



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

LIMPOPO BUDGET SPEECH

2026/2027



We are the best in what we do

The heartland of southern Africa - development is about people

LIMPOPO 2026 BUDGET SPEECH TABLED BY THE MEC FOR FINANCE, MR KGABO MAHOAI, AT THE PROVINCIAL LEGISLATURE, LEBOWAKGOMO ON THE 10 MARCH 2026

Speaker of our Provincial Legislature, Honourable Dr Mmakoma Makhurupetje

The Deputy Speaker of the Legislature, Honourable Tebogo Mamorobela;

The Premier of our Province, Honourable Dr Phophi Ramathuba

Honourable Members of the Executive Council;

Honourable Members of the Provincial Legislature in your different ranks;

Leaders of various Opposition parties present;

Chairperson of the House of Traditional Leaders, Hosi Pheni Ngove le magoshi kamoka present;

Former Members of the Provincial Legislature, present here;

The Director-General of the Province Mr Nape Nchabeleng and All Heads of Departments;

Chief Executive Officer of the Financial Fiscal Commission- Mr Thulani Ntuli

Members of the Boards and Chief Executive Officers of our various Entities present;

Executive Mayors, Mayors and All Councillors present;

Leadership of the governing party, the African National Congress, represented by Musanda Vho Rueben Madadzhe;

Chapter 9 and Chapter 10 Institutions present;

Representatives of Organised Labour, Faith-Based and Civil Society Organisations present;

All leaders of our Youth, Women and People with Disabilities present;

Captains and leaders of various Industries;

Distinguished Guests,

People of our province, Limpopo;

Thobela, Ndi Matsheloni, Avuxeni

Honourable Speaker, after the State of the Province Address last week, the people of Limpopo's hopes are high. The Premier spoke with clarity about where this province must go and what government must do to reach the destination: the provincial economy must grow, jobs must be created, opportunities must reach all our people, roads must be fixed and infrastructure affected by floods must be rebuilt, etc

As the Premier herself said, her pronouncements should be converted into action as they constitute government programme of action. But Honourable Speaker, there is always that one moment after a momentous event like the Premier's Address. When the excitement settles, people eventually ask the questions that bring everyone down to earth.

“These pronouncements are good... but where will the money to fund them come from?”

“So... how much money do we actually have?”

At that moment, everyone turns and looks in one direction....towards the Provincial Treasury.

The difficult part is making sure the figures in the budget will equal the commitments made and that is the reason we are here today. There is an African proverb that says: “bana ba motho ba ngwathelana hlogwana ya,tsie”, nga Tshivenda, “Vhana vha muthu vha thukhulelana thoho ya nzie”, hi Xitsonga, “Vana va munhu va tsemelana nhloko ya njiya”, meaning as children of the same parent we can share as little as a locust's head.

This budget, therefore, is where this proverb is given effect to. It is also where vision meets reality, and where we should make sure that the promises made to the people of Limpopo are fully funded and kept or where we share the little resources we have in our provincial purse.

In fact, all provincial departments are hoping that their share of the budget could be increased, or at least should not decrease compared to the previous year. Hence some of you are calling me “Moreki” or names of some banking institutions. Of course, that was on a lighter note....

Honourable Speaker, we have the honour to table before this august house the following:

- Limpopo Adjustment Appropriation Amendment Bill, (B01-2026)
- The Amended Adjustment Estimates of Provincial Revenue and Expenditure 2025/26
- The Limpopo Appropriation Bill, (B02-2026)
- Estimates of Provincial Revenue and Expenditure 2026
- Overview of Provincial Revenue and Expenditure 2026
- Socio-Economic Review and Outlook 2026; and
- Supporting gazettes and,
- The budget speech

Honourable Speaker, as per the directives by the Premier Dr Phophi Ramathuba, during the State of the Province Address, I am pleased to respond that robust measures to address disaster interventions are being put in place. We have secured some little resources for recovery and rehabilitation of the infrastructure. To this effect we have identified **R736.640 million** in possible savings from the 2025/26 allocated budget to be redirected to deal with urgent disaster rehabilitation projects. Furthermore, the National Disaster Management Centre, acting through the National Department of Cooperative Governance and Traditional Affairs, approved **R53.300 million** as the Provincial Disaster Response Grant (PDRG). The allocations are specifically earmarked for critical services provided as follows:

- The Department of Education receives **R14.000 million**.
- The Department of Health receives **R10.300 million**; and
- The Department of Public Works, Roads and Infrastructure receives **R29.000 million**.

