293	1 760 583	1 839 810
Vote 04: Agriculture and Rural Development	150 814	170 196	189 824	210 194	257 788	257 788	216 314	226 263	236 421
Vote 06: Economic Development, Environment and Tourism	27 000	26 400	15 997	31 000	40 003	40 003	15 000	5 000	5 225
Vote 07: Health	1 098 367	887 942	848 228	907 242	1 077 927	1 077 927	916 072	957 423	1 000 507
Vote 08: Transport	49 864	48 500	62 688	129 688	83 688	83 688	58 000	40 000	-
Vote 09: Public Works, Roads and Infrastructure	3 864 887	3 561 341	3 714 650	3 929 801	4 098 244	4 098 244	3 048 465	3 134 246	3 275 287
Vote 10: Sport, Arts and Culture	58 006	101 936	160 275	267 064	142 181	142 181	121 714	59 327	62 115
Vote 11: Co-operative Governance, Human Settlements and Traditional Affairs	1 196 140	1 555 935	1 254 335	1 134 617	1 348 591	1 348 591	1 022 924	1 068 051	1 089 988
Vote 12: Social Development	17 650	7 441	20 333	15 000	15 000	15 000	17 582	18 373	19 200
Total Infrastructure (including non infrastructure items)	**7 964 776**	**7 813 275**	**7 674 157**	**8 316 991**	**8 800 790**	**8 800 790**	**7 103 364**	**7 269 266**	**7 528 553**

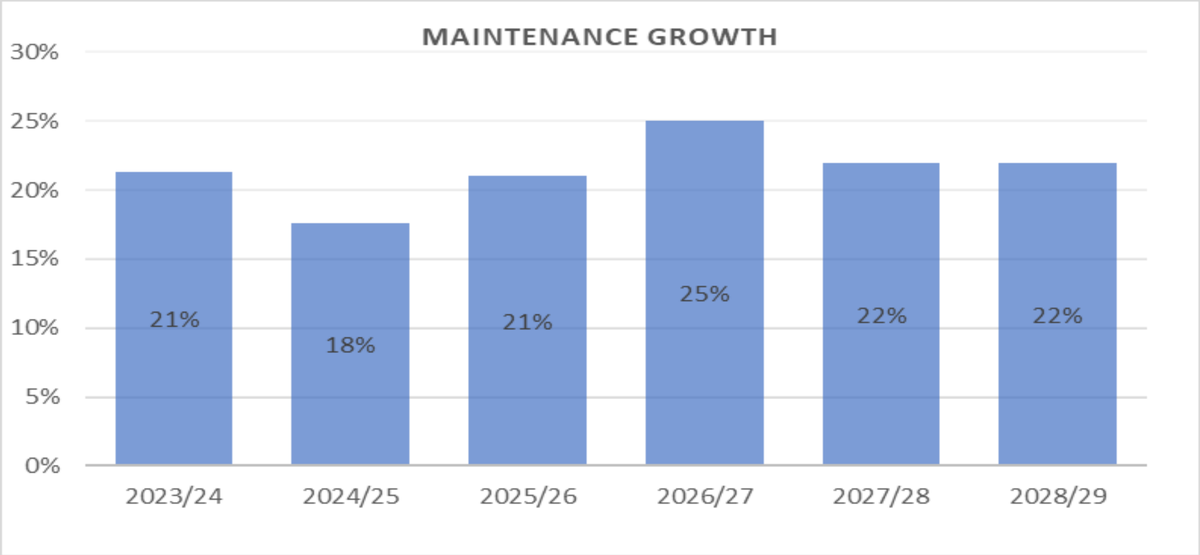
Over the 2026 MTEF, the Department of Public Works, Roads and Infrastructure receives the largest allocation at R9.5 billion or 43.2 percent, followed by the Department of Education with R5.3 billion or 24.1 percent, Co-operative Governance, Human Settlements and Traditional Affairs with R3.2 billion or 14.5 percent, and the Department of Health with R2.8 billion or 13.1 percent. Provincial infrastructure funding is primarily sourced through conditional grants, which account for approximately 66 percent of the total, with the balance funded through the provincial equitable share. The budget focus over the forthcoming three-year period is on capital infrastructure transfers, maintenance and repairs, and upgrades and additions to existing assets.

Table 9 : Summary of provincial infrastructure payments and estimates by category

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium term estimates		
	2022/23	2023/24	2024/25	2025/26			2026/27	2027/28	2028/29
Existing infrastructure assets	**2 961 596**	**3 368 052**	**2 956 389**	**5 222 078**	**5 555 787**	**5 555 787**	**4 460 780**	**4 591 318**	**4 771 811**
Maintenance and repairs	1 245 430	1 647 945	1 315 397	3 262 680	3 134 812	3 134 812	2 603 165	2 719 383	2 841 769
Upgrades and additions	1 339 495	1 434 746	1 384 045	1 189 901	1 805 985	1 805 985	1 251 998	1 271 244	1 302 322
Rehabilitation and refurbishment	376 671	285 361	256 947	769 497	614 990	614 990	605 617	600 691	627 720
New infrastructure assets	**439 496**	**407 754**	**677 747**	**698 576**	**620 203**	**620 203**	**448 180**	**431 798**	**409 519**
Infrastructure transfers	**3 301 928**	**3 721 901**	**3 797 695**	**2 087 834**	**2 275 737**	**2 275 737**	**1 886 514**	**1 931 530**	**2 018 446**
Infrastructure transfers - Current	6 700	-	-	-	-	-	-	-	-
Infrastructure transfers - Capital	3 295 228	3 721 901	3 797 695	2 087 834	2 275 737	2 275 737	1 886 514	1 931 530	2 018 446
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	55 721	58 202	63 502	68 282	68 282	68 282	67 501	70 539	73 713
Non Infrastructure	1 206 035	257 366	178 824	240 221	280 781	280 781	240 389	244 081	255 064
Total Infrastructure (including non infrastructure items)	**7 964 776**	**7 813 275**	**7 674 157**	**8 316 991**	**8 800 790**	**8 800 790**	**7 103 364**	**7 269 266**	**7 528 553**
Capital infrastructure	*5 450 890*	*5 849 762*	*6 116 434*	*4 745 808*	*5 316 915*	*5 316 915*	*4 192 309*	*4 235 263*	*4 358 007*
Current infrastructure	*2 513 886*	*1 963 513*	*1 557 723*	*3 571 183*	*3 483 875*	*3 483 875*	*2 911 055*	*3 034 003*	*3 170 546*

In the 202 MTEF, expenditure estimates for rehabilitation and refurbishment are R1.8 billion; upgrading and additions of existing facilities are R3.8 billion; and R8.2 billion is allocated for maintenance. There is a shift in focus towards investment in the maintenance and repairs of existing infrastructure, which responds to lifecycle planning. The graph below illustrates the Province’s commitment to maintain existing infrastructure over time, resulting in an average allocation of 21.5 percent from 2023/24 to 2028/29 financial year.

Figure 33: Infrastructure Maintenance Expenditure Estimates



3.5 Conclusion

Limpopo Province has achieved notable progress in advancing infrastructure governance, improving delivery capacity, and optimizing expenditure performance. The institutionalization of the Infrastructure Delivery Management System (IDMS) strengthened interdepartmental coordination, and the introduction of structured planning and monitoring mechanisms have fostered a more predictable, accountable, and transparent delivery environment.

These reforms, underpinned by improved project readiness, disciplined procurement practices, and strategic alignment, have laid a solid foundation for sustainable and efficient infrastructure delivery. Looking ahead, the continued implementation of the IDMS, the acceleration and finalization of the Limpopo Infrastructure Master Plan (LIIMP), and the full adoption of readiness appraisal processes will further consolidate stability, mitigate delivery risks, and maximize socio-economic impact across the province.

CHAPTER 4: PROVINCIAL BUDGET AND SPENDING PATTERNS

4.1 Introduction

The 7th administration is committed to achieving the country's outcomes and priorities, which align with the objectives of the National Development Plan (NDP) and the Medium-Term Development Plan (MTDP). In line with these national priorities, Limpopo Province has developed the Limpopo Development Plan of which the 2025/26 budget has been prepared to support South Africa's needs while addressing provincial goals.

To curb wastage and inefficiencies in budget implementation, the National Treasury introduced spending reviews that all government departments and institutions must implement. Each department in the province has been tasked with conducting spending reviews on key accounts and major cost drivers to identify potential cost savings. As part of the budgeting process, institutions were encouraged to eliminate less critical activities and costs, ensuring resources are directed toward strategic initiatives that deliver positive results for the province.

4.2 Cash Management

Effective provincial cash management involves aligning payment schedules with cash flow projections and funding received. As part of this strategy, PERSAL runs are conducted 5 times a month, specifically on the 15th for normal salaries, 22nd for educators' salaries, two supplementary payments for claims, and the month-end for probation, contract employees, and third-party deductions. BAS runs, which cover payments of suppliers, are scheduled twice a month, namely for the action dates of the 15th and the month-end, ensuring timely settlement of obligations and optimal cash flow management.

