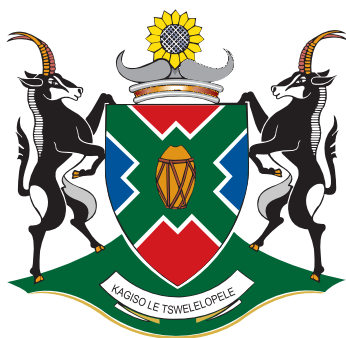




provincial treasury

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

PROVINCIAL ADJUSTMENT BUDGET SPEECH 2025 - 2026

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Let's Grow North West