These combined funds represent a formidable financial boost, enabling our departments to intensify their efforts in addressing the challenges that fall under the

critical purview of disaster response and recovery. Honourable Speaker, in order to deal with immediate disaster recovery projects the province is redirecting and reallocating **R685.340 million** in the 2025/26 budget through this amendment for urgent disaster recovery interventions.

In addition, I also have an important update concerning the Human Settlements Development Grant (HSDG) for the 2025/26 financial year. In compliance with Section 19 of the Division of Revenue Act, 2025, the national Department of Human Settlements re-directed **R30.000 million** in the Human Settlement Development Grant (HSDG) funds to Limpopo due to improved housing delivery and spending trends in the province.

This amended adjustment to our budget has been meticulously formulated in adherence to Section 31 of the Public Finance Management Act which permits our departments to implement necessary internal reallocations and shifts within their existing budgets, as permitted in terms of Section 43 of the Public Finance Management Act.

As a direct consequence of these additional allocations and declared savings presented within the Amended Adjustment Appropriation Bill for the 2025/26 financial year, the Limpopo provincial budget is adjusted to **R90.499 billion**.

Honourable members, It is our collective responsibility to ensure these funds are directed towards maximum positive impact, driving progress and prosperity for all our communities.

Honourable Speaker, let me now transition to the 2026 Medium-Term Expenditure Framework that is firmly anchored in fiscal discipline, developmental impact and alignment with both the Limpopo Development Plan and the Medium-Term Development Plan.

This Budget reflects challenges but responsible choices. It demonstrates that even within constrained resources, we can still protect core services, stimulate the desired growth and strengthen good governance.

The State of the Economy

Honourable Speaker, we stand at a critical juncture, navigating a global environment marked by geopolitical tensions. Recent conflicts in the middle east and elsewhere, coupled with the IMF's outlook for 2026, highlight the pervasive uncertainty, particularly in advanced and emerging economies, which inevitably impacts nations worldwide and is expected to drive up oil and other commodity prices, affecting our own economy. While global growth projections indicate a slight slowdown, emerging markets and Sub-Saharan Africa show signs of accelerating growth, driven by macroeconomic stability and reform efforts.

Despite these global challenges, South Africa is demonstrating remarkable resilience and progress. Our economy has seen consistent growth albeit at a slow pace, marking its longest expansion phase since 2018, with the National Treasury projecting continued improvement and sustained growth into 2028, attributed to structural reforms like Operation Vulindlela.

A significant boost to investor confidence came with the removal of our country from the Financial Action Task Force grey list in October 2025, enhancing its financial reputation and lifting constraints on international transactions. Furthermore, successful efforts to control inflation have led to a new 3 percent target, promising relief for households through more favourable interest rates. Our role as host to the 20th G20 Summit in December 2025 has also elevated South Africa's global standing, positioning our country and Limpopo in particular as attractive destinations for foreign investment.

Here in Limpopo, our economy, though susceptible to external shocks and heavily reliant on primary sectors, is set for growth, aiming to reach the 2.2 percent GDP growth target in 2030, building on our position as the fastest-growing province since 2024. However, we must confront the persistent issues of jobless growth, exacerbated by a growing population in a sluggish economy. Our administration remains committed to implementing effective initiatives to create jobs and uplift our communities.

Moreover, the escalating climate crisis demands our urgent attention. Global temperatures are significantly above pre-industrial levels, with 2026 predicted to be among the warmest years on record. In recent months, there were record wildfires in many parts of our Country, linked to hotter, drier conditions. There have also been economic losses of hundreds of billions of rand from climate-related disasters over the

past two decades and specifically the 2025/26 floods in Limpopo. We should embrace these challenges and opportunities with renewed vigour, working together to secure a prosperous and sustainable future for Limpopo and South Africa.

Support to Municipalities

Honourable Speaker, we remain committed to providing dedicated support to all the 27 municipalities in the province. Our priority for this coming financial year is to improve the budget funding position of our municipalities, which is currently a serious challenge that threatens their sustainability and, in turn, compromises service delivery. Currently, eight of our municipalities have adopted unfunded budgets for the 2025/26 financial year. The Provincial Treasury is committed to working with municipalities to improve funding of the budgets for the 2026/27 financial year and beyond. Honourable speaker, we have just completed the 2025/26 mid-year budget, and performance assessment of all municipalities in the province, and this priority was strongly conveyed as we engaged with each municipality.