4.3 Provincial Expenditure

The province's spending performance as at 30 September 2025 amounts to 47.5 percent, slightly lower than the 47.9 percent recorded in the 2024/25 financial year. Limpopo Provincial Treasury's oversight role, as stipulated in section 18 of the Public

Finance Management Act (PFMA), Act 1 of 1999, as amended, ensures integrated planning and efficient spending through continuous monitoring and reporting. Additionally, the Treasury monitors monthly spending in accordance with section 40 of the PFMA.

The province is focusing on improving infrastructure delivery, reducing the unemployment rate, enhancing economic growth, and alleviating poverty within the province. Table 4 below reflects the half-yearly expenditure performance comparison over three years.

Table 10 : Provincial overall expenditure as at 30 September 2025

R'000	2023/24			2024/25			2025/26		
Department / Vote	Main Budget	Actual spending as at 30 September	% spending	Main Budget	Actual spending as at 30 September	% spending	Main Budget	Actual spending as at 30 September	% spending
Education	38 188 358	19 208 637	50,3%	40 029 190	19 002 470	47,5%	42 529 435	21 158 541	49,8%
Health	23 772 224	11 672 268	49,1%	24 639 298	11 574 474	47,0%	26 073 702	12 226 961	46,9%
Social Development	1 945 555	959 008	49,3%	2 076 681	976 878	47,0%	2 294 866	1 076 310	46,9%
Office of the Premier	438 384	225 370	51,4%	506 194	240 666	47,5%	554 810	231 574	41,7%
Provincial Legislature	492 417	300 194	61,0%	549 516	370 909	67,5%	671 660	399 443	59,5%
Agriculture and Rural Development	1 770 786	777 919	43,9%	1 782 612	823 740	46,2%	1 909 803	964 786	50,5%
Provincial Treasury	457 668	184 628	40,3%	478 062	208 097	43,5%	512 897	214 295	41,8%
Economic Development, Enviroment and Tourism	1 449 920	686 788	47,4%	1 866 315	747 224	40,0%	2 286 629	960 936	42,0%
Transport and Community Safety	2 483 553	1 160 520	46,7%	2 610 612	1 193 919	45,7%	3 024 635	1 274 638	42,1%
Public Works, Roads and Infrastructure	4 950 435	2 520 633	50,9%	5 271 886	2 963 707	56,2%	5 626 786	1 927 476	34,3%
Cooperative Governance, Human Settlement and Traditional Affairs	2 591 844	1 438 015	55,5%	2 473 151	1 401 759	56,7%	2 573 445	1 502 704	58,4%
Sport, Arts and Culture	621 816	268 857	43,2%	827 099	343 904	41,6%	877 492	319 945	36,5%
Total	**79 162 960**	**39 402 837**	**49,8%**	**83 110 616**	**39 847 747**	**47,9%**	**88 936 160**	**42 257 609**	**47,5%**
Economic classification									
Current payments	**66 243 253**	**32 326 592**	**48,8%**	**69 662 548**	**33 075 066**	**47,5%**	**75 998 719**	**35 572 712**	**46,8%**
Compensation of employees	52 047 585	25937140	49,8%	55 811 897	26914277	48,2%	58 839 117	28 338 261	48,2%
Goods and services	14 194 587	6388419	45,0%	13 849 521	6160780	44,5%	17 158 421	7 234 427	42,2%
Interest and rent on land	1 081	1033	95,6%	1 130	9	0,8%	1 181	24	2,0%
Transfers and subsidies	**9 982 647**	**5885213**	**59,0%**	**10 173 163**	**5561010,5**	**54,7%**	**9 470 294**	**5 253 164**	55,5%
Payments for capital assets	**2 937 060**	**1191032**	**40,6%**	**3 274 905**	**1211665**	**37,0%**	**3 467 146**	**1 431 733**	41,3%
Payments for financial assets	**-**			**-**	**5**	**-100,0%**			
Total	**79 162 960**	**39 402 837**	**49,8%**	**83 110 616**	**39 847 747**	**47,9%**	**88 936 160**	**42 257 609**	**47,5%**

4.3.1 Spending per Economic Classification.

Compensation Of Employees

Table 11 : Compensation of Employees as at 30 September 2025

R'000	2023/24			2024/25			2025/26		
Department / Vote	Main Budget	Actual spending as at 30 September	% spending	Main Budget	Actual spending as at 30 September	% spending	Main Budget	Actual spending as at 30 September	% spending
Education	28 298 978	14 425 001	51,0%	30 641 309	14 974 695	48,9%	32 599 000	15 911 368	48,8%
Health	16 447 701	8 084 754	49,2%	17 501 170	8 346 664	47,7%	18 041 492	8 623 204	47,8%
Social Development	1 321 707	666 333	50,4%	1 420 000	699 259	49,2%	1 606 000	750 963	46,8%
Office of the Premier	315 383	148 585	47,1%	331 844	152 438	45,9%	350 461	160 606	45,8%
Provincial Legislature	293 013	142 508	48,6%	334 488	158 454	47,4%	359 539	176 268	49,0%
Agriculture and Rural Development	1 067 995	501 603	47,0%	1 106 322	511 591	46,2%	1 175 000	545 183	46,4%
Provincial Treasury	331 169	138 157	41,7%	337 908	154 713	45,8%	370 776	165 903	44,7%
Economic Development, Enviroment and Tourism	550 585	267 651	48,6%	571 503	273 386	47,8%	608 649	273 867	45,0%
Transport and Community Safety	1 134 948	544 719	48,0%	1 190 560	570 769	47,9%	1 266 326	582 449	46,0%
Public Works, Roads and Infrastructure	1 013 982	416 555	41,1%	1 044 401	435 430	41,7%	1 053 000	482 428	45,8%
Cooperative Governance, Human Settlement and Traditional Affairs	1 020 075	496 030	48,6%	1 068 001	518 555	48,6%	1 139 000	541 130	47,5%
Sport, Arts and Culture	252 049	105 244	41,8%	264 391	118 323	44,8%	269 874	124 892	46,3%
Total	**52 047 585**	**25 937 140**	**49,8%**	**55 811 897**	**26 914 277**	**48,2%**	**58 839 117**	**28 338 261**	**48,2%**

As of September 2025, the Compensation of Employees provincial expenditure amounts to R28.3 billion, representing 48.2 percent of the total budget, consistent with the corresponding period in the previous year. The Provincial Legislature and the Department of Education's spending is high at 49.0 percent or R176.3 million and 48.8 percent or R15.9 billion of their respective budgets. In line with its recruitment plan, the province is addressing provincial capacity to aid service delivery within provincial departments and public entities.

Goods and Services

Table 12 : Goods and Services as at 30 September 2025

R'000	2023/24			2024/25			2025/26		
Department / Vote	Main Budget	Actual spending as at 30 September	% spending	Main Budget	Actual spending as at 30 September	% spending	Main Budget	Actual spending as at 30 September	% spending
Education	4 466 289	1 537 932	34,4%	4 332 914	1 655 129	38,2%	4 421 887	1 989 499	45,0%
Health	6 156 722	3 267 976	53,1%	6 214 284	2 836 708	45,6%	7 202 994	3 279 332	45,5%
Social Development	302 770	156 454	51,7%	322 224	153 841	47,7%	345 118	172 069	49,9%
Office of the Premier	120 151	70 299	58,5%	169 398	84 971	50,2%	198 677	65 115	32,8%
Provincial Legislature	73 189	40 894	55,9%	66 484	46 469	69,9%	111 476	54 669	49,0%
Agriculture and Rural Development	454 701	204 976	45,1%	471 043	237 704	50,5%	549 018	298 530	54,4%
Provincial Treasury	115 988	43 322	37,4%	128 684	48 147	37,4%	132 568	46 320	34,9%
Economic Development, Enviroment and Tourism	262 308	117 888	44,9%	269 712	146 319	54,3%	300 560	145 732	48,5%
Transport and Community Safety	372 921	154 312	41,4%	339 795	174 069	51,2%	499 126	203 039	40,7%
Public Works, Roads and Infrastructure	1 373 863	573 366	41,7%	1 012 060	540 581	53,4%	2 818 132	753 596	26,7%
Cooperative Governance, Human Settlement and Traditional Affairs	215 422	88 845	41,2%	223 080	93 226	41,8%	251 965	98 450	39,1%
Sport, Arts and Culture	280 273	132 155	47,2%	299 843	143 616	47,9%	326 900	128 076	39,2%
Total	**14 194 597**	**6 388 419**	**45,0%**	**13 849 521**	**6 160 780**	**44,5%**	**17 158 421**	**7 234 427**	**42,2%**

The overall spending on Goods and Services is at R7.2 billion or 42.2 percent of the total budget of R17.2 billion by the end of September 2025. While the percentage spend is lower, the expenditure has increased by R1.0 billion compared to the previous financial year of R6.2 billion.

