

**THE DEPARTMENTAL BUDGET VOTE SPEECH PRESENTED BY
MEC FOR FINANCE, MS KENETSWE MOSENOGI AT THE NORTH
WEST PROVINCIAL LEGISLATURE ON THE 24TH OF JULY 2025**

**Mmusakgotla, Motlotlegi Dr Desbo Sebonta Mohono
Motlatsa Mmusakgotla, Motlotlegi Collen Mokone Maine
Tonakgolo, Motlotlegi Kagiso Lazarus Mokgosi
Bakhuduthamaga ba ba tlotlegang ba Porofense
Semesegolo sa kgotlatheomolao ya Porofense Motlotlegi
Motlalepula Rosho gammogo le maloko a a tlotlegang
kgotlatheomolao eno
Modulasetilo wa Ntlo ya Dikgosi le Baeteledipele ba Makhoisan,
Kgosi Thari Maotoe II
Maloko a Komiti ya bo Rramotse ba Matlotlo kwa bommasepaleng
ba Porofense
Motsamaisimogolo wa Kantoro ya ga Tonakgolo, Ditlhogo tsa
Mafapha, Batsamaisibagolo ba ditheo tsa puso
Bagaetsho, Dumelang.**

Honourable Speaker, it is both a privilege and a profound responsibility to table the 2025/26 Provincial Treasury Budget Vote. We convene shortly after the commemoration of Mandela Day which is a day that not only honours the legacy of our liberation icon but also serves as a solemn reminder of our enduring commitment to the principles of justice, equality, and service to the people. This year marks 70 years since adoption of The Freedom Charter which boldly declared that “The People Shall Govern.” This powerful declaration remains a cornerstone of our democratic ethos and underscores the critical importance of transparent, accountable, and people-centred governance in guiding our work as custodians of public resources.

The Charter also affirms the economic rights of all South Africans, stating that *“the national wealth of our country, the heritage of South Africans shall be restored to the people; the mineral wealth beneath the soil, the banks and monopoly industry shall be transferred to the ownership of the people as a whole.”* This pillar highlights the vital role of sound financial management and equitable resource distribution in achieving social justice. Whilst we celebrate the progress made over the decades, we recognise that much work remains to be done. Our people continue to face socio-economic challenges that demand urgent and sustained interventions.

Today, I table the 2025/26 Budget Vote for Provincial Treasury with a deep sense of duty, mindful of the need to respond effectively to the priorities of the 7th Administration and the expectations of our communities. Our province continues to face deeply entrenched challenges of poverty and unemployment.

Honourable Speaker, we table this budget at a time where our economy has been registering pedestrian growth over several years.

In the first quarter of 2025, the South African growth in GDP was at 0.1 per cent, decreasing from 0.4 per cent in the fourth quarter of 2024. The only industries that had a positive contribution towards growth in GDP in the first quarter were agriculture, trade, transport, and finance. According to S&P Global, the North West Province grew by a meagre 0.1 per cent in 2024.

The provincial economy is expected to perform at a similar level in 2025 and will show a slightly higher growth from 2026 through to 2028. The province must prioritise industrialisation to stimulate economic growth

and create employment opportunities by capitalising on products and services where it holds a comparative advantage. As government working with private sector, we need to urgently implement our collective plans and strategies that will grow the economy and create jobs.

ACHIEVEMENTS IN THE PREVIOUS YEAR

Honourable Speaker, during the previous financial year, the Provincial Treasury achieved the following deliverables:

- The department in conjunction with other stakeholder conducted municipal budget engagements with twenty-two (22) municipalities resulting in seven (7) municipalities adopting funded budgets and the other fifteen (15) municipalities adopting credible budget funding plans for implementation to ultimately adopt funded budgets;
- Ten (10) municipalities participating in the Eskom Debt Relief Programme were supported. As a result, one third (33 per cent) of the debt owed by Ramotshere Moiloa Local Municipality to Eskom has been written off. This has positioned the municipality favourably to qualify for the second phase of the debt write-off.
- Naledi Local Municipality was assisted to obtain approval to participate in the Smart Meter Grant amounting to R50 million. To date, 6 135 smart meters have been installed with more installations to follow as part of the programme;
- Regarding the implementation of Financial Recovery Plan (FRP), Ramotshere Moiloa Local Municipality and Dr Ruth Segomotsi Mompati District Municipality have progressed from the Rescue Phase to the second phase which is the Stability Phase. This progression signifies a critical improvement in financial health such as better cash flow management, governance, and improved

service delivery. Naledi Local Municipality is about to conclude a few activities in the Rescue Phase and will also be moved to the Stability Phase.