We shall continue to ensure collaboration between Provincial Treasury and the Department of Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA) in strengthening support for all municipalities in reducing Unauthorised, Irregular, Fruitless and Wasteful expenditure (UIFWe). This will be achieved through close monitoring of compliance and enforcement of relevant prescripts by municipalities, and by holding officials and councillors involved accountable through consequence management. Part of this support will be to capacitate and monitor the functionality and effectiveness of Municipal Public Accounts Committees (MPACs) and Municipal Misconduct Boards. Provincial Treasury is committed to value for money in public funds spent on projects intended for basic service delivery.

To this effect, we are currently finalising strategies to support municipalities to improve audit outcomes, with particular attention given to the elimination of recurring audit findings. Our plan is to reduce qualified audit outcomes and increase the number of municipalities with clean audits in the next audit cycle. This is one way to regain and rebuild public confidence in local government administration. In this regard, it will contribute to the realisation of the theme of fixing local government as championed by the governing party.

The Provincial Treasury will launch an infrastructure support program to strengthen municipal planning and capacity. Through these comprehensive measures, Limpopo is dedicated to building resilient, sustainable and well-maintained infrastructure that drives economic growth, improves service delivery and elevates the quality of life for all our people.

Procurement

Honourable Speaker, we made a commitment last year to work on improving spending on procurement to stimulate local economic development in line with the LDP and MTDP. The aim is to retain more spending within the province and empower designated groups as prescribed by legislation. Through continuous monitoring and support by the Provincial Treasury, progress has been recorded. Procurement spending with Limpopo-based suppliers increased from 35% in December 2024 to 47% in December 2025. There have also been improvements in procurement directed to businesses owned by women and youth but hope to improve on the people with disabilities as well as military veterans. We believe this will continue to strengthen job creation in our province. As the President indicated during his State of the Nation Address,

“If every small and medium business in South Africa could employ one additional person, we would create 3 million new jobs.”

In this regard, we appreciate the announcement by the Minister of Finance that the compulsory VAT registration threshold for small businesses increases from R1 million to R2.3 million, thereby facilitating growth in the sector.

The State of Financial Governance

Honourable Members,

As alluded to by the Premier in her State of the Province Address, our provincial audit outcomes for the 2024/25 financial year were quite outstanding. These achievements reflect credible financials, strong controls, and full legislative compliance, thanks to dedicated Executive Authorities, Accounting Officers, Chief Financial Officers, and their respective teams. Our Clean Audit Improvement Strategy continues to yield

better results by strengthening accountability, controls, leadership, and oversight to build on this momentum.

Hon. Speaker, we acknowledge that more still needs to be done to improve the audit outcomes of the Public Entities; hence, a concerted effort is being put in place to strengthen the Provincial Treasury's internal capacity to better support and monitor these entities.

Our targets are ambitious: more clean audits, zero qualified opinions, complete and accurate financial submissions and slashing unwanted expenditures.

Honourable members, where we succeed, we should consolidate, where we underperform, we should improve. This budget attempts to restore public confidence through quality service delivery for the people of Limpopo.

Own Revenue Management

Honourable Speaker, while the Provincial Equitable Share has increased over the years, however, growth has been hampered by updated data and inflationary adjustments.

This means our departments and public entities should redouble their efforts to collect provincial own revenue to complement the equitable share to meet the socio-economic needs of our people.

I am delighted to report that by the end of January 2026 we have collected R2.060 billion in own revenue, putting us at 90.9 percent of our revised target. We are confident we will surpass the set goal by the financial year-end, thanks to our ongoing, rigorous assessment process that balances historical collection with our future aspirations for revenue targets.

It is in this connection, that our revenue target for 2026/27 is **R2.240 billion**, marking an **11.5 percent** increase from the previous year. This is projected to rise to **R2.362 billion** in 2027/28 and **R2.471 billion** in 2028/29, representing an average annual growth of **7.1 percent** over the Medium-Term Expenditure Framework (MTEF).

Hon Speaker, it is worth noting that the Department of Transport and Community Safety (DTCS) continues to be the largest contributor to provincial own revenue

collection, accounting for 45.0 percent of the total provincial revenue target, mainly through motor vehicle license fees.

Looking ahead, our Revenue Enhancement Strategy will continue to drive even more efficient collection. This includes increasing personnel in the health sector's revenue collection chain, the completion of the K53 learners and driver's license functions in Thohoyandou and Seshego, which are expected to be operational in the 2026/27 financial year. The operationalisation of these K53 services will provide easier access to crucial licensing facilities for our citizens, improving convenience and efficiency.