Transfer of Subsidies

Table 13 : Transfers and subsidies as at 30 September 2025

R'000	2023/24			2024/25			2025/26		
Department / Vote	Main Budget	Actual spending as at 30 September	% spending	Main Budget	Actual spending as at 30 September	% spending	Main Budget	Actual spending as at 30 September	% spending
Education	4 316 000	2 545 967	59,0%	3 621 509	1 875 494	51,8%	4 064 510	2 391 984	58,9%
Health	253 601	116 752	46,0%	208 062	76 168	36,6%	184 375	102 189	55,4%
Social Development	299 713	130 202	43,4%	308 737	118 143	38,3%	315 604	148 193	47,0%
Office of the Premier	433	4 553	1051,5%	1 195	1 329	111,2%	1 291	2 035	157,6%
Provincial Legislature	121 383	110 729	91,2%	137 628	155 087	112,7%	179 780	162 319	90,3%
Agriculture and Rural Development	79 886	12 260	15,3%	34 436	17 878	51,9%	30 298	24 440	80,7%
Provincial Treasury	2 171	1 618	74,5%	4 890	3 051	62,4%	2 499	1 641	65,7%
Economic Development, Enviroment and Tourism	607 796	288 387	47,4%	994 976	321 370	32,3%	1 325 985	529 593	39,9%
Transport and Community Safety	864 009	436 896	50,6%	979 142	416 909	42,6%	1 072 602	445 205	41,5%
Public Works, Roads and Infrastructure	2 179 402	1 401 574	64,3%	2 736 113	1 791 330	65,5%	1 144 040	607 301	53,1%
Cooperative Governance, Human Settlement and Traditional Affairs	1 242 663	828 109	66,6%	1 129 110	774 309	68,6%	1 130 893	830 708	73,5%
Sport, Arts and Culture	15 590	7 815	50,1%	17 365	9 943	57,3%	18 417	7 556	41,0%
Total	**9 982 647**	**5 884 862**	**59,0%**	**10 173 163**	**5 561 011**	**54,7%**	**9 470 294**	**5 253 164**	**55,5%**

The province spent R5.3 billion, or 55.5 percent of the total budget of R9.5 billion, on Transfers and subsidies. The province improved in percentage spending from 54.7 percent in September 2024 to 55.5 percent in September 2025, with an increase of 0.8 percent. The departments that contributed to higher spending percentage are the Office of the Premier at 157.6 percent, Agriculture at 80.7 percent and Health at 55.4 percent. The spending is driven up by previous years' accruals that will be augmented by, amongst others, the rollover of funds from the previous financial year.

Payment for Capital Assets

Table 14 : Payment for Capital Assets as at 30 September 2025

R'000	2023/24			2024/25			2025/26		
Department / Vote	Main Budget	Actual spending as at 30 September	% spending	Main Budget	Actual spending as at 30 September	% spending	Main Budget	Actual spending as at 30 September	% spending
Education	1 107 091	699 737	63,2%	1 433 458	497 152	34,7%	1 444 038	865 690	59,9%
Health	914 200	202 786	22,2%	715 782	314 934	44,0%	644 840	222 236	34,5%
Social Development	21 365	6 019	28,2%	25 720	5 635	21,9%	28 144	5 085	18,1%
Office of the Premier	2 417	1 582	65,5%	3 757	1 928	51,3%	4 381	3 818	87,1%
Provincial Legislature	4 832	6 063	125,5%	10 916	10 899	99,8%	20 865	6 187	29,7%
Agriculture and Rural Development	168 204	59 080	35,1%	170 811	56 562	33,1%	155 487	96 633	62,1%
Provincial Treasury	8 350	1 531	18,3%	6 580	2 186	33,2%	7 054	431	6,1%
Economic Development, Enviroment and Tourism	28 150	11 862	42,1%	28 994	6 149	21,2%	50 254	11 744	23,4%
Transport and Community Safety	111 675	24 593	22,0%	101 115	32 172	31,8%	186 581	43 945	23,6%
Public Works, Roads and Infrastructure	383 188	129 105	33,7%	479 312	196 357	41,0%	611 614	84 128	13,8%
Cooperative Governance, Human Settlement and Traditional Affairs	113 684	25 031	22,0%	52 960	15 669	29,6%	51 587	32 415	62,8%
Sport, Arts and Culture	73 904	23 643	32,0%	245 500	72 022	29,3%	262 301	59 421	22,7%
Total	**2 937 060**	**1 191 032**	**40,6%**	**3 274 905**	**1 211 665**	**37,0%**	**3 467 146**	**1 431 733**	**41,3%**

As at 30 September 2025, the provincial Payment for Capital Assets is at R1.4 billion or 41.3 percent of the total budget of R3.5 billion. The spending has improved from 37.0 percent of the previous corresponding year to 41.3 percent. The highest spending departments are the Office of the Premier at 87.1 percent, COGHSTA at 62.8 percent, Agriculture at 62.1 percent, and Education at 59.9 percent.

4.3.2 Equitable Share Spending

Table 15 : Equitable share spending as at 30 September 2025

R'000	2023/24			2024/25			2025/26		
Department / Vote	Main Budget	Actual spending as at 30 September	% spending	Main Budget	Actual spending as at 30 September	% spending	Main Budget	Actual spending as at 30 September	% spending
Education	34 834 067	17 482 224	50,2%	36 414 784	17 538 976	48,2%	38 682 472	19 140 079	49,5%
Health	19 845 450	9 830 896	49,5%	20 550 774	9 762 320	47,5%	21 871 848	10 140 249	46,4%
Social Development	1 935 322	954 434	49,3%	2 069 478	974 153	47,1%	2 288 856	1 073 436	46,9%
Office of the Premier	438 384	225 370	51,4%	506 194	240 666	47,5%	554 810	231 574	41,7%
Provincial Legislature	492 417	300 194	61,0%	549 516	370 909	67,5%	671 660	399 443	59,5%
Agriculture and Rural Development	1 430 421	661 321	46,2%	1 461 652	699 607	47,9%	1 563 790	791 375	50,6%
Provincial Treasury	457 668	184 628	40,3%	478 062	208 097	43,5%	512 897	214 295	41,8%
Economic Development, Enviroment and Tourism	1 448 000	685 486	47,3%	1 864 199	746 020	40,0%	2 283 715	958 841	42,0%
Transport and Community Safety	2 040 642	951 269	46,6%	2 146 727	1 003 445	46,7%	2 539 598	1 054 550	41,5%
Public Works, Roads and Infrastructure	3 149 545	1 689 768	53,7%	3 328 694	1 705 391	51,2%	3 558 938	1 650 902	46,4%
Cooperative Governance, Human Settlement and Traditional Affairs	1 362 483	614 258	45,1%	1 365 567	633 378	46,4%	1 463 828	681 139	46,5%
Sport, Arts and Culture	399 928	174 024	43,5%	596 025	229 060	38,4%	643 637	219 945	34,2%
Total	**67 834 327**	**33 753 872**	**49,8%**	**71 331 672**	**34 112 022**	**47,8%**	**76 636 049**	**36 555 828**	**47,7%**
Economic classification									
Current payments	**59 795 444**	**29 414 763**	**49,2%**	**63 304 605**	**30 263 201**	**47,8%**	**67 931 548**	**32 444 694**	**47,8%**
Compensation of employees	50 271 495	25 079 808	49,9%	53 995 335	25 979 266	48,1%	56 914 022	27 365 693	48,1%
Goods and services	9 522 868	4 333 922	45,5%	9 308 140	4 283 926	46,0%	11 016 345	5 078 977	46,1%
Interest and rent on land	1 081	1 033	95,6%	1 130	9	0,8%	1 181	24	2,0%
Transfers and subsidies	**6 663 781**	**3 996 939**	**60,0%**	**6 536 326**	**3 261 426**	**49,9%**	**7 048 914**	**3 638 064**	51,6%
Payments for capital assets	**1 375 102**	**342 170**	**24,9%**	**1 490 741**	**587 390**	**39,4%**	**1 655 586**	**473 070**	28,6%
Payments for financial assets	**-**	**-**	**0,0%**	**-**	**5**	**-100,0%**	**-**	**-**	
Total	**67 834 327**	**33 753 872**	**49,8%**	**71 331 672**	**34 112 022**	**47,8%**	**76 636 049**	**36 555 828**	**47,7%**

Provincial equitable share spending amounts to R36.6 billion of the total budget of R76.6 billion, and in the previous year, the province spent R34.1 billion of the allocated R71.3 billion. The highest percentage spending departments are the Provincial Legislature at 59.5 percent, or R399.4 million, Education at 49.5 percent, or R19.1 billion, and Agriculture at 50.6 percent, or R791.43 million.