- Provincial Treasury has already with the Clean Audit Initiative drive over the short and long term for municipalities and has partnered with COGTA, SALGA and the Auditor General of South Africa in this regard to improve audit outcomes of municipalities.

Honourable Speaker, the support initiatives offered to departments and public entities resulted in twelve (12) departments out of thirteen (13) departments obtaining unqualified audit reports with three (3) of them being clean audits. Three (3) public entities also achieved clean audits. Worth-noting, one of the critical areas preventing departments from obtaining clean audits is the irregular expenditure that continued to be incurred by departments in previous years. With the support of Provincial Treasury, departments and public entities managed to condone part of the previous year's irregular expenditure.

The Provincial Treasury implemented all strategic training interventions approved for departments and public entities in the training plan in terms of Section 18 (2) (e) of PMFA. These included training of all bid committees in all departments and public entities, all functionaries involved in the drafting of compliant specifications and SCM performance officials in terms of reference and training of internal control. In addition, Provincial Treasury trained all SCM demand management practitioners and further assessed the procurement plans for 2025/26 financial year.

Furthermore, to enhance public participation in government procurement, Provincial Treasury availed its services to the ordinary citizens through outreach programmes. For the financial year ended 31 March 2024/25, one thousand three hundred and sixty-eight (1 368) service providers were supported in registering in the Central Supplier Database (CSD). Two hundred and thirty-seven (237) workshops were conducted on tendering/bidding. These were attended by four thousand and fifty-five (4 055) suppliers who presumably benefitted in terms of understanding how public procurement works.

Mmusakgotla, ditheo dingwe tsa puso di santse di itemogela dikgwetlho di le mmalwa. Go botlhokwa thata gore go tladiwe diphatlhatiro tsa botlhokwa tseo di tla thusang ka go kaela le go etelela pele mo go diragatseng maano le maikaelelo a ditheo tseno. Puso e ikemiseditse go thusa ka mananeo a tsamaiso ya matlole gore ditheo tseno di kgone go tlamela ka ditirelo tsa botlhokwa. Kgatelopele ya tiragatso e tla begiwa le go bewa leitlho mo kgwedi tharong tsa ngwaga ono wa ditshelete go netefatsa gore go nna le maikarabelo.

Mmusakgotla, mo dingwageng tse di lesome le bongwe (11) tse di fetileng, go tloga ka 2013/2014 go fitlha ka 2023/2024, Lefapha la Matlotlo la Porofense le ntse le supa gore le na le botsamaisi jo bo phepa ka go tshola dipegelo tsa matlotlo tsa boleng jo bo kwa godimo le dithulaganyo tse di nonofileng tsa taolo ya ka fa teng.

Katlego eno e bakilwe ke badiri ba lefapha ba ba nang le maitemogelo le bokgoni mo tsamaisong ya matlole. Se se dirile gore tiriso ya matlole nngwe le nngwe e sekasekwe ka kelotlhoko go bona gore a e tsamaisana le melao ya matlole. Lefapha le kgonne go rulaganya gore

go romelwe dipegelo tse di maleba tse di supang gore go fitlhelwe mekgele e e tlhomilweng go sa le gale ya 2024/25.

Honourable Speaker, without predicting the audit outcomes for 2024/25, I am convinced that the Provincial Treasury will maintain its clean audit outcome. The department has completed performance assessments for all staff, with no backlog in Performance Management and Development System (PMDS) matters. The Department of Public Service and Administration (DPSA) has commended the department for achieving 98 per cent on submission of staff Performance Agreements.