The Provincial Treasury, together with the Department of Economic Development, Environment and Tourism and the Limpopo Gambling Board, is actively exploring the legalisation of online gambling as a strategic initiative to generate essential provincial revenue that will support departments and public entities in achieving these targets while continuing to incentivize those that exceed the set target.

Building Tomorrow's Limpopo: Resilient Infrastructure for Inclusive Growth

Honourable Members, our commitment to infrastructure development is unwavering, particularly as we confront the urgent realities of climate change. Recent floods have inflicted significant damage across our province, disrupting livelihoods and underscoring the critical need for resilient infrastructure. This situation demands closer collaboration across all spheres of government and a proactive approach to disaster management and land-use planning.

Over the Medium-Term Expenditure Framework (MTEF), climate considerations will be fully integrated into our infrastructure planning, delivery and maintenance. We are prioritising preventative measures, disaster-proofing and adaptive design to ensure our public infrastructure can withstand extreme weather and remain functional throughout its lifespan.

For the 2026/27 financial year alone, **R9.393 billion** is being allocated for infrastructure delivery and over the MTEF the total allocation is **R24.845 billion**. This is meticulously aligned with the Limpopo Development Plan and is distributed across various departments to address our strategic priorities as follows:

For the 2026 financial year, the allocation includes **(R1.009 billion)** for Department of Health, Department of Education **(R1.914 billion)**, Public Works, Roads and Infrastructure **(R4.809 billion)** and CoGHSTA **(R1.043 billion)**. The remainder is allocated to the Department of Agriculture **(R224.172 million)**, the Department of Sport, Arts and Culture **(R188.879 million)**, the Department of Transport and Community Safety **(R 80.000 million)**, the Department of Economic Development, Environment and Tourism **(R66.000 million)** and the Department of Social Development **(R59.582 million)**.

Crucially, we adopt a balanced approach: while we expand infrastructure to meet growing demands, we also emphasise the maintenance of existing assets. Therefore, maintenance receives the largest allocation at **R3.020 billion (32 percent)**, demonstrating our strong focus on protecting vital assets like roads, schools and health facilities. Upgrades and additions receive the second-largest allocation of **R2.040 billion (22 percent)**, earmarked for existing infrastructure, including key provincial roads. New infrastructure projects receive **R888.687 million (9 percent)**, with **R726.574 million (8 percent)** for rehabilitation and refurbishment. Furthermore, **R2.496 billion (27 percent)** is allocated for capital transfers, primarily for human settlements and road upgrades; and lastly, non-infrastructure receives **R221.603 million (2 percent)**.

Fiscal Strategy for the 2026 MTEF

Honourable Members, our fiscal strategy over the 2026 MTEF is guided by the following pillars in line with our budget guidelines namely:

Pillar 1. Maintaining Fiscal Sustainability

We keep total spending within the 2026 MTEF envelope. Compensation of Employees grows only slightly above CPI, without compromising the service delivery and unfunded new priorities are strictly limited. Sustainability today protects service delivery tomorrow.

Pillar 2. Improving Allocative Efficiency

The budget process was driven by LDP priorities, growth, jobs, poverty reduction and social services. Departments were required to demonstrate readiness, measurable impact and alignment with LDP outcomes before allocations were confirmed.

Pillar 3. Protecting Productive Investment

Shovel-ready, high-impact infrastructure projects were prioritised. Strong project preparation, cost control and performance monitoring are now mandatory conditions for funding.

Budget Reforms and Fiscal Discipline

To ensure every rand is used effectively, Provincial Treasury will continue to lead implementation of spending assessments, Targeted and Responsible Savings (TARS) and Performance Assessment Metrics (PAM) reviews. These reforms institutionalize results-based budgeting, ensuring that allocations deliver the measurable outcomes defined in the LDP. This mirrors the national strategy outlined by the Minister of Finance on 25 February 2026, focusing on efficiency and value for money.

Honourable Speaker, I am pleased to report that through rigorous application of TARS and PAM, in collaboration with provincial departments, we have identified **R1.500 billion** in targeted savings over the 2026 MTEF. These funds will be redirected to address critical spending pressures, ensuring that our budget remains resilient and responsive to the needs of our people.