4.3.3 Conditional Grants

Table 16 : Conditional Grants spending per department as at 30 September 2025

R'000	2023/24			2024/25			2025/26		
Department / Vote	Main Budget	Actual spending as at 30 September	% spending	Main Budget	Actual spending as at 30 September	% spending	Main Budget	Actual spending as at 30 September	% spending
Vote 3 Education									
HIV and Aids (Life Skills Education) Grant	27 036	14 109	52,2%	28 087	9 877	35,2%	29 504	14 339	48,6%
National School Nutrition Programme Grant	1 664 681	735 342	44,2%	1 741 094	807 200	46,4%	1 847 963	852 545	46,1%
Infrastructure Grant	1 371 984	837 140	61,0%	1 503 403	490 021	32,6%	1 567 199	824 282	52,6%
Maths, Science and Technology	49 592	21 687	43,7%	50 827	24 591	48,4%	52 584	36 341	69,1%
Learners with Profound Intellectual Disabilities	34 228	16 439	48,0%	36 062	15 644	43,4%	37 898	17 624	46,5%
Social Sector EPWP Grant	17 065	14 615	85,6%	14 707	9 543	64,9%	-	-	-
Early Childhood Development	187 261	86 770	46,3%	238 002	106 545	44,8%	295 968	266 845	90,2%
EPWP Integrated Allocation	2 444	311	12,7%	2 224	73	3,3%	15 847	6 486	40,9%
Total	**3 354 291**	**1 726 413**	**51,5%**	**3 614 406**	**1 463 494**	**40,5%**	**3 846 963**	**2 018 462**	**52,5%**
Vote 4 Agriculture									
Comprehensive Agricultural Support Programme Grant	241 700	87 646	36,3%	247 211	90 804	36,7%	242 853	115 878	47,7%
Ilima/Letsema Projects Grant	76 592	19 363	25,3%	55 322	25 047	45,3%	83 584	46 647	55,8%
EPWP Integrated Grant	8 593	5 138	59,8%	4 753	4 184	30,0%	5 289	4 411	83,4%
Land Care Programme Grant	13 480	4 451	33,0%	13 674	4 098	0,0%	14 287	6 475	45,3%
Total	**340 365**	**116 598**	**34,3%**	**320 960**	**124 133**	**38,7%**	**346 013**	**173 411**	**50,1%**
Vote 6 Economic Development Environment and Tourism									
EPWP Incentive Grant	1 920	1 302	67,8%	2 116	1 204	56,9%	2 914	2 095	71,9%
Total	**1 920**	**1 302**	**67,8%**	**2 116**	**1 204**	**56,9%**	**2 914**	**2 095**	**71,9%**
Vote 7 Health									
District Health Programme	2 388 635	1 154 128	48,3%	2 500 738	1 146 360	45,8%	2 542 524	1 281 595	50,4%
EPWP Integrated Allocation	3 133	1 540	49,2%	3 290	1 659	50,4%	22 698	13 150	57,9%
EPWP Social Sector Grant	33 038	7 117	21,5%	22 031	11 062	50,2%	-	-	-
National Health Insurance Grant	97 796	43 055	44,0%	52 554	25 901	49,3%	53 727	18 248	34,0%
National Tertialy Services Grant	470 401	249 273	53,0%	538 981	255 416	47,4%	581 731	269 517	46,3%
Health Professionals Training & Development Grant	380 788	188 812	49,6%	369 609	184 853	50,0%	378 833	191 575	50,6%
Health Facility Revitalisation Grant	552 983	197 447	35,7%	601 321	186 905	31,1%	622 342	312 627	50,2%
Total	**3 926 774**	**1 841 372**	**46,9%**	**4 088 524**	**1 812 155**	**44,3%**	**4 201 855**	**2 086 712**	**49,7%**
Vote 8 Transport									
Public Transport Operations Grant	440 951	208 435	47,3%	460 754	189 508	41,1%	481 396	219 124	45,5%
EPWP Integrated Grant	1 960	816	41,6%	2 161	723	33,5%	3 641	964	26,5%
Social Sector EPWP grant	-	-	-	970	242	24,9%	-	-	-
Total	**442 911**	**209 251**	**47,2%**	**463 885**	**190 473**	**41,1%**	**485 037**	**220 088**	**45,4%**
Vote 9 Public Works, Road and Infrastructure									
Provincial Roads Maitenance Grant	1 782 057	820 867	46,1%	1 934 494	1 252 528	64,7%	2 055 765	271 949	13,2%
EPWP Incentive Grant	18 833	9 998	53,1%	8 698	5 788	66,5%	12 083	4 625	38,3%
Total	**1 800 890**	**830 865**	**46,1%**	**1 943 192**	**1 258 316**	**64,8%**	**2 067 848**	**276 574**	**13,4%**
Vote 10 Sport Arts and Culture									
Mass Sport and Creation Programme	66 331	37 346	56,3%	70 488	35 276	50,0%	68 893	25 642	37,2%
EPWP Intergrated Grant	-	-	-	2 049	843	41,1%	3 531	1 573	44,5%
EPWP Incentive Grant	1 960	1 037	52,9%	873	73	8,4%	-	-	-
Community Library Services Grant	153 597	56 450	36,8%	157 664	78 652	49,9%	161 431	72 785	45,1%
Total	**221 888**	**94 833**	**42,7%**	**231 074**	**114 844**	**49,7%**	**233 855**	**100 000**	**42,8%**
Vote 11 COGHSTA									
Integrated Housing & Human Settlements Development Grant	946 060	757 623	80,1%	892 884	632 571	70,8%	925 163	713 288	77,1%
Informal Settlement Grant	281 341	64 610	23,0%	212 572	135 375	63,7%	181 106	106 890	59,0%
EPWP Integrated Allocation	1 960	1 524	77,8%	2 128	435	20,4%	3 348	1 387	41,4%
Total	**1 229 361**	**823 757**	**67,0%**	**1 107 584**	**768 381**	**69,4%**	**1 109 617**	**821 565**	**74,0%**
Vote 12 Social Development									
EPWP Integrated Grant	2 652	1 207	45,5%	2 245	1 099	49,0%	6 010	2 874	47,8%
EPWP Social Sector Grant	7 581	3 367	44,4%	4 958	1 626	32,8%	-	-	-
Total	**10 233**	**4 574**	**44,7%**	**7 203**	**2 725**	**37,8%**	**6 010**	**2 874**	**47,8%**
Grand Total	**11 328 633**	**5 648 965**	**49,9%**	**11 778 944**	**5 735 725**	**48,7%**	**12 300 112**	**5 701 781**	**46,4%**

For the half-yearly performance, Conditional Grants expenditure amounts to R5.7 billion or 46.4 percent out of a total budget of R12.3 billion. This is consistent with the previous financial year, where the province also spent R5.7 billion during the same period.

4.4 Provincial Own Revenue Performance

4.4.1 Overall Receipts

As at 30 September 2025, provincial own revenue collection stands at R1.2 billion, which represents 59.5 percent of the main appropriation. This performance exceeds the projected own revenue of R977.3 million, resulting in an half year over-collection of R218.1 million. The over-collection is primarily driven by motor vehicle licenses and registrations from the Department of Transport and Community Safety, once-off auction sales by the Department of Health, and improved rental collections by Public Works, Roads and Infrastructure. Overall, revenue collection has improved compared to the R1.1 billion recorded during the same period in the previous financial year. Table 13 below shows the revenue collection comparison over the three years.

Table 17 : Revenue collection as of 30 September 2025

REVENUE COLLECTION	2023/24 Actual Receipts			2024/25 Actual Receipts			2025/26 Actual Receipts		
Departments (Votes)	Main appropriation	Actual Collection as at 30 September 2023	Collection % as at 30 September 2023	Main appropriation	Actual Collection as at 30 September 2024	Collection % as at 30 Septembe r 2024	Main appropriation	Actual Collection as at 30 September 2025	Collection % as at 30 September 2025
Office of the Premier	703	484	68.8%	734	349	47.6%	794	1,583	199.3%
Education	63,586	20,548	32.3%	55,541	30,601	55.1%	42,715	21,767	51.0%
Agriculture and Rural Development	14,154	5,756	40.7%	14,779	2,215	15.0%	15,534	4,865	31.3%
Provincial Treasury	306,262	326,134	106.5%	320,044	314,493	98.3%	343,960	348,429	101.3%
Economic Development, Tourism and Environment	210,659	157,167	74.6%	293,072	183,639	62.7%	383,711	190,354	49.6%
Health	210,508	103,532	49.2%	220,612	110,396	50.0%	230,981	125,079	54.2%
Transport	852,873	395,292	46.3%	890,655	423,642	47.6%	931,488	465,836	50.0%
Public Works, Roads and Infrastructure	39,925	17,992	45.1%	41,841	25,799	61.7%	46,142	28,912	62.7%
Sport, Arts and Culture	2,625	146	5.6%	2,635	1,280	48.6%	2,643	391	14.8%
Co-operative Governance, Human settements and Traditional Affairs	6,008	2,378	39.6%	4,135	2,714	65.6%	4,325	2,003	46.3%
Social Development	2,745	4,617	168.2%	6,838	6,217	90.9%	6,964	6,243	89.6%
Total departmental receipts	**1,710,048**	**1,034,045**	**60.5%**	**1,850,886**	**1,101,345**	**59.5%**	**2,009,258**	**1,195,461**	**59.5%**

4.4.2 Own Revenue per Economic Classifications

Table 18 : Revenue collection as of 30 September 2025

Revenue collection	2023/24 Actual Receipts			2024/25 Actual Receipts			2025/26 Actual Receipts		
Per Economic Classifications	Main appropriation	Actual Collection as at 30 September 2023	Collection % as at 30 September 2023	Main appropriation	Actual Collection as at 30 September 2024	Collection % as at 30 September 2024	Main appropriation	Actual Collection as at 30 September 2025	Collection % as at 30 September 2025
Tax receipts	892 816	442 161	49,5%	1 005 757	519 744	51,7%	1 120 752	557 272	49,7%
Sale of goods and services other than capital assets	348 484	172 169	49,4%	359 426	180 677	50,3%	382 731	196 214	51,3%
Transfers received from:	8 067	23 670	293,4%	8 554	2 068	24,2%	13 815	8 263	59,8%
Fines, penalties and forfeits	84 038	45 598	54,3%	87 687	48 103	54,9%	91 513	47 471	51,9%
Interest, dividends and rent on land	307 652	326 713	106,2%	321 671	314 919	97,9%	345 882	347 995	100,6%
Sales of capital assets	14 975	4 510	30,1%	11 635	-	0,0%	17 089	13 668	80,0%
Revenue financial transactions in assets and liabilities	54 016	19 224	35,6%	56 157	35 834	63,8%	37 475	24 578	65,6%
Total provincial receipts	**1 710 048**	**1 034 045**	**60,5%**	**1 850 886**	**1 101 345**	**59,5%**	**2 009 258**	**1 195 461**	**59,5%**

Tax Receipts

As at 30 September 2025, provincial tax receipts reached R557.3 million, representing 49.7 percent of the main appropriation. This exceeds the set projection of R539.5 million, resulting in a half year over-collection of R17.8 million. The over-performance is mainly attributed to motor vehicle licensing and registration by the Department of Transport and Community Safety, as well as liquor license collections by Limpopo Economic Development, Environment and Tourism (LEDET). Overall, revenue collection has improved compared to the R519.7 million recorded during the same period in the previous financial year.