The Provincial Treasury revised its 5-year Strategic Plan, Annual Performance Plan and Departmental Budgets to align with the Medium Term Development Plan (MTDP) priorities of inclusive economic growth and job creation, poverty reduction and tackling high cost of living as well as building a capable, ethical and developmental state. Furthermore, the department formulated the Employment Equity Plan (EEP) which was submitted to the Department of Labour and Employment. The department has on an annual basis submitted progress against the plan to report on our Employment Equity targets.

Honourable Speaker, in our efforts to contribute towards addressing youth unemployment and contribute to the skills base of the province, Provincial Treasury offered the internship and learnership programmes in 2024/25 whereby sixty-three (63) departmental graduate interns, thirty-three (33) graduates and twenty (20) TVET interns were deployed to municipalities and twelve (12) Internal Audit Learnerships were implemented.

The department has formulated a 3-year ICT strategy that complies with the Corporate Governance of ICT Policy Framework version 2 which ensures strategic alignment with the directives and governance requirements of the DPSA. The Provincial Treasury has developed a five-year Communication Strategy to ensure effective communication for trust, transparency, service delivery, and citizen engagement. The strategy is linked to term of the 7th administration government (5 years) which will be reviewed annually.

FOCUS AREAS FOR 2025-26

Mmusakgotla, Lefapha la Matlotlo le inyalanya le lenaneo la puso ya naga le ya porofense la go tswelatsa ditirelo tsa puso. Ke ka moo lefapha le tsharololang mananeo go ya ka dintlha di le tharo tse puso e kobileng go di fitlhelela.

Inclusive Growth and Job Creation

Honourable Speaker, as part of our efforts to grow the economy through infrastructure delivery, the department will intensify its oversight over infrastructure delivery departments to ensure that projects are effectively planned, adequately funded, and efficiently executed.

To reinforce the standardised IDMS framework, the Provincial Treasury will conduct targeted workshops on the Infrastructure Delivery Management System (IDMS) for Heads of Departments and infrastructure officials. This will assist to ensure that projects are properly scoped, adequately budgeted for, and aligned with provincial priorities

Honourable Speaker, Provincial Treasury will be providing project managers of respective departments with Infrastructure Reporting Model

(IRM) login credentials as data capturers to strengthen transparency and efficiency. This access to the IRM for users will enable Provincial Treasury to identify bottlenecks early and implement timely corrective actions. Regular site visits and inspections will be conducted to ensure quality workmanship and value for money, with priority given to projects in education, health, and transport sectors which are vital to service delivery and public well-being.

In addition, the financial viability assessment project for Public Entities will be expanded in 2025/26, building on lessons from our pilot project with the North West Development Corporation (NWDC) which has been concluded. The phased-in roll-out will ensure that all our entities such as Mmabana, Arts, Culture and Sports Foundation, North West Parks and Tourism Board and the North West Gambling Board are covered.

Reduction of Poverty and Tackling High Cost of Living

Honourable Speaker, financial stewardship must also drive social impact. We recognise the urgency of tackling unemployment, especially among women and youth.

This year, we will prioritise filling critical posts and achieving gender parity at senior management level, ensuring 50 per cent female representation as part of our commitment to transformation.

We will continue to combat youth unemployment through internships and learnerships, targeting the appointment of 115 departmental graduate interns and 15 internal audit technician interns. These initiatives support skills development while addressing unemployment challenges facing our young people.

Building a Capable, Ethical, and Developmental State

Mmusakgotla, go aga naga e e nang le bokgoni ke maitlhomomagolo a rona re le puso re dirisana le baagi. Mo dingwageng di le tharo tse di tlang, Lefapha la Matlotlo la Porofense le tla diragatsa maano akaretsang go thusa bommasepala go tokafatsa dipholo tsa boruni.

In an endeavour to assist provincial departments and public entities to strengthen their asset registers, there will be a rollout of an asset verification tool that will begin with a pilot phase at NWDC. This innovation supports transparency and enhances the accuracy of financial reporting.

Honourable Speaker, the Provincial Treasury is proud to report progress on the establishment of the North West Development Fund (NWDF), a strategic financial instrument aimed at driving inclusive economic development in the province. The fund has been successfully registered with CIPRO as a Non-Profit Company, and the Provincial Treasury is currently engaging SARS to secure a Public Benefit Organisation (PBO) status for the NWDF.

