LIMPOPO

PROVINCIAL GOVERNMENT

REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

LIMPOPO BUDGET SPEECH FOR ADJUSTED BUDGET

2025/2026

The heartland of Southern Africa-Development is about people

BUDGET ADJUSTMENT SPEECH BY THE MEC FOR FINANCE, MR K.E MAHOAI AT THE LIMPOPO LEGISLATURE, LEBOWAKGOMO ON 25 NOVEMBER 2025

The Speaker of the Provincial Legislature, Hon Dr Makoma Makhurupetje;
The Deputy Speaker of the Legislature, Hon Tebogo Mamorobela;
The Premier of our Province, Hon Dr Phophi Ramathuba;
Fellow Members of the Executive Council;
Leaders of various opposition parties;
Honourable Members of the Provincial Legislature;
Provincial Secretary of the ANC, Musanda Vho Reuben Madadzhe
The Director-General and HODs;
All guests present,
Ladies and gentlemen;

Ndi Matsheloni, Avuxeni, Silotshile, Thobela, Good morning, Goeie More

Honourable Speaker, just this past Friday, when President Cyril Ramaphosa was addressing the G20, Global Citizen Scaling Up Renewables in Africa, he reminded us of something very fundamental and as we gather here for the purpose of the adjustment budget, which I will table accordingly, I want us to borrow from his wisdom as I quote “the real test will lie in implementation.”

These words carry weight for every sphere of government and they speak directly to the purpose of this Adjustment Budget.

We are not here to repeat plans. We are here to confirm that our commitments are backed by practical steps, sound allocation and a clear sense of duty to the people of Limpopo. This Adjustment Budget allows us to correct course where pressure has built

up, strengthen programmes that show progress and redirect resources to areas where the need is most visible.

This is because our work should not be shaped by promises, but by action, able leadership and results should be visible in our communities all over the province.

Honourable Speaker, it is in this spirit that I table before this august house the following documents:

i The Limpopo Adjustment Appropriation Bill 2025;

ii The Mid-Term Provincial Budget Overview 2025;

iii Adjustment Estimates of Provincial Revenue and Expenditure 2025;

iv The Adjustment Budget Speech 2025; and

v Relevant Gazettes.

ECONOMIC OUTLOOK

Honourable Speaker, allow me to delve briefly into the economic outlook.

The 2025 Medium Term Provincial Budget Overview is presented against a backdrop of persistent global uncertainty, yet it is built on a foundation of rigorous resilience and measured hope here in our province.

We acknowledge the risks posed by global integration and shocks, particularly the US import tariffs, which necessitate a proactive strategy to explore alternative international and regional markets for our products.

As it was indicated by the Minister of Finance, Mr Enoch Godogwana, during his Medium-Term Budget Policy Statement, that while the national economy experienced modest growth of 0.6 percent in 2024, we are strongly encouraged by the fact that government is on track to meet its fiscal targets and is advancing economic reform as

evidenced by progress of Phase II of Operation Vulindlela, which has delivered an uninterrupted electricity supply.

In the same breath, National Treasury projects the national growth to double to 1.2 percent in 2025.

The consensus on the 3 percent inflation target will be a game-changer.

This strengthens the path to reducing the cost of living and sets the stage for interest rate cuts as happened in the last week. That will directly support household spending, boost business investment and drive long-term job creation.

LIMPOPO'S ECONOMIC RESILIENCE AND SUCCESS

Honourable members, our province is not just surviving the economic uncertainty; but we are leading the growth curve in the country at the moment.

This success is not theoretical.

The provincial unemployment rate has declined significantly by 5.2 percentage points in the 3rd quarter, from 35.0 percent to 29.8 percent. The decline is proof that our economic efforts are translating into jobs for our people.

We also recorded the highest rise in our contribution to the Gross Domestic Product by 0.9% to compared to the national average of 0.5%, we see a direct correlation in the labour market.

To sustain this positive momentum and transform it into lasting prosperity, we have confidence in the Limpopo Development Plan (LDP) 2025-2030. It is a blueprint that embodies our commitment to transforming the provincial economy, addressing pressing social issues, and uplifting the lives of all residents.

Alongside it, we have established a consistent LDP funding framework that guides how public resources are to be allocated and how private investment is attracted. Its purpose is to ensure that our limited financial resources are used strategically, efficiently and effectively to drive inclusive growth, reduce poverty and strengthen institutional capacity throughout the province.