Sale of Goods & Services Other Than Capital Assets

By 30 September 2025, the province had collected R196.2 million in own revenue in the Sale of Goods and Services, which represents 51.3 percent of the set target. This performance surpasses the set projection of R187.5 million resulting in an half year over-collection of R8.7 million. The increase is largely due to improved patient fee collections by the Department of Health and once-off scrap sales by Agriculture and Rural Development. Overall, revenue collection shows improvement compared to the R180.7 million recorded during the same period in the previous financial year.

Transfers Received

The collection comprised the surrender of unspent funds from Public Entities, i.e., Limpopo Gambling Board (LGB) and the Limpopo Tourism Agency (LTA). During this period under review, an amount of R8.3 million or 59.8 percent was collected against the projections of R13.8 million. Under collection is influenced by less surrender from LGB than anticipated due to improved spending performance.

Fines, Penalties, and Forfeits

As at 30 September 2025, Fines, Penalties, and Forfeits collected R47.5 million or 51.9 percent against the set own revenue projections of R44.9 million. A half year over collection of R2.5 million is due to improved collection on traffic fines by Transport & Community Safety. However, collection declined as compared to R48.1 million or 54.9 percent collected during the same period in the previous financial year.

Interest, Dividends, and Rent on Land

Collection as of 30th September 2025 is R347.9 million against the set own revenue projections of R172.5 million. Over collection of R175.5 million is mainly due to interest earned from positive bank balances by the Provincial Treasury. The collection has improved as compared to R314.9 million collected during the same period in the previous financial year.

Sale of Capital Assets

By 30 September 2025, actual proceeds from the sale of obsolete assets amounted to R13.7 million, representing 80.0 percent of the main appropriation. This significantly exceeds the projected amount of R0.330 million, resulting in a half year over-collection of R13.3 million or 78.0 percent. The over-performance is mainly due to higher-than-expected auction sales of obsolete assets conducted by the Department of Health. This marks a notable improvement compared to zero collection during the same period in the previous financial year.

Transactions in Financial Assets and Liabilities

The item collected R24.6 million or 65.6 percent against the set own revenue projections of R18.7 million. The half year over collection of R5.9 million is due to improved recovery of departmental debts & previous year's expenditure debts by Health, DPWRI, and Social Development. However, collection declined as compared to R35.8 million or 63.8 percent recovered during the same period in the previous financial year.

4.5 Conclusion

Fiscal discipline remains a central priority, guided by the National Treasury's spending reviews to eliminate inefficiencies and redirect resources toward high-impact initiatives. For the first half of the financial year ending 30 September 2025, Limpopo Province spent R42.3 billion, or 47.5 percent of its R88.9 billion budget. This includes R28.3 billion for Compensation of Employees or 48.2 percent, improved Transfers and Subsidies spending at 55.5 percent, and notable progress on Payments for Capital Assets at 41.3 percent compared to the previous year. Provincial Treasury continues to enforce integrated planning and efficient spending through rigorous monitoring and reporting under the PFMA.

On revenue performance, the province collected R1.2 billion, representing 59.5 percent of the main appropriation and exceeding projections by R218.1 million. This over-collection was driven by strong motor vehicle license and registration receipts, higher auction proceeds from obsolete assets by Health, and improved rental collections. Compared to the previous year, revenue collection shows significant improvement. Overall, the province demonstrates a balanced approach between disciplined expenditure aligned with strategic priorities—such as infrastructure development, poverty reduction, and job creation—and enhanced revenue management.

CHAPTER 5: MID-TERM REVIEW

5.1 Introduction

In terms of Section 18(1)(b) of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Provincial Treasury is mandated to oversee the implementation of the provincial budget. As part of discharging this responsibility, the Treasury convenes quarterly Expenditure Monitoring Bilateral meetings with departments and public entities to review spending trends and promote sound financial management. Furthermore, departments are required to submit monthly In-Year Monitoring reports, which the Provincial Treasury thoroughly reviews and analyses. Based on these assessments, constructive feedback is provided to departments to enhance expenditure control and drive continuous improvement in financial performance.

At mid-term, the Provincial Treasury held adjustment budget bilateral meetings with *departments and public entities. These engagements aimed to assess expenditure performance, monitor progress on the implementation of provincial priorities, and identify emerging spending pressures. The insights gained from these reviews informed the adjustment process, enabling strategic reprioritisation within individual votes and, where necessary, the allocation of additional resources.

Supplementary funding is allocated exclusively to address expenditure pressures that could not be mitigated through reprioritisation. The Provincial Treasury subsequently presented its analysis and recommendations of the 2025/26 adjustment budget allocations to Heads of Departments, the Executive Council Budget Committee, and the Executive Council Budget Lekgotla. This process culminated in the submission of the proposed adjustments to the Executive Council for final approval.

5.2 Basis of Budget Adjustment Estimates for 2025/26 Financial Year

Pursuant to Section 31(2) of the Public Finance Management Act (PFMA), the MEC for Finance is authorised to present an adjustments budget, providing a thorough examination of the province's fiscal standing and detailing revisions and resource realignments that uphold the Act's requirements, thereby promoting fiscal transparency, accountability, and prudent financial governance. Such an adjustment budget may only provide for the following:

a) The appropriation of additional funds that have become available to the province;
b) Unforeseeable and unavoidable expenditure, as recommended by the Provincial Executive Council of the province within the framework determined by the Minister;
c) Any expenditure in terms of section 25;
d) Money to be appropriated for expenditure already announced by the MEC for finance during the tabling of the annual budget;
e) The shifting of funds between and within votes, or to follow the transfer of functions in terms of Section 42;
f) The utilisation of savings under a main division within a vote for the defrayment of excess expenditure under another main division within the same vote in terms of section 43; and
g) The roll-over of unspent funds from the preceding financial year.

5.3 Provincial Own Revenue

5.3.1 Summary of Provincial Own Receipts Per Department

The provincial own revenue target has undergone a revision, with an upward adjustment of R258.2 million, from the initial allocation of R2.009 billion to a new total of R2.267 billion, reflecting a 12.8 percent increase. This growth is primarily driven by improved revenue collection across several streams. The Provincial Treasury recorded higher interest earnings due to favourable bank balances, while the Department of Transport and Community Safety achieved better collections on motor vehicle licensing, traffic fines, and penalties. Additional revenue was also generated through once-off proceeds from the auction of obsolete assets, improved patient fee collections by the Department of Health, and expected increases in tuition-related fees from agricultural colleges under the Department of Agriculture and Rural Development.

Conversely, the revenue budget for the Department of Economic Development, Environment and Tourism reflects a decline of R11.4 million, or 3.0 percent, mainly due to a lower-than-expected surrender of unspent funds from the Limpopo Gambling Board and a reduction in the baseline for liquor licence collections pending the review of the Regulations.

Table 19 : Summary of Provincial Own Receipts per Department

	2025/26 Provincial Own Revenue			
R thousand	**Main appropriation**	**Adjustments**	**Adjustment estimates**	**% Growth**
Office of the Premier	794	1 580	2 374	199.0%
Education	42 715	2 861	45 576	6.7%
Agriculture and Rural Development	15 534	3 314	18 848	21.3%
Provincial Treasury	343 960	242 383	586 343	70.5%
Economic Development, Environment and Tourism	383 711	(11 377)	372 334	-3.0%
Health	230 981	4 172	235 153	1.8%
Transport and Community Safety	931 488	10 760	942 249	1.2%
Public Works, Roads and Infrastructure	46 142	1 299	47 441	2.8%
Sport, Arts and Culture	2 643	449	3 092	17.0%
Co-Operative Governance Human Settements and Traditional Affairs	4 325	678	5 003	15.7%
Social Development	6 964	2 059	9 023	29.6%
Total departmental receipts	**2 009 258**	**258 178**	**2 267 436**	**12.8%**

5.3.2 Own Revenue Adjustment Budget Per Department

Vote 1: Office of the Premier

The Office of the Premier generates its revenue primarily from commissions on insurance and parking fees. The revenue budget increases significantly by R1.6 million, representing a 199.0 percent rise from the main appropriation of R0.734 million to R2.4 million. This sharp growth is mainly attributed to a once-off recovery of interdepartmental debts and anticipated proceeds from earmarked auction sales of obsolete assets.