Whilst these foundational steps are underway, planning and coordination processes have already begun to ensure readiness for full-scale operations. The fund will serve as a catalyst for mobilising resources to support catalytic infrastructure projects and support all initiatives that would make contributions towards economic development and job creation.

Honourable Speaker, National Treasury working with all provinces is in the process of concluding an important task of developing the

regulations towards the implementation of the Public Procurement Act. The late finalisation of the regulation has had an impact on the planned revision of the North West Provincial SCM Policy Framework towards reviewing the public procurement transformation project.

Notwithstanding the above, the Provincial Treasury will forge ahead and consider compliant measures to assist institutions to use public procurement to drive government policy objectives in support of businesses owned by women, youth, military veterans and persons with disabilities.

To add impetus to the initiatives to grow the economy, The Provincial Treasury has established and launched a database of the North West based enterprises. This catalytic intervention aims to develop a profile of North West Province based enterprises in all sectors of our economy. This profiling will assist in ensuring that where investment opportunities are secured, these are linked to the relevant enterprises.

Honourable Speaker, importantly, in instances where these enterprises wish to do business with the State, they will be assisted in terms of registration on the Central Supplier Database and being included in initiatives for supplier development. The provincial database does not, therefore, substitute the mandatory CSD. It provides a layered platform that represents the province's supplier and distribution capability.

Honourable Speaker, the province recognises that public private partnerships is one of the ways in which efforts by the public and private sector can be harnessed to stimulate economic growth. Therefore, the province noted and appreciated the key amendments to Regulation

16.5.6, which directs that effective from 01st June 2025, an amount of R2 billion and lesser has been determined as the value of the PPP which are exempted from obtaining National Treasury IIA and IIB. To create awareness and ensure compliance, the department will be embarking on related technical awareness and training workshops for all the departments and entities during the last two quarters of the current financial year.

For PPP's of this value, institutions can, having secured National Treasury approval, submit the procurement documents to the PPP Advisory Unit which is the GTAC (Government Technical Advisory Center) for the latter's views and recommendations.

Institutions will now be allowed to sign off after addressing the PPP Advisory Unit's recommendations which would have been consulted on with the relevant Treasury. It is anticipated that this process will shorten the approval process of PPP's with values less than R2 billion.

Mmusakgotla, Lefapha la Matlotlo la Porofense le tla tswelela go gagamatsa maiteko a lona a go tshegetsisa le go kgontsha mafapha le ditheo tsa puso, ka maikaelelo a go fitlhelela bonnye dipholo tse di phepa tse tlhano tsa boruni (5) tsa mafapha le tse nne (4) tsa ditheo tsa puso. Maikaelelo a go dira gore go nne le boruni jo bo phepa a tla oketsega ka iketlo mo pakeng e e fa gare.

Seno se tla dirwa ke go ela tlhoko Dithulaganyo tsa Ditiro tsa Morago ga Tshekatsheko (PAAP) ka go tlhoma mogopolo thata mo go fediseng diphitlhelelo tsa Moruni Kakaretso tse di neng di sa sekasekwa sentle mo ngwageng o o fetileng. Lefapha le Kantorolo ya Tonakgolo di tla dira

mmogo go fokotsa diphitlhelelo tse di amanang le tshedimosetso ya tiragatso.

Honourable Speaker, Provincial Treasury will focus on strengthening internal controls within departments and public entities by enhancing quarterly CFO forums to be more practical and interactive. This approach will ensure that issues affecting departments and entities are promptly escalated to Heads of Departments, CEOs, as well as audit and risk committees, thereby fast-tracking decision-making and resolution. Continuous support will be provided to the NTI Group with preparation of Annual Financial Statements to facilitate submission to the Auditor General as well as clearing the backlog on the submission of previous year financial statements.

Honourable Speaker, to reduce delays with respect to suppliers' payments within 30 days, Provincial Treasury will strengthen the preventative and deductive measures to ensure that departments comply and pay suppliers on time. Furthermore, the Provincial Treasury will advocate for strict consequence management measures for those departments that persistently fail to comply.