This budget aligns with the national fiscal framework, emphasizing fiscal discipline not as austerity, but as a means to protect essential services and foster economic growth.

Consequently, Limpopo's budget prioritizes safeguarding frontline services in education and health, investing in infrastructure, enhancing governance and expenditure efficiency, managing wage bill growth and support for public entities on reform and sustainability. Our provincial budget therefore mirrors national efforts to restore fiscal credibility while accelerating inclusive growth.

Provincial Budget Overview

For the 2026/27 financial year, our provincial receipts amount to **R95.001 billion** and are strategically categorized as Provincial Equitable Share amounting to **R78.951 billion**, representing the significant majority at **83.1 percent**. Conditional Grants contribute **R13.810 billion**, accounting for **14.5 percent**, and our Provincial Own Revenue is projected at **R2.240 billion**, making up **2.4 percent** of our total receipts.

Over the 2026 MTEF period, our provincial receipts amount to **R293.172 billion**.

Adjustment to Equitable Share Allocation

Throughout, the Provincial Equitable Share remains the largest contributor to provincial revenue. It grows from **R74.064 billion** in 2025/26 to **R84.979 billion** in 2028/29. The province's 2026 MTEF Equitable Share has been adjusted by a **net increase** of **R2.346 billion** over the 2026 MTEF period. Honourable Speaker, the Provincial Equitable Share reflects both positive allocations and necessary downward adjustments over the 2026 MTEF. The adjustments include:

- A net downward adjustment of **(R774.635 million)** due to the impact of the new data updates in the Provincial Equitable Share formula;
- A downward inflationary adjustment of **(R640.502 million)**;
- Additional funding of **R2.516 billion** for the appointment of Medical Officers and to ease Goods and Services pressures in the Department of Health;
- Additional allocation of **R1.171 billion** for appointments of Educators, **R16.994 million** for Grade R Equalisation and **R43.225 million** for the Presidential Employment Stimulus in the Department of Education; and
- Additional allocation of **R13.795 million** for approved Early Retirement and Voluntary Exit programmes, in the 2026/27 financial year.

Conditional Grant Allocation

Honourable Speaker, the total conditional grants allocation amounts to **R13.810 billion** in 2026/27, which includes a once-off allocation of **R803.940 million for disaster relief** to the Department of Public Works, Roads and Infrastructure. This

funding was specifically provided to cover the carry-through costs of disasters that occurred between April 2024 and June 2025.

The allocation decreases to **R12.766 billion** in 2027/28, before increasing again to **R13.229 billion** in 2028/29. The reduction in 2027/28, therefore, does not represent a structural cut to core service delivery programmes, but is due to a once-off national disaster funding in the 2026/27 financial year. If this exceptional allocation is excluded, the underlying trend in conditional grants remains stable and sustainable, with growth resuming in 2028/29.

Honourable Speaker, allow me to outline strategic conditional grants allocations across key clusters over the 2026 MTEF as follows:

The social cluster will receive R27.830 billion over the next three years to fund school nutrition, school infrastructure, ECD, special needs, HIV/AIDS programmes, district health programmes, facility revitalisation, NHI, health training and integrated EPWP, boosting rural learner performance, skills development, clinic upgrades and jobs.

The Economic Cluster will receive R3.406 billion in the next three years, mainly to fund agriculture support programmes, land care, EPWP jobs, sports and libraries and public transport, enhancing food security, rural livelihoods, youth activity and mobility.

The Infrastructure cluster will receive R5.480 billion in the next three years, mainly to sustain provincial road networks and employment for remote areas through EPWP programmes.

The **Governance and Administration Cluster** receives **R3.090 billion** over the next three years, mainly for the Human Settlements Development Grant and Informal Settlements Upgrading Partnership Grant to accelerate improvements in informal areas.

Honourable Speaker, I now turn our attention to the strategic adjustments within our Conditional Grants framework, detailing the specific changes effected:

In Agriculture, the Comprehensive Agricultural Support Programme (CASP) is merged with Ilima/Letsema to streamline support systems for beneficiaries and create a more cohesive and comprehensive framework.

For Education, additional funds have been added to the Early Childhood Development (ECD) Grant over the 2026 MTEF period, supporting the continued expansion of vital early childhood development services. Furthermore, we have received **R41.478 million** incentive specifically for the Education Infrastructure Grant (EIG).

With regard to the **Department of Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA)**, funds have been strategically reprioritised from the Human Settlements Development Grant to bolster the Informal Settlements Upgrading Partnership Grant, with the aim of improving living conditions in informal settlements.