Vote 3: Education

The department's primary source of revenue is commission on insurance. The budget increases from R42.7 million to R45.6 million, reflecting a growth of R2.9 million or 6.7 percent. This increase is mainly driven by anticipated recoveries of prior-year expenditure-related debts and planned proceeds from auction sales of obsolete assets.

Vote 4: Agriculture and Rural Development

The department's own revenue is primarily derived from commission on insurance, academic services such as tuition, registration, and examination fees, boarding services, and the sale of agricultural produce. The revenue budget increases from R15.5 million to R18.9 million, reflecting a growth of R3.3 million or 21.3 percent. This upward adjustment is mainly due to anticipated higher collections of academic service fees from agricultural colleges and expected proceeds from auction sales of obsolete assets.

Vote 5: Limpopo Provincial Treasury

The department's own revenue is primarily generated from interest earned on the Intergovernmental Cash Coordination account and the Paymaster General account. The revenue budget rises from R343.9 million to R586.3 million, reflecting an increase of R242.4 million or 70.5 percent. This substantial improvement is mainly attributed to anticipated higher interest collections resulting from favourable bank balances.

Vote 6: Economic Development, Environment, and Tourism

The department's own revenue is primarily derived from tax receipts, which include casino taxes, horse racing taxes, and liquor licence fees. Additional sources of revenue include hunting permits, accommodation charges, and entrance fees from nature resorts and reserves. The department’s revenue budget decreases from R383.7 million to R372.3 million, representing a decline of R11.4 million or 3.0 percent compared to the main appropriation. This reduction is mainly attributed to lower collections from liquor licences and a smaller-than-anticipated surrender of unspent funds from the Limpopo Gambling Board.

Vote 7: Health

The department’s own revenue is primarily generated from patient fees. The revenue budget increases from the baseline of R230.9 million to R235.2 million, reflecting a growth of R4.2 million. This increase is mainly due to once-off proceeds from the auction of obsolete assets and improved collections of patient fees.

Vote 8: Transport and Community Safety

The department’s primary source of revenue is derived from tax receipts related to motor vehicle licences and registrations. Additional revenue streams include penalties on motor vehicle licences, traffic fines, and abnormal load permits. The department’s own revenue budget is projected to increase from R931.5 million to R942.3 million, reflecting a growth of R10.8 million. This increase is mainly attributable to enhanced collection efforts on motor vehicle licences, inclusive of new vehicle population, traffic fines, and associated penalties.

Vote 9: Public Works, Roads and Infrastructure

The Department of Public Works, Roads and Infrastructure primarily generates its own revenue from rentals of government properties. Additional revenue streams include commissions on insurance and parking fees. The department’s revenue budget is set to increase from R46.1 million to R47.4 million, representing a growth of R1.3 million or 2.8 percent. This increase is mainly driven by improved collection of property rentals.

Vote 10: Sport, Arts and Culture

The department's revenue streams comprise primarily commission on insurance, parking fees, and entrance fees from the Mapungubwe Arts Festival. The target is projected to increase by 17.0 percent from R2.6 million to R3.1 million. This R449 thousand rise is primarily attributed to the anticipated recovery of prior year's expenditure-related debts and expected entrance fees from the festival.

Vote 11: Co-operative Governance, Human Settlements & Traditional Affairs

The department's primary revenue streams are commissions on insurance and parking fees. The revenue budget is projected to increase from R4.3 million to R5.0 million, representing a growth of R0.678 million or 15.7 percent. This increase is mainly attributable to a once-off recovery of prior year expenditure-related debts.

Vote 12: Social Development

The department's primary revenue streams comprise commissions on insurance, rental income, and parking fees. The revenue budget is projected to increase from R6.9 million to R9.0 million, reflecting a growth of R2.1 million or 29.6 percent compared to the main appropriation. This increase is primarily attributable to a once-off recovery of prior-year expenditure-related debts.

5.4 Budget Adjustment Estimates for 2025/26 Financial Year

5.4.1 Provincial Available Resources

The total provincial receipts increase by **R2.035 billion**, rising from **R88.373 billion** to **R90.409 billion**. This adjustment comprises the following components:

- Equitable Share - **R1.064 billion** additional funding from National Treasury, mainly for Health **- R701.512 million; and Education - R362.733 million.**
- Conditional Grants **– R712.979 million,** which is made up of rollovers from 2024/25 to 2025/26 financial year amounting to **R62.267 million;** additional **funds of R69.010 million** for PEPFAR in Health**;** and an additional **R306.702 million** funding for ECD in Education**.**

- Conditional Grants Infrastructure Disaster Funding of **R275.000 million,** which includes **R25.000 million** for Agriculture and Rural Development, **R140.000 million** for Education, **and R110.000 million** for the Department of Public Works, Roads and Infrastructure**.**
- **Provincial own revenue** baseline increases by **R258.178 million** from **R2.009 billion** to **R2.267 billion**.

5.4.2 Provincial Adjustment Budget for 2025/26

Table 20 : Adjustment budget for 2025/26

Description	2025/26 Main Appropriation	Proposed Adjustment	2025/26 Adjusted Appropriation	% Growth
Provincial Receipts				
Equitable Share	74 064 064	1 064 245	75 128 309	1.4%
Conditional Grants	12 300 112	712 979	13 013 091	5.8%
Own Revenue	2 009 257	258 178	2 267 435	12.8%
Total Receipts	**88 373 433**	**2 035 402**	**90 408 835**	**2.3%**
Departments / Votes				
Vote 1 : Office of the Premier	554 810	(33 329)	521 481	-6.0%
Vote 2 : Provincial Legislature	671 660	89 002	760 662	13.3%
Vote 3 : Education	42 529 435	843 822	43 373 257	2.0%
Vote 4 : Agriculture and Rural Development	1 909 803	49 025	1 958 828	2.6%
Vote 5 : Provincial Treasury	512 897	(45 864)	467 033	-8.9%
Vote 6 : Economic Development, Environment and Tourism	2 286 627	(186 623)	2 100 004	-8.2%
Vote 7 : Health	26 073 701	521 783	26 595 484	2.0%
Vote 8 : Transport and Community Safety	3 024 635	(112 471)	2 912 164	-3.7%
Vote 9 : Public Works, Roads & Infrastructure	5 626 786	316 664	5 943 450	5.6%
Vote 10 : Sport, Arts and Culture	877 492	(125 000)	752 492	-14.2%
Vote 11 : CoGHSTA	2 573 445	267 035	2 840 480	10.4%
Vote 12 : Social Development	2 294 866	-	2 294 866	0.0%
Total	**88 936 157**	**1 584 044**	**90 520 201**	**1.8%**

5.4.3 Adjustments per Vote:

Vote 1: Office of the Premier – (R33.329 million)

The Office's budget decreases by R33.329 million from R554.810 million to R521.481 million. This followed a total surrender of R72.821 million, mainly from Earmarked Funding and Compensation of Employees, and additional funding of R39.492 million to ease spending pressure on contractual obligations to ensure that the Office continues delivering on its mandate.

Vote 2: Provincial Legislature – R89.002 million

The institution's budget increases by R89.002 million, from R671.660 million to R760.662 million. This adjustment primarily addresses budgetary pressures to ensure the institution continues to effectively exercise its oversight mandate for the remainder of the financial year. The increase also includes R49.232 million retention of revenue surpluses, in accordance with Section 12 of the Financial Management of Parliament and Provincial Legislatures Act, Act 14 of 2014.

Vote 3: Education – R843.822 million

The allocation for the department increases by a net of R843.822 million from R42.529 billion to R43.373 billion. This follows Equitable Share surrenders of R664.086 million and Equitable Share and Conditional Grants additions amounting to R1.016 million and R491.970 million, respectively.

The surrender of R664.086 million comprises savings on Compensation of Employees resulting from natural attrition amounting to R564.086 million, and R100.000 million from earmarked funding for storm-damaged schools.

The Equitable Share additional funding of R1.016 billion comprises R362.733 million for the appointment of teachers across all the districts, R233.000 million to cover spending pressures on scholar transport to support eligible learners, R14.000 million for Special School Buses, R13.000 million for Learner Admission System, R104.086 million for other contractual obligations and rollover of equitable share funds from 2024/25 to 2025/26 amounting to R289.119 million

A further R491.970 million has been allocated to the department's Conditional Grants portfolio. Of this amount, R306.702 million is earmarked for the Early Childhood Development Grant to accommodate the increase in subsidies from R17 to R24 per child per day for centre-based programmes and from R6 to R9 per child per day for non-centre-based programmes, while also expanding early learning opportunities. The remaining R185.268 million comprises R140.000 million for the Education Infrastructure Grant to fund the reconstruction and rehabilitation of school infrastructure damaged by rainfall, flooding, thunderstorms, and strong winds between

April 2024 and June 2025, and R45.268 million in rollovers from the 2024/25 financial year, primarily for the National School Nutrition Programme of R33.832 million and various other grants totalling R11.436 million.