Accruals and payables for provincial departments have been growing at a disturbingly rapid rate over the years. To mitigate against this trend, the Provincial Treasury will impress upon Accounting Officers to enforce stringent measures that ensures alignment of monthly expenditure with the appropriated budgets and available cash.

Over the recent years, the North West Province had a reduction of equitable share because of erosion of national revenue base. In addition, the province experienced reduction of the population size after

the last population census. Unfortunately, this has forced the national government to implement further reductions to the provincial equitable share. Resultantly, the province has had to consider options to optimise provincial revenue. Accordingly, the Provincial Treasury has advertised a bid to source revenue experts to develop and implement a revenue enhancement strategy for the province. The appointment of these experts is expected to be finalised during the third quarter.

The Provincial Treasury has institutionalised strict control measures over budget and cash management. As a result, none of the provincial departments will be allowed to overdraw their account as any overspending will be recovered through an adjustment from their future cash transfers. This intervention is meant to enhance cash management and will ensure timely processing of payments.

Honourable Speaker, the Provincial Treasury has developed a strategic document on Industrialisation and Job Creation for consideration by EXCO. The objective of this initiative is to take advantage of the procurable budget by identifying frequently procured commodities based on volumes to drive establishment of manufacturing entities in economically depressed municipalities in support of industrialisation and job creation. The document is currently being processed by clusters for approval by EXCO.

In the year under review, informed by the assessment that we have already concluded on the performance of the PER including progressed registered against key deliverables of the Financial Recovery Plan (FRP), the Provincial Treasury would be completely overhauling our Mandatory Intervention Support Programme to make it more effective,

intentional but importantly to place the responsibility on the implementation of the recovery plan to the municipality with a much more focused on critical success areas of the FRP.

Ke rata go tlhomamisetsa botlhe ba ba nang le seabe gore leano leno la tshegetso le tla dirwa morago ga go sekaseka dintlha tsotlhe tse di botlhokwa tse di amang Lenaneo le le kobileng go baakanya tsamaiso ya matlole ya bommasepala.

Leano leno le tla dirwa ka dikgato go ya ka ditumalano le melao ya go bega e e amang ba ba nang le seabe jaaka Kemedi ya Khuduthamaga (PER), Lefapha la Bosetshaba la Matlotlo, Lefapha la Bosetsha le la Profense la Puso Kopanelo le Merero ya Segosi, le Mokgatlo wa Pusoselegae mo Afrika Borwa (SALGA) le bommasepala. Thulaganyo ya tshegetso e tla simolola go tsena tirisong ka Ngwanatsele monongwaga.

Kwa bokhutlong, **Mmusakgotla**, re ikemiseditse go netefatsa gore ledi le le abilweng le dirisiwe fela go fetola matshelo a baagi ba Profense. Re kaelwa ke boleng jwa tirelo le tshiamiso, re tswelera go tlhoma mogopolo mo go rotloetseng kgolo e e akaretsang botlhe, go nonotsha matlole a setšhaba le go tsweletsa tlhabololo ya porofense ya rona.

Mmusakgotla le maloko a a tlotlegang, ntetleng go tlhagisa tekanyetsokabo ya 2025/26 ya Lefapha la Matlotlo e e dirang dimilione di le makgolo a marataro le masome a robongwe le botlhano le dikete di le lekgolo le masome a robedi le bongwe (R695 181 000) tse di abetsweng mananeo a a latelang:

- Administration – one hundred and eighty-four million seven hundred and fifty-one thousand;
- Sustainable Resource Management – two hundred and fifty million three hundred and sixty-one thousand
- Assets and Liability Management – sixty-four million, three hundred and twenty-eight thousand
- Financial Governance – one hundred and ninety-five million seven hundred and forty-one thousand.

I thank you.

2025/26 PROVINCIAL TREASURY BUDGET ALLOCATION	
Programme	Amount – R'000
Administration	184 751 000
Sustainable Resource Management	250 361 000
Asset and Liability Management	64 328 000
Financial Governance	195 741 000
Total	695 181 000