In Sport, Arts and Culture, the phasing-in of the Community Library Services Grant into the Provincial Equitable Share (PES) is a key focus, progressing steadily over the 2026 MTEF period to enhance access to library services across the province.

For Public Works, Roads and Infrastructure, a substantial **R803.940 million** is allocated to cover the carry-through costs related to the Provincial Road Maintenance Grant (PRMG) for disaster, ensuring continued infrastructure recovery.

The Department of Health is set to receive a significant **R90.911 million** incentive for the Health Facility Revitalisation Grant, which will be crucial in upgrading and improving our healthcare infrastructure.

Incentivised Early Retirement Programme and Voluntary Exit Programme

Honourable Speaker, I am pleased to report that our Incentivised Early Retirement Programme and Voluntary Exit Programme have now been fully approved, covering a total of 470 officials who will exit the public service by 31 March 2026.

These officials fall mainly in the 55 to 63-year age cohort, in line with the national framework for incentivised early retirement and voluntary exits. Once fully implemented, this programme will realise savings of approximately **R254.423 million** over the 2026 MTEF, which will be redirected to address spending pressures within departments.

Honourable Speaker, this is not simply a headcount reduction exercise; it is a deliberate strategy to manage the wage bill while rejuvenating the public service. As experienced officials above 55 exit the system in an orderly and dignified manner, we create the fiscal space and vacancy openings needed to bring in young, energetic graduates and professionals into the provincial administration.

In this way, we honour the contribution of long-serving staff, stabilise our finances and open doors for the youth of Limpopo to serve and rebuild our province.

Disaster Management Contingency Reserve Fund

Following the Premier's pronouncements on the disaster management contingency reserve fund mechanism, I would like to report as follows:

We have accordingly developed a coordinated recovery framework that guides planning, budgeting, procurement and implementation across affected sector departments. This framework ensures that reconstruction efforts are properly coordinated, resources are allocated efficiently and progress is monitored transparently in accordance with the additional measures indicated by the Premier.

As committed in the 2025 Budget Speech and guided by the vision of our Honourable Premier and her Executive Council, we have prudently set aside 1.2 percent of the total Equitable Share Budget to bolster our response to potential disasters, operating strictly within the framework of the National Disaster Management Act. Furthermore, robust monitoring mechanisms have been established to ensure that these critical funds are expended precisely for their intended purpose across all departments.

Furthermore, we have tightened controls to reduce unauthorised, irregular, as well as fruitless and wasteful expenditure by institutionalising a Provincial Fiscal Risk Framework and strengthening performance monitoring.

Payments per Spending Category

Honourable Speaker, our budget structure is essentially designed to protect frontline services and support growth.

For the 2026/27 financial year, **current payments amount to R80.805 billion**. This allocation mainly funds Compensation of Employees and Goods and Services, which receive **R62.477 billion** and **R18.327 billion**, respectively. Most of this is allocated to the social cluster departments, such as Education, Health, and Social Development, to fund teachers, nurses, doctors, and social workers who deliver essential services daily, including the appointment of additional staff. **Transfers and subsidies** amount to about **R10.184 billion**, supporting entities, schools, non-profit organisations, and human settlements development, while **capital assets** receive **R4.867 billion** to build and upgrade roads, clinics, schools, and other key infrastructure.

The 2026/27 total budget allocation amounts to **R95.856 billion allocated to departments as follows:**

Social Cluster, which comprises the Department of Education (Vote 3) – **R45.821 billion or (47.8 percent)**, Health (Vote 7) - **R28.684 billion (29.9 percent)**, and the Department of Social Development (Vote 12) – **R2.476 billion (2.6 percent)**.

Infrastructure Cluster, which is the Department of **Public Works, Roads and Infrastructure** (Vote 9) and Road Agency Limpopo (RAL) – **R6.474 billion (6.8 percent)**.