Vote 4: Agriculture and Rural Development – R49.025 million

The department receives a net increase of R49.025 million, increasing its total budget from R1.910 billion to R1.959 billion. This results from Equitable Share additional resources of R53.617 million to cover spending pressures on Goods and Services (R41.808 million), completion of Broiler Houses maintenance project (R3.286 million), and procurement of tools of trade (R8.523 million). The increase was partially offset by a surrender of R45.399 million from Compensation of Employees savings as a result of natural attrition.

The Conditional Grant portfolio also increased by R40.807 million, made up of R15.807 million Conditional Grants rollovers for the Comprehensive Agricultural Support Programme Grant and R25 million to fund the reconstruction and rehabilitation of provincial infrastructure damaged by rainfall, flooding, thunderstorms, and strong winds that occurred between April 2024 and June 2025

Vote 5: Provincial Treasury – (R45.864 million)

The department's budget is adjusted downward by (R45.864 million) from R512.897 million to R467.033 million. The decrease is due to a surrender of savings on Compensation of Employees (R39.064 million) resulting from natural attrition and Goods and Services (R6.800 million).

Vote 6: LEDET – (R186.623 million)

The department's budget decreases by (R186.623 million), from R2.287 billion to R2.100 billion. This adjustment is primarily due to the surrender of earmarked funding amounting to R432.000 million for MMSEZ and FTIP capital projects. However, this reduction was partially offset with Equitable Share rollovers of R19.212 million and additional allocations amounting to R198.165 million to the Limpopo Economic Development Agency (LEDA) for operational costs. Furthermore, LEDET receives R20.932 million to address pressures related to contractual obligations, while the Limpopo Gambling Board was allocated R23.000 million through the retention of revenue surpluses and Limpopo Tourism Agency (LTA) receive R5.000 million additional for Goods and Services.

Vote 7: Health – R521.783 million

The department's budget shows a net increase of R521.783 million after a total of R468.727 million was surrendered, mainly from Compensation of Employees (R465.727 million) savings resulting from natural attrition and Earmarked Funding (R3.000 million). A total of R921.253 million Equitable Share is made available through additional funding comprising, amongst others, R218.652 million for the appointment of doctors and healthcare professionals, R416.658 million to cover spending pressures on Goods and Services, which include procurement of medicine and medical supplies, and R240.857 million for the procurement of medical equipment. In addition, the department also receives additional Conditional Grants allocation of R69.010 million for Comprehensive HIV/AIDS Component.

Vote 8: Transport and Community Safety – (R112.471 million)

The department budget allocation decreases by a net of R112.471 million from the main appropriation of R3.025 billion to R2.912 billion. This follows Equitable Share surrenders amounting to R200.000 million and Equitable Share additions amounting to R86.841 million. The surrender is mainly from Compensation of Employees (R50.000 million) and Earmarked Funding (R150.000 million), while additional funding has been made available for the following:

- R53.541 million is allocated to be transferred to Gateway Airport Authority Limited for the implementation of the Instrument Landing System to the value of R28.610 million and R24.931 million to settle a court order.

- R12.000 million is allocated to implement infrastructure projects, i.e. Seshego K53 (R8.000 million), Mampukuil weighbridge (R2.500 million), and Traffic College (R1.500 million); and
- R21.300 million for Goods and Services pressures, including contractual obligations.

Vote 9: Public Works, Roads and Infrastructure – R316.664 million

The department's budget allocation increases by a net amount of R316.664 million, rising from R5.627 billion to R5.943 billion. This adjustment reflects an Equitable Share surrender of (R234.984 million) and additional funding totalling R551.648 million. The surrendered funds primarily comprise Compensation of Employees (R30.484 million) and earmarked funding (R204.500 million). The additional funding allocated to the department is detailed as follows:

- R270.931 million to fund the reconstruction and rehabilitation of provincial road infrastructure damaged by rainfall, flooding, thunderstorms, and strong winds that occurred between April 2024 and June 2025;
- R123.711 million for the Road Infrastructure projects to be implemented by Road Agency Limpopo (RAL);
- R69.000 million for the procurement of a new building (Works Tower);
- R20.000 million for settlement of rates and taxes in municipalities;
- R19.000 million for the refurbishment of the LEDET building (Suid Street)
- R10.297 million for contractual obligations;
- R2.500 million to replace furniture in the Parliamentary Village. and
- R36.209 million Equitable Share rollover - which comprises R34.951 million for Goods and Services items and R1.258 million for continuation of Tshwane University of Technology (TUT) Giyani project.

Vote 10: Sport, Arts and Culture – (R125.000 million)

The allocation for the department decreases by (R125.000 million) from R877.492 million to R752.492 million. This follows a surrender of R135.000 million earmarked funding for the Provincial Theatre, and an additional budget allocation of R10.000 million to complete he construction of libraries. The surrender funds will be reallocated in the 2026/26 financial year to ensure continuity of the Theatre project.

Vote 11: CoGHSTA – R267.035 million

The allocation of the department increases by R267.035 million from R2.573 billion to R2.840 billion, made up of Equitable Share additions and rollovers of R265.843 million, and Conditional Grants rollovers of R1.192 million - rollovers for both Informal Settlement Partnership Grant and Human Settlement Development Grant. The department will surrendered Earmarked Funding of R3.053 million.

The additional Equitable Share resources are mainly for Human Settlement Infrastructure projects (R200.000 million), Support of s139 intervention in Waterberg District municipality (R33.000 million), procurement of traditional leaders' vehicle (R4.461 million), and construction of traditional council offices (R6.816 million).

Vote 12: Social Development – 0.000 million

The department's budget allocation remains unchanged at R2.295 billion. However, an amount of R65.000 million has been reprioritised within the department to address key priorities, including R55.000 million for contractual obligations, R5.000 million for the procurement of tools of trade, and R5.000 million for the appointment of Financial Management Graduates. These graduates are primarily intended for non-profit organisations delivering social welfare services to strengthen compliance and enhance financial reporting.

5.5 Conclusion

The provincial own revenue target has been revised upward by 12.8 percent to R2.267 billion, driven by improved collections across key streams such as interest earnings, motor vehicle licensing, patient fees, and tuition-related charges, alongside once-off asset auction proceeds. Despite this overall growth, a slight decline in revenue from the Department of Economic Development, Environment, and Tourism reflects lower transfers and reduced liquor licence collections pending regulatory review.

The Provincial budget allocations increase **by R1.584 billion**, from **R88.936 billion** to **R90.520 billion**. This adjustment reflects a strategic response to expenditure performance, progress on provincial priorities, and emerging financial pressures. The additional funding primarily supports critical sectors such as Education and Health, ensuring the retention and appointment of essential personnel, addressing accrual-related obligations, and strengthening service delivery. Moreover, equitable share and conditional grant adjustments, including rollovers and allocations for infrastructure rehabilitation and Early Childhood Development, underscore the province's commitment to resilience and improved social outcomes.

The additional resources provided in 2025/26 are intended to address once-off spending pressures and may not be available in the 2026 Medium-Term Expenditure Framework (MTEF). However, allocations for the appointment of doctors and teachers in Health and Education will be sustained across the MTEF to ensure uninterrupted essential services. Departments and public entities must proactively manage recurring costs within their baselines and implement efficiency measures to maximize value for money and maintain service delivery sustainability.

CHAPTER 6: PROVINCIAL FISCAL ENVELOPE- 2026/27 MTEF

6.1 Introduction

The 2026 Medium Term Expenditure Framework (MTEF) concludes the fiscal consolidation strategy originally announced by the National Treasury in the 2020 Medium Term Budget Policy Statement (MTBPS). During the first financial year of the 2026 MTEF period, fiscal consolidation efforts remain strong, but no further fiscal consolidation measures are planned for the outer two financial years.

Over the 2026 Medium-Term Expenditure Framework (MTEF), the Provincial Equitable Share (PES) allocation has been revised to reflect adjustments driven primarily by demographic shifts and other fiscal considerations. The key changes to Limpopo's PES allocation are as follows:

- An increase of **R34.541 million** in 2026/27 and a decrease of **(R423.609 million)** in 2027/28, and **(R385.567 million)** in 2028/29 for adjustments to the equitable share baseline due to the impact of new data updates used to determine PES, which will be phased-in over the 2026 MTEF period.
- A decrease of **(R123.077 million)** in 2026/27, **(R254.696 million)** in 2027/28, and **(R262.729 million)** in 2028/29 to account for lower projected inflation rates over the MTEF.

6.2 Medium-Term Expenditure Framework Estimates

The below illustrates the changes in the Provincial Equitable Share (PES) allocation by comparing the 2026 MTEF allocation with the 2025 MTEF baseline. In this regard, the PES decreased by **(R88.536 million)** in 2026/27, **(R678.305 million)** in 2027/28, and **(R648.296 million)** in 2028/29, affected by the demographic and inflation adjustments highlighted above. However, the PES continues to maintain an increasing trend from **R77.703 billion** in 2026/27, to **R81.128 billion** in 2027/28, and further to **R83.701 billion** in 2028/29.

