



## **provincial treasury**

Department:  
Provincial Treasury  
North West Provincial Government  
**REPUBLIC OF SOUTH AFRICA**

# **PROVINCIAL ADJUSTMENT**

**BUDGET SPEECH  
2024 -2025**

Let's Grow North West Together.

# **PROVINCIAL ADJUSTMENT BUDGET SPEECH 2024/2025**



**MS. KENETSWE MOSENOGI  
MEC FOR FINANCE**

**26 NOVEMBER 2024**

**THE 2024 PROVINCIAL ADJUSTMENT BUDGET SPEECH  
PRESENTED BY THE MEC FOR FINANCE, MEC KENETSWE  
MOSENOGI AT THE NORTH WEST PROVINCIAL LEGISLATURE ON  
THE 26<sup>TH</sup> NOVEMBER 2024**

**Honourable Speaker, Ms Desbo Mohono**

**Honourable Deputy Speaker, Mr Collen Mokone Maine**

**Honourable Premier, Mr Lazarus Kagiso Mokgosi**

**Honourable Members of the Executive Council**

**Honourable Members of the Provincial Legislature**

**Chairperson of the Provincial House of Traditional and KhoiSan**

**Leaders, Kgosi Thari Maotwe II**

**Ladies and Gentlemen**

**Bagaetsho, Dumelang**

**Introduction**

**Honourable Speaker**, We stand here before your august house during the month of November which is very significant in history. It was in 1962 November 6th that the United Nations General Assembly adopted a resolution condemning South Africa for its apartheid policies and recommended economic sanctions. On this day 26 November 1963 Rivonia Trail began after the arrest of about nineteen leaders of the African National Congress in July of the same year.

Importantly **Honourable Speaker**, in 1974 November 12th The United National General Assembly suspended South Africa over its apartheid policies. In 1993 Nov 18th South Africa adopted a new constitution which provided for the right of all persons, recognising the injustices of the past. On the 1st Nov 1995 the country witnessed its first local government elections where all South Africans regardless of race or colour casted their

votes. It is common course that this year marks 30 years of democracy and it is important to remind ourselves where we come from and sacrifices made by our forebears.

**Honourable Speaker**, I wish to honour and remember women and the LGBTQ+ who died helplessly in the hands of the barbaric act of those with no respect to human life and recognition that regardless of our sexual orientation we are human. We are gathered here today just a day after the national day against Gender Base Violence (GBV). The country is observing 16 days of activism against GBV. During this period, we reflect on the significant challenges faced by many women and the LGBTQI+ community in our province and across the country. I urge us all to forge ahead in fighting against this pandemic with robust policies and programmes.

The 7<sup>th</sup> administration has been marked by key positive developments, such as the suspension of power cuts since March 2024 which have provided relief to our people and businesses. Additionally, we are seeing growing businesses and consumer confidence alongside a decline in inflation. These improvements offer hope and pave the way for a brighter economic future for our province and nation.

**Honourable Speaker**, the positive shift in the economic landscape allows us to direct our efforts towards strategic investments that will drive inclusive growth and enhance service delivery throughout the province. As I present this budget today, it is a testament to the positive direction in which we are headed, despite the challenges we have faced, and the opportunities that lie ahead.

These adjustments seek to solidify this re-alignment by ensuring that resources respond to the priorities of the seventh administration. The re-alignment supports the attainment of the three identified priorities, which aim to drive inclusive growth and job creation, reduce poverty whilst tackling the high cost of living and to build a capable, ethical and developmental state. The attainment of these priorities will lay the groundwork for a stronger, more resilient North West Province.

The proposed allocations reflect our commitment to a people-centred government, one that puts those most in need at the forefront of our financial planning. The amount we spend is not the measure of success, rather, it is about how effectively we can translate these funds into meaningful change and impact. Our goal is not only to allocate resources but to create value that uplifts, empowers, and sustains our communities.

## **Economic Outlook**

**Honourable Speaker**, during the tabling of the Medium-Term Budget Policy Statement (MTBPS), Minister Godongwana alluded to the fact that, domestically, real GDP has been forecasted to grow at 1.1 per cent in 2024. This forecast comes in lower than the estimate that had been announced earlier in the year by National Treasury of 1.3 per cent in February.