The Economic Cluster includes the Department of Transport and Community Safety (Vote 8) and Gateway Airport Authority Limited (GAAL) - **R3.187 billion (3.3 percent)**, Agriculture and Rural Development (Vote 4) – **R1.998 billion (2.1 percent)**, Department of Economic Development, Environment and Tourism (Vote 6) and its entities, Limpopo Economic Development, Agency (LEDA), Limpopo Tourism Agency and Limpopo Gambling Board – **R1.814 billion (1.9 percent)**, and the Department of Sport, Arts and Culture (Vote 10) – **R852.902 million (0.9 percent)**

The Governance and Administration (G&A) Cluster is comprised of the Department of Cooperative Governance, Human Settlement and Traditional Affairs (Vote 11) - **R2.583 billion (2.7 percent)**, the Office of the Premier (Vote 1) – **R653.531 million (0.7 percent)** and the Limpopo Provincial Treasury (Vote 5) – **R557.930 million (0.5 percent)**. Lastly, Hon. Speaker, an amount of **R755.469 million (0.8 percent)** is allocated to the Limpopo Provincial Legislature (Vote 2).

Alignment of the Budget with the Limpopo Development Plan (LDP)

Our spending trajectory is strictly guided by a cluster approach, ensuring that every rand spent moves us closer to the strategic priorities of the Limpopo Development Plan (LDP).

Central to this is the Limpopo Development Plan Strategic Funding Framework, was developed and endorsed by the Provincial Executive in 2025. This framework ensures that financial resources are directed effectively towards inclusive economic growth, poverty reduction and the building of a capable, ethical state.

By aligning our budget with the LDP, we are fostering inter-departmental collaboration to maximize development impact and improve the quality of life for all residents.

Honourable Members, the allocations for **provincial priorities** were subjected to a rigorous evaluation process through the cluster system. Departments were required to clearly demonstrate implementation readiness, the expected measurable impact of the proposed interventions and strong alignment with the objectives of the Limpopo Development Plan.

This approach was critical to ensure that limited resources are directed towards programmes that can deliver tangible results, strengthen service delivery and advance the province's long-term development priorities. Only initiatives that met these criteria were approved for funding within the available resources, reinforcing our commitment to accountability, value for money and outcome-driven budgeting.

It is further aligned with the Minister of Finance's 2026 budget speech, which emphasised fiscal sustainability and targeted investment for growth.

Honourable Speaker, I am pleased to announce that **R9.700 billion** of the 2026 MTEF budget is specifically set aside for **LDP Priority Funding**.

Honourable Speaker, allow me to detail the strategic investments that will define our province's developmental trajectory **over the 2026 MTEF**. Every rand we allocate is a deliberate step toward achieving the goals of the Limpopo Development Plan (LDP).

The Infrastructure and Economic Clusters are responsible for the MTDP Priority 1 namely, drive inclusive growth and job creation. The Clusters receive **R7.010 billion or 72 percent of the R9.700 billion** allocated for priority funding over the 2026 MTEF period. Key catalytic projects allocated include:

- Upgrading and maintenance of Roads, including the ZCC Interchange – **R1.950 billion**
- Musina Makhado and Fetakgomo Tubatse Special Economic Zones – **R1.056 billion**
- Traffic enforcement, including implementation of 24/7 shift system – **R631 million**
- Procurement of provincial office buildings, including the relocation of Sekhukhune District offices and construction of additional houses for MPL's – **R560 million**
- Completion of Construction and Operationalisation of the Provincial Theatre – **R226 million**
- Augmentation and maintenance of the yellow fleet to support the “*Dikgerekgere*” Wednesday programme – **R400 million**
- Payment of Rates and Taxes due to various Limpopo municipalities – **R924 million**
- Construction of K53 traffic stations, weighbridges and college including the Agricultural “Tompoti Seleka” College - **R215 million**
- Upgrading and Maintenance of various resorts -**R156 million**
- Maintenance of Provincial Libraries and Archive Center, and High-Performance Centre for Athlete development – **R54 million**
- Implementation of the Micro Small Medium Enterprises (MSME) strategy -**R30 million**
- Waste Management and Air Quality Control project - **R12 million**

Madam Speaker, as pronounced by the Honourable Premier in her recent State of the Province Address, Provincial Treasury is working closely with the Department of Public Works, Roads and Infrastructure to source funding amounting to R1.3 billion over the MTEF to fund the construction of additional 17 new paved roads which will commence in 2026.

Hon. Speaker, this funding is critical for safeguarding existing infrastructure, improving connectivity and enhancing both economic growth and service delivery.

By increasing the value of processed agricultural products compared to raw produce, we are creating sustainable jobs and helping our farmers access broader markets. It is on this basis that we have allocated **R338 million** over the 2026 MTEF period for Revitalizing the Agriculture and Agro-processing Value Chain (RAAVC) projects, including the Zebediela Citrus and Makgoba Farms. Furthermore, **R60 million** is allocated for the revitalisation of earth dams, Agricultural Colleges and research stations.