6.3 National Allocation to the Limpopo Province

Table 21 : National allocation to the Limpopo Province

National Allocation	2026/27	2027/28	2028/29	Total
Equitable Share Baseline	**74 710 602**	**79 916 139**	**84 349 079**	**238 975 820**
Adjustment to baseline 2024/25 New data updates	153 199	-	-	**153 199**
Adjustment to baseline 2025/26 New Data updates	737 422	1 286 921	-	**2 024 343**
Additional Allocations: Compensation of Employees	572 843	603 535	-	**1 176 378**
Adjustments to baseline due to impact of new data updates in the PES (Phased-in from 2026/27 of 2025 MTEF)	34 541	-423 609	-385 567	**-774 635**
Inflation Adjustments	-123 077	-254 696	-262 729	**-640 502**
Revised allocation	**76 085 530**	**81 128 290**	**83 700 783**	**240 914 603**
Less: Fiscal Framework Reduction	**(2 648 478)**	**-**	**-**	**-2 648 478**
Fiscal consolidation reduction	(2 488 624)	-	-	**-2 488 624**
NT wage cost carry-through claw-back (Education and Health)	(159 854)	-	-	**-159 854**
Plus : National Treasury Addition	**4 266 286**	-	-	**4 266 286**
Addition: Wage cost carry-through (Education & Health)	2 780 769	-	-	**2 780 769**
Addition: Wage cost carry-through (Education & Health) Post-MTBPS	1 485 516	-	-	**1 485 516**
Total Preliminary Provincial Equitable Share	**77 703 337**	**81 128 290**	**83 700 783**	**242 532 410**
Variance : 2025 MTEF vs 2026 MTEF	**-88 536**	**-678 305**	**-648 296**	**-1 415 137**
Baseline - 2025 MTEF	**77 791 873**	**81 806 595**	**84 349 079**	**232 523 591**

In the 2026/27 financial year, total provincial funding is expected to grow by 3.5 percent. This rate of increase closely tracks the projected consumer price index (CPI) of 3.6 percent, indicating that provincial budgets are generally keeping pace with inflation, although the expansion remains modest. The alignment of funding growth with the inflation rate underscores a cautious, yet stable fiscal approach in the 2026/27 financial year.

Table 22 : Provincial Sources of Funding

Provincial 2026 MTEF Allocation	2026/27	2027/28	2028/29	Total
	R '000	R '000	R '000	R '000
Source of funding				
Equitable share	77 703 337	81 128 290	83 700 783	242 532 410
Provincial Own revenue	2 240 465	2 361 873	2 470 903	7 073 241
Total Provincial	**79 943 802**	**83 490 163**	**86 171 686**	**249 605 651**
Conditional grants	11 543 528	12 069 773	12 069 773	35 683 074
Total	**91 487 330**	**95 559 936**	**98 241 459**	**285 288 725**
Year-on-year growth	3.5%	4.5%	2.8%	
National Treasury CPI-X Assumption	3.6%	3.3%	3.1%	
Provincial Allocations	**88 753 994**	**92 544 544**	**94 730 327**	**276 028 864**
Equitable Share Allocation	77 210 466	80 474 771	82 660 554	240 345 790
Conditional Grant Alloactions	11 543 528	12 069 773	12 069 773	35 683 074
Surplus funds prior allocation of 3D & Priorities	**2 733 336**	**3 015 392**	**3 511 132**	**9 259 861**
Schedule 3D Provision	**(214 452)**	**(221 529)**	**(228 396)**	**(664 377)**
Allocation for Priorities	**(2 258 295)**	**(1 966 468)**	**(3 000 000)**	**(7 224 763)**
Surplus funds	**260 590**	**827 395**	**282 736**	**1 370 721**

In the 2027/28 financial year, the total provincial allocation is expected to grow by 4.5 percent, marginally exceeding the projected Consumer Price Index (CPI) of 3.3 percent. This increase is primarily driven by a notable rise in conditional grant allocations and adjustments to the Provincial Equitable Share (PES). The additional resources provide greater fiscal flexibility for the province and demonstrate a continued commitment to advancing strategic policy priorities outlined in the Limpopo Development Plan (LDP).

In the outer year of the MTEF period, provincial funding is projected to only grow by 2.8 percent, which is below the anticipated Consumer Price Index (CPI) of 3.1 percent for the same period. This modest increase is largely attributable to the absence of revisions to conditional grant allocations, which remain unchanged from the previous year. This approach reflects a measured level of fiscal restraint, driven by the pending confirmation of future conditional grant allocations by the national government. The moderated growth underscores a prudent fiscal stance aimed at maintaining sustainability while awaiting greater policy clarity and budget certainty at the national level.

In monetary terms, provincial funding rises from R88.373 billion appropriated in the 2025/26 financial year to R91.487 billion in 2026/27. This upward trend continues over the medium term, with provincial receipts projected to reach R95.560 billion in

2027/28 and further increasing to R98.241 billion in 2028/29. The Equitable Share remains the principal source of provincial funding, consistently making up 85.0 percent of total resources. Conditional grants and provincial own revenue account for 12.5 percent and 2.5 percent of the funding, respectively, highlighting their supplementary but important roles.

In summary, expenditure over the 2026 MTEF will focus on protecting social service budgets and directing resources toward the core provincial priorities of the 7th Administration, with particular emphasis on those aligned to the Limpopo Development Plan (LDP). This strategy is designed to reinforce fiscal sustainability while ensuring the delivery of essential public services and advancing the strategic objectives of the 7th Administration.

6.4 Conditional Grants

National departments, in consultation with relevant stakeholders, are required to conclude the determination of conditional grant allocations for each province. In line with Section 26(2)(e) of the 2025 Division of Revenue Act, departments responsible for administering these grants must submit the provincial allocation details to the National Treasury by 28 November 2025. The confirmed provincial allocations will be communicated to provinces once this process has been complete.

6.5 Provincial Own Receipts

Table 23 : Provincial Own Revenue Estimates over the MTEF

Summary of provincial own receipts by Vote	Main appropriation	Revised estimates	Medium-term estimates		
	2025/26	2025/26	2026/27	2027/28	2028/29
Vote 01: Office of the Premier	794	2 374	830	868	907
Vote 03: Education	42 715	45 576	45 976	46 692	47 945
Vote 04: Agriculture and Rural Development	15 534	18 848	18 410	18 964	19 523
Vote 05: Provincial Treasury	343 960	586 343	463 452	484 789	501 857
Vote 06: Economic Development, Environment & Tourism	383 711	372 334	399 838	416 824	434 532
Vote 07: Health	230 981	235 153	239 413	249 852	261 072
Vote 08: Transport and Community Safety	931 488	942 249	1 008 188	1 076 745	1 134 889
Vote 09: Public Works, Roads & Infrastructure	46 142	47 441	49 406	51 473	53 787
Vote 10: Sport, Arts & Culture	2 643	3 092	2 699	2 832	2 959
Vote 11: CoGHSTA	4 325	5 003	4 524	4 732	4 944
Vote 12: Social Development	6 964	9 023	7 729	8 102	8 488
Total provincial own receipts by Vote	**2 009 258**	**2 267 436**	**2 240 465**	**2 361 873**	**2 470 903**

Provincial own revenue is projected to increase from the 2025/26 financial year baseline of R2.009 billion to R2.240 billion in the 2026/27 financial year. Further growth is anticipated, with revenue expected to rise to R2.362 billion in 2027/28 and R2.471 billion in 2028/29 financial years, respectively. These upward adjustments provide critical additional resources to support the implementation of provincial priorities and strengthen the province's fiscal capacity. For four consecutive financial years, the province has successfully maintained revenue collections above the R2 billion mark. In light of prevailing socio-economic conditions at both provincial and national levels, coupled with a reduction in the Provincial Equitable Share, it is critical for the province to intensify efforts to strengthen its own revenue base. Accordingly, the province continues to support departmental revenue-generation initiatives through targeted investments in revenue enhancement projects.

6.6 Conclusion

The sustained growth in provincial own revenue from R2.009 billion in 2025/26 to a projected R2.471 billion by 2028/29 demonstrates the province's commitment to strengthening its fiscal capacity and supporting priority programs. Maintaining collections above the R2 billion mark for four consecutive years reflects consistent performance, despite challenging socio-economic conditions and reductions in the Provincial Equitable Share. Going forward, intensified efforts to broaden the revenue base, coupled with targeted investments in departmental revenue-enhancement initiatives, will be critical to ensuring financial sustainability and enabling the province to deliver on its developmental mandate.

Over the 2026 MTEF, the Provincial Treasury has adopted a prudent and strategic fiscal approach for allocation of budget, ensuring that funding is linked to readiness and alignment with the Limpopo Development Plan. Supported by the National Treasury's Targeted and Responsible Savings policy, this framework prioritizes cost containment, resource reprioritization, and flexibility to address emerging needs. These measures position the province to protect social spending, strengthen service delivery, and advance initiatives that drive economic growth, job creation, and inclusive development, reinforcing long-term stability and sustainability.

Our Contacts

Call :015 298 7000
Fax: 015 295 7010
Email:info@limtreasury.gov.za

Postal Address

Private Bag X 9486
Polokwane
0700

Physical Address

Ismini Towers
46 Hans Van Rensburg
Polokwane
0700

www.limtreasury.gov.za

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