The North West Province economic growth rate was at 0.3 per cent in 2023, which was lower than the national average for the same period and it showed a decline from 0.5 per cent in 2022. The largest contributor to the economy of the Province was mining and quarrying at 25.3 per cent followed by personal services at 15.7 per cent in 2023.

**Honourable Speaker**, in response to the underperforming economy, the Provincial Executive is working tirelessly to advocate and execute the donor funding coordination as well as the establishment of the North West Development Fund. This is done to accelerate development of the North West Province in order to stimulate economic growth and address the triple challenges of inequality, poverty and unemployment.

### **Progress towards achieving improved financial management**

**Honourable Speaker**, the implementation of the Section 154 of the Constitution has yielded positive results wherein nine (9) municipalities which are Bojanala, Ngaka Modiri Molema and Dr. Kenneth Kaunda District Municipalities, Moretele, Rustenburg, Ratlou, Ramotshere Moiloa, Greater Taung and Mahikeng Local Municipalities adopted funded budgets in the 2024/25 financial year.

Furthermore, seven (7) municipalities namely Tswaing, Madibeng, Kgetlengrivier, Naledi, Lekwa-Teemane, Kagisano-Molopo Local Municipalities and Dr Ruth Segomotsi Mompati District Municipality significantly reduced the budget deficit from an average of R773 million to R284 million. It is anticipated that in the next financial year the number of municipalities adopting funded budgets will increase from nine (9) to eleven (11).

**Honourable Speaker**, it is worth mentioning that the Implementation of the Financial Recovery Plans (FRPs) in the ten (10) municipalities is still in the rescue phase and is progressing with pockets of improvements. It is anticipated that nine (9) municipalities out of the ten (10) will move to Phase II (Stability) in the next month or two.

The Provincial Treasury has been participating in the Thuntsha Lerole Accelerated Service Delivery Programme by capacitating and supporting Budget and Treasury Offices (BTOs) in municipalities to adhere to the Municipal Finance Management Act (MFMA) compliance requirements. In addition, the department capacitated Municipal Public Accounts Committee (MPAC) members and support staff on the process of addressing Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) expenditure.

**Honourable Speaker**, consistent with the directive issued by the Department of Public Service and Administration to implement control measures to fill vacant funded posts, the Provincial Treasury in conjunction with Office of the Premier facilitated the necessary approvals which allowed Departments to advertise in excess of 240 positions which are meant to close the critical capacity gaps identified in Departments. This is part of Governments effort to deliver services and open up the public service to capable professionals, graduates, youth and women in particular.

In an effort to improve accountability and testing value for money, Provincial Treasury has conducted a total of thirty-three (33) site visits to monitor and evaluate infrastructure projects across the province as well as assess that infrastructure budget allocations are spent prudently.

These site visits comprised of twelve (12) for construction of schools, six (6) for roads infrastructure, five (5) for health facilities, Four (4) for housing projects, two (2) for water services, two (2) agricultural colleges, one (1) heritage site, and one (1) library.

**Honourable Speaker**, these site visits underscore our commitment to ensuring that public infrastructure is delivered efficiently with effective

oversight and management of critical infrastructure. These visits play a pivotal role in monitoring progress, addressing challenges, and ensuring that all projects align with the infrastructure delivery standards, costs and timelines set out in our provincial developmental agenda.

## **Provincial Fiscal Framework**

**Honourable Speaker**, this adjustment budget caters for the changes to the allocations that were tabled in March 2024. No additional funds were received from the National government except approved rollover of unspent funds from the preceding financial year. The 2024/25 Provincial Fiscal Framework has been adjusted upwards by R435 million from R53.700 billion to R54.135 billion.

Included in this adjustment are conditional grants rollovers of R205.366 million, equitable share rollovers of R57.702 million, upwards adjustment of R1.550 million on Own Revenue, R3.996 million from National Department of Sports, Arts and Culture for the refurbishment of the Mmabana Arts, Culture and Sports Foundation and R3.271 million in respect of donations from MerSETA and BankSETA. The balance of the funds amounting to R163.500 million are to address service delivery as well as the establishment of the North West Development Fund with an allocation of R24 million.