PROVINCIAL OWN REVENUE

Honourable Speaker, our commitment to financial sustainability is clearly reflected in the outstanding results of our Provincial Revenue Enhancement and Retention strategy.

Our provincial own revenue has increased considerably from the original target of **R2.009 billion** to **R2.267 billion** for the current year.

This represents a substantial upward adjustment of **R258.2 million**, or **12.8 percent**.

This successful performance gives us additional resources to address the needs of our communities.

The increase in the province's own revenue is a result of enhanced collection and financial discipline across several key departments.

This includes improved earning of interest generated from favourable bank balances, better revenue through enhanced collection of motor vehicle licensing & registration fees and more effective recovery of traffic fines and penalties, among others.

Lastly, implementing improved collection of patient fees and generating once-off income from the successful auction sales of obsolete assets.

PROVINCIAL INFRASTRUCTURE DEVELOPMENT

Our Premier has consistently emphasised the need to fast track the completion of infrastructure that are already under construction in the province and to be prompt in our processes from planning to implementation of new projects.

This is because Infrastructure remains a key driver of South Africa’s economic recovery and growth, as it was also emphasised in the 2025 MTBPS.

Limpopo Province is implementing structural reforms in infrastructure planning, delivery and oversight through the institutionalisation of the Infrastructure Delivery Management System (IDMS) and stronger interdepartmental partnerships.

Despite progress, mid-year reviews revealed challenges such as procurement delays and contractor underperformance.

To address these, the Adjustment Budget introduces measures to boost delivery capacity, including reallocations to high-performing projects, improved planning processes and support for early-stage project preparation.

Following rigorous departmental engagements, the provincial infrastructure allocation for 2025/26 has been revised upward by **5.4 percent** to **R8.8 billion**, reflecting strengthened project readiness and accelerated implementation. The breakdown of the infrastructure allocation is as follows:

CORE SOCIAL SERVICES – INFRASTRUCTURE

Department of Health receives one of the most substantial adjustments, with its budget increasing from **R907 million to R1.078 billion**.

This is primarily driven by a major increase in funding for **maintenance and repairs** (from **R515 million to R702 million**) and for upgrades.

This is a crucial investment to ensure our health facilities are functional, safe, and able to deliver quality care.

Department of Education sees its infrastructure budget increase by **R44.983 million** to a revised location of **R1.737 billion**, ensuring that the learning environment for our children is continually improved.

CoGHSTA, the budget increases from **R1.1 billion to R1.3 billion**. This significant augmentation includes an additional **R200 million for human settlement delivery** and **R6.816 million** for construction of traditional council offices. The department also receives **R1.192 million** Conditional Grants rollovers for both Informal Settlement Partnership Grant and Human Settlement Development Grant.

BOOSTING INFRASTRUCTURE FOR ECONOMIC RESILIENCE

To boost economic stability and connectivity, we are making targeted investments in the infrastructure network.

The consolidated infrastructure budget for **Public Works, Roads and Infrastructure** rises from R3.930 billion to **R4.098 billion**.

This is a critical investment to safeguard provincial assets, with a substantial **R270 million earmarked for storm-damaged rehabilitation** projects and **R123 million for ongoing provincial road upgrades**.

These funds are essential to stabilise our provincial road network and prevent further costly deterioration.

Meanwhile the budget for **Agriculture and Rural Development** increases from R210 million to **R257 million**, mainly through additional allocations for the maintenance of essential agricultural infrastructure, supporting our rural economy and food security.

For **Sport, Arts and Culture,** the department's budget is being revised **downward from R245.9 million to R142.1 million**.

This is a necessary adjustment due to the slow progress on the Limpopo Provincial Theatre, which has only reached 52 percent completion.

Crucially, an amount of **R10 million** has been **allocated** to complete the construction of libraries, redirecting resources to projects that can be completed efficiently and serve the public immediately.

Fiscal discipline requires us to address underperformance and ensure every rand delivers maximum value.

BUDGET REFORMS

Honourable Speaker, the Provincial Treasury is committed to implementing National Treasury’s budget reform initiatives of Targeted and Responsible Savings (TARS).

This framework emphasises the careful reprioritisation of resources, cost containment and the avoidance of wasteful expenditure, while still maintaining the flexibility to respond to emerging provincial priorities and socioeconomic challenges.