Madam Speaker, in response to the Honourable Premier, we will work with the Department of Agriculture to secure funding for the procurement of tractors for agricultural purposes over the MTEF.

Hon. Speaker, other allocations within these clusters include funds dedicated to implementing the Provincial Integrated Transport systems. We have allocated **R80 million** for the planning phase of the Limpopo-Gauteng High-Speed Rail, **R58 million** to support Great North Transport (GNT) for depot maintenance and repairs to the existing bus fleet and **R15 million** to establish an Infrastructure Project Management Unit in LEDA and a further **R40 million** to GAAL for executing the turnaround strategy to improve the use of airlifts for both passengers and cargo. This investment will help enhance road safety, improve compliance and reinforce our commitment to reducing road fatalities across the province, as outlined in the LDP.

We have emphasised the importance of tourism, especially as a sector for recovery after COVID-19 and accordingly LEDET has developed tourism strategies focusing on income generation, attracting investments, increasing international and domestic arrivals, community initiatives, public-private partnerships for biodiversity and destination skills development. To support this and within the economic cluster, **R205 million** is allocated to the Limpopo Tourism Agency over the 2026 MTEF period to implement collaborative marketing, destination promotion, as well as trade and investment initiatives.

Ladies and gentlemen, these interventions grow enterprise participation, expand cross-border trade and strengthen township and rural economies, directly aligned with the LDP growth agenda.

The Social Cluster is allocated **R1.918 billion (or 20 percent)** over the **2026/27 MTEF period** to focus on reducing poverty and addressing high living costs through theoretical frameworks of social change, quality education and healthcare and community safety.

As a member of this cluster, the Department of Education is allocated **R922 million** over the MTEF to implement the E-Education and Grade 12 improvement strategies, enhance the capacity of focus schools, strengthen foundational literacy/numeracy and promote in-school sports.

On the other hand, the Department of Health is allocated an amount of **R659 million over the MTEF period** to accelerate the Central Chronic Medication Dispensation and Distribution (CCMDD) programmes, purchase medical vehicles and upscale the specialist and nursing training in preparation for the operationalisation of the Limpopo Academic Hospital.

Lastly, the Department of Social Development is allocated **R337 million** over the MTEF period for the construction of secure and frail care centers, office accommodation and financial management support to NPOs.

Honourable Speaker, these programmes are critical to driving poverty alleviation and food security for vulnerable individuals and households, fostering improved livelihoods.

The Governance and Administration (G&A) Cluster is allocated **R772 million (or 8 percent)** over the next three years to ensure a capable, ethical state and developmental state.

This allocation is mainly for the Office of the Premier - **R412 million** to implement the digital transformation, capacity-building programmes for the professionalisation of the public service and the development of integrated plans. Included in the Office of the Premier's allocation is **R60 million** for the implementation of the sustainable livelihood programme following the effects of climate change-related disasters.

In CoGHSTA, **R300 million** is allocated to support Traditional Leaders' operational costs, the construction of Traditional Authorities' offices, and the procurement of

related furniture. The Provincial Treasury is allocated **R7 million** to implement the Spending Reviews and **R53 million** to the Legislature.

Honourable Members, the total provincial departmental allocation is **R95.856 billion** for the 2026\27, increasing to **R97.446 billion** in 2027/28 and **R100.032 billion** in 2028/29.

Therefore, over the 2026 MTEF, a total of **R293.334 billion** is allocated to Departments and Public Entities.

Conclusion

Honourable Speaker, this budget reflects discipline without abandoning development. It protects education and health, drives infrastructure investment, strengthens agriculture and enterprise development and enforces governance reform.

It aligns with the national fiscal consolidation path and embodies the principle articulated by Minister Enoch Godongwana.

In conclusion, I would like to thank the Premier and the Members of the Executive Council for their leadership and guidance throughout this process.

I thank the Portfolio Committee on Finance, for its oversight and constructive engagement, which strengthens our work.

My appreciation also goes to the EXCO Committee on Budget for the valuable inputs that helped shape this budget.

It will be remiss of me if I do not thank my party, the ANC for its valuable contribution and insights to its deployees in government including myself.

Finally, I acknowledge HOD, Mr Gavin Pratt and the entire Provincial Treasury team for the many hours of careful work behind the scenes to bring this budget together.

I thank also thank my family for moral support.

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The Limpopo Provincial Treasury

PR40/2026

ISBN: 978-1-83491-641-5