**Honourable Speaker**, during the current financial year, government is experiencing a downward trajectory in the provincial own revenue performance. As at the end of the first semester, the Province collected approximately R77.4 million below the projected target. In response to the under collection, the Executive Council has directed departments to



urgently develop revenue recovery plans for implementation in the current financial year to ensure that revenue targets are achieved.

Furthermore, the Provincial Treasury has been tasked by the Executive Council to work with all departments to develop a comprehensive Provincial Revenue Enhancement Strategy for implementation in the 2025/26 financial year. This strategy will provide a robust framework for implementation across all departments. Its primary aim is to enhance revenue-raising efforts and support departments in meeting and exceeding their targets.

The adjustments allocations are comprised of the following:

- The **Office of the Premier** receives R7.932 million as a rollover from equitable share. This includes R3.064 million for Hyper Converged Infrastructure (HCI) and R4.868 million for International Business Machines Corporation (IBM) emergency procurement. Moreover, R10 million has been set aside to augment bursaries allocation. These additions increased the budget of the Office of the Premier from R480.136 million to R498.068 million.
- An amount of R10 million has been added to the **North West Provincial Legislature** for Members' gratuity and R5 million has been allocated from the Provincial Legislature's reserves to address their budget pressures. This brings the budget of the Provincial Legislature to R535.332 million.
- The **Department of Health** receives R8.927 million rolled-over from the past financial year. This amount includes R7.035 million Health Facility Revitalization Grant; R1.641 million for National Tertiary Services Grant and R251 thousand for National Health Insurance

Grant. The budget of the Department of Health is therefore adjusted upwards from R16.522 billion to R16.531 billion.

- An amount of R11.878 million was rolled-over for Community Library Services Grant of the **Department of Arts, Culture, Sports and Recreation. Honourable Speaker**, as part of government endeavors to preserve the history and heritage of our liberation struggle heroes and heroines, including bringing closure to their loved ones, an additional amount of R3 million has been availed to contribute towards repatriation programme.

Furthermore, an amount of R4.500 million is allocated for Provincial Commemorative days and R3.996 million for re-furbishment of Mmabana Arts, Culture and Sports Foundation. The budget of the department is adjusted to R775.325 million from the main appropriation of R750.401 million.

- The **Department of Community Safety and Transport Management** budget is adjusted by R75.047 million from R2.363 billion to R2.438 billion. The additional funding is allocated to North West Transport Investments (NTI) for salary payments as a result of unspent funds in the previous financial year.
- The budget of **Department of Economic Development, Environment, Conservation and Tourism** is increased by R4.756 million as a result of the rollover for Taung Skull projects.

An amount of R1.5 million was received from BankSETA for skills development programme entrepreneurship. Resultantly, their adjusted budget is R986.919 million.

- **Honourable Speaker**, the budget of the Provincial Treasury remains unchanged at R573.808 million.
- Increases in the **Department of Education's** conditional grants relate to rollover of R4.130 million for Early Childhood Development grant; R92.009 million for Education Infrastructure Grant; R906 thousand for Learners with Profound Intellectual Disabilities Grant as well as R256 thousand for Maths, Science and Technology Grant. The budget of the Department of Education is therefore increased from R21.932 billion to R22.052 billion.
- The Department of **Cooperative Governance and Traditional Affairs** receives additional funding amounting to R20 million for Water and Sanitation projects; R22 million for implementation of the turn-around strategy and R8 million for Traditional Commissions and Disputes.

Additionally, the department received R3.16 million from the Manufacturing, Engineering and Related Services Sector (MerSETA) for Graduate Candidacy Programme, of which R1.771 million will be used in the current financial year and the balance in the next financial year. This brings the adjustment budget of the department to R749.130 million from R697.359 million of the main Appropriation.

- The **Department of Public Works and Roads** receives a rollover of R22.420 million towards Roads Maintenance Grant. An additional amount of R10 million is also added to commence with consolidation

of leases agreements for office accommodation. The budget of this department is adjusted to R4.065 billion.