To support the implementation of TARS budget reforms, the Provincial Treasury will rigorously enforce the use of the Programme Assessment Matrix (PAM) tool introduced by the National Treasury.

This tool empowers departments to systematically assess their programmes and sub-programmes, fostering evidence-based decision-making rooted in clear criteria such as legal relevance, strategic alignment, performance, efficiency, and sustainability.

As we prepare for the 2026 MTEF, the PAM tool will play a central role in guiding transparent and effective budget forward planning.

Of importance, it is a supportive measure designed to strengthen our approach to programme planning, performance management, and long-term fiscal sustainability, ensuring that every department is accountable for delivering results and achieving our developmental objectives.

MID-YEAR BUDGET REVIEW

Honourable Speaker, I am pleased to announce that the total provincial receipts increase by **R2.035 billion**, ensuring that critical sectors receive the resources needed to drive progress and improve the quality of life for all Limpopo residents.

This increase comprises of several key components:

- **Equitable Share** allocation from National Government is **R1.064 billion**. Of this amount, **R701.512 million** is allocated to the Department of Health, with **R362.733 million** dedicated to the Department of Education.

  These additional funds were made available immediately to the Province by the Minister of Finance through **Gazette No. 53574 of 2025** in compliance with section 6(4) of the Division of Revenue Act.

  Equitable Share Rollover of **R419.326 million** from the 2024/25 financial year to the 2025/26 financial year. This includes the rollover is **R49.232 million** which is a retention and revenue for the Provincial Legislature.

- **Conditional Grants** increase by **R712.979 million**. This includes rollovers from the previous financial year of **R62.267 million**, additional **R69.010 million** for PEPFAR initiatives in Health and **R306.702 million** to expand Early Childhood Development in Education.

  The additional funds for HIV/Aids in Health and ECD in Education were made available to the Province by the Minister of Finance through Gazette No.53437 and Gazette No. 53602 of 2025 respectively.

  Included in the **R712.979 million conditional grants** increase is **R275.000 million** for disaster relief made available for Department of Education **(R140.000 million),** Department of Public Works, Road and Infrastructure **(R110.000 million)** and Department of Agriculture and Rural Development **(R25.000 million).**

  The funds are made available for the reconstruction and rehabilitation of provincial infrastructure damaged by rainfall, flooding, thunderstorms and strong winds that occurred between April 2024 and June 2025.

- **As indicated earlier, Own Revenue** has increased by **R258.178 million** from **R2.009 billion** to **R2.267 billion.**

I therefore present the 2025/26 Adjustment Budget per vote as follows:

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**.

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** as

retention and revenue collected, 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.** The department receives Equitable Share and Conditional Grants additions amounting to **R1.016 million** and **R491.970 million**, respectively. The Equitable Share additional funding of **R1.016 billion** is made of **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, and **R104.086 million** for contractual obligations.

Of the **R491.970 million** allocated to the department's Conditional Grants portfolio, an amount of **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 additional Equitable Share 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 Conditional Grant portfolio also increases by **R40.807 million**, made up of **R15.807 million** Conditional Grants rollovers for the Comprehensive Agricultural Support Programme Grant and **R25.000 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 from **R512.897 million** to **R467.033 million**. The department surrenders **R45,864 million** which is reallocated for infrastructure development in the province.

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 withholding of earmarked funds for Musina Makhado Special Economic Zone and Fetakgomo Tubatse Industrial Park capital projects into the provincial revenue funds for future use.

However, this reduction was partially offset by additional allocations, including Equitable Share rollovers of **R19.212 million** and **R20.932 million** to address pressures related to contractual obligations. Limpopo Economic Development Agency (LEDA) and its subsidiaries is allocated **R198.165 million** for operational costs.

Furthermore, Limpopo Gambling Board is allocated **R23.000 million** through the revenue retention strategy and Limpopo Tourism Agency (LTA) receives **R5.000 million** for Goods and Services.

Vote 7: Health – R521.783 million

The department's budget shows a net increase of **R521.783 million** from the main appropriation of **R26.074 billion** to **R26.595 billion**.

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, **R240.857 million** for the procurement of medical equipment and **R45.086 million** for claims against the state.

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 is adjusted downward by a net of **R112.471 million** from the main appropriation of **R3.025 billion** to **R2.912 billion**. This is due to the reprioritisation of funds that were previously allocated to projects that did not progress as expected. Included here is the **R38 million** that was initially allocated to the Thohoyandou Intermodal Transport Facility and **R80 million** for the Limpopo–Gauteng Speed Rail project. These allocations have now been reprioritised to support other infrastructure projects that are currently progressing well.

The department also received Equitable Share additions amounting to **R86.841** million for the following:

- R53.541 million for the implementation of the Instrument Landing System and to settle a claim against the state in Gateway Airport Authority Limited;
- R12.000 million for the implementation of 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 items, 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 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 an office building in Polokwane;
- 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 for replacement of furniture in Parliamentary Village; and
- R36.209 million Equitable Share rollovers

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 Earmarked Funding into the Provincial Revenue Fund for Provincial Theatre, amounting to **R135.000 million**. The surrendered funds will be reallocated in the next financial year to ensure continuity of the project.

The department also receives additional budget allocation of **R10.000 million** for the construction of libraries.

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**. The increase includes **R200 million for human settlement delivery**, **R6.816 million** for construction of traditional council offices, **R4.461 million** for traditional leaders' vehicles and **R33.000 million** for municipal finance intervention. The Conditional Grant rollovers are for both Informal Settlement Partnership Grant and Human Settlement Development Grant.

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.

SYNOPSIS OF THE 2025/26 ADJUSTMENT BUDGET

Honourable Members, our Adjustment Budget for the 2025/26 financial year, demonstrates our commitment to prudent financial management and strategic investment in critical service delivery areas.

This adjustment is not merely a technical exercise, it represents a recalibration of our resources to better address the immediate needs of our Province and secure long-term stability.

The core of this adjustment centres on an overall increase in the provincial adjustment allocation from **R88.936 billion** to **R90.520 billion**. This **R1.584 billion** growth is financed through a strategic combination of rollovers, own revenue growth, and targeted additional funding, as alluded to.

ESTIMATES OF THE 2026 MTEF BUDGET

Honourable Members, I will now turn to the projections of the 2026 MTEF budget that will be elaborated when we table the 2026/27 budget next year.

The 2026 MTEF marks a critical phase in our fiscal journey, with our Provincial Equitable Share allocation reflecting adjustments due to changes in data updates used in the Provincial Equitable Share formula and downward inflation adjustments.

The 2026 MTEF allocation will be reduced by **R88.536 million** in 2026/27, **R678.305 million** in 2027/28 and **R648.296 million** in 2028/29 financial years.

Over the 2026 MTEF our preliminary equitable share allocation will be **R77.703 billion** in 2026/27, increasing to **R81.128 billion** in 2027/28 and **R83.701 billion** in 2028/29 financial years. We are however projecting to increase in our own revenue over the 2026 MTEF from **R2.240 billion** in 2026/27 to **R2.471 billion** in 2028/29.

Despite reductions, we have managed our finances responsibly, linking funding to priority projects aligned with the Limpopo Development Plan, prioritising infrastructure, poverty eradication, and job creation to drive growth and uplift communities.

CONCLUSION

Honourable Speaker, it is important to remind ourselves and those whom we are entrusting this budget to, that the true measure of leadership, the true measure of our capabilities lies in implementing what this budget is allocated for. Budgets alone cannot change the lives of our people, but implementation will.

The difference comes from prudent management, continuous oversight, and a shared commitment to deliver what we have planned. Let’s truly change our approach and be a province that is more action and results driven.

Our task, therefore, is to turn these figures into service, opportunity and growth. If we remain focused, if we match intention with effort, this province will continue to move forward with confidence and fairness.

As I conclude, Honourable Speaker, allow me to appreciate our Premier, Dr Phophi Ramathuba, for setting the tone and pace at which our province is moving, a pace that is clearly forward-looking and evidently in a positive direction.

My appreciation also goes to the Executive Council and the ExCo budget committee for the steady hand and consistent support they provide in steering our fiscal agenda.

To the Portfolio Committee on Finance, I extend my gratitude for your firm, insightful and constructive oversight.

Lastly, I convey my heartfelt appreciation to Team Limpopo Provincial Treasury, led by HOD Gavin Pratt.

Ndo livhuwa, Na khensa, Ke a leboga, Thank you, Dankie.

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