- The budget of the **Department of Social Development** is adjusted in relation to infrastructure delivery with the additions of R2.081 million for Sonop Old Age Home; R1.219 million for Kobbie van Zyl sub-offices; R2.082 million and R2.102 million for Reamogetswe and Boikagong Child and Youth Care centers respectively. An amount of R1 million is for the launch of the 16 Days of Activism for No Violence Against Women and Children campaign. The budget is therefore adjusted from R1.811 billion to R1.819 billion
- **Honourable Speaker, the Department of Agriculture, and Rural Development** has R6.941 million rolled-over for Comprehensive Agricultural Support Programme. An amount of R1.760 million was also rolled over from equitable share for Mogwase Local Administration office. The allocation of Agriculture and Rural Development is revised upwards to R1.218 billion.
- The **Department of Human Settlements'** rollover amounts to R57.899 million for Informal Settlements Upgrading Partnership Grant. Moreover, R10 million has been set aside to address the shortfall on compensation of employees' budget and these changes result an increase to the departmental allocation of R1.894 billion.

## **Conclusion**

**Honourable Speaker**, through diligent management, we have positioned ourselves to increase investments in our critical priorities and pursue transformative policies. These policies do more than just address present needs; they set the stage for a future where every resident of the North West Province has the opportunity to prosper.

Let me emphasize that the 2024/25 Provincial Budget adjustments are a demonstration of our commitment to addressing the needs of our people while investing in key priorities that will ensure sustainable growth and development. Through strategic allocations across various departments, government is responding to socio-economic challenges by improving service delivery and strengthening governance structures. Together, we will continue to work towards building an inclusive, resilient, and thriving North West Province.

**Honourable Speaker**, having outlined the fiscal framework and allocations to the departments, please allow me to table the following documents which provide much more detail to what I have outlined:

- Adjusted Appropriation Bill 2024;
- Adjustments Estimates of Provincial Revenue and Expenditure;
- Provincial Economic Review and Outlook;

**I Thank you.**

## 2024/25 Provincial Adjustments Estimates of Provincial Revenue and Expenditure

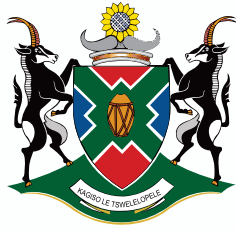
R Thousand	2024/25 Adjustment					
	Main Appropriation	Rollovers	Additional Funding	Reductions	Total Adjustments	Adjustment Appropriation
Office of the Premier	480 136	7 932	10 000	-	17 932	498 068
Provincial Legislature	520 332	5 000	10 000	-	15 000	535 332
Health	16 521 794	8 927	-	-	8 927	16 530 721
Arts, Culture, Sports and Recreation	750 401	11 878	13 046	-	24 924	775 325
Community Safety and Transport Management	2 363 007	10 047	65 000	-	75 047	2 438 054
Economic Development, Environment, Conservation and Tourism	982 163	3 256	1 500	-	4 756	986 919
Provincial Treasury	573 808	-	-	-	-	573 808
Education	21 932 248	119 524	-	-	119 524	22 051 772
Cooperative Governance and Traditional Affairs	697 359	-	51 771	-	51 771	749 130
Public Works and Roads	4 032 198	22 420	10 000	-	32 420	4 064 618
Social Development	1 810 809	7 484	1 000	-	8 484	1 819 293
Agriculture and Rural Development	1 209 718	8 701	-	-	8 701	1 218 419
Human Settlements	1 826 411	57 899	10 000	-	67 899	1 894 310
<b>Total Allocation</b>	<b>53 700 384</b>	<b>263 068</b>	<b>172 317</b>	<b>-</b>	<b>435 385</b>	<b>54 135 769</b>











## provincial treasury

Department:  
Provincial Treasury  
North West Provincial Government  
**REPUBLIC OF SOUTH AFRICA**

**LEAVE NO  
ONE BEHIND**



*Let's Grow*  
**NORTH WEST**  
*Together.*



WE BELONG



WE CARE



WE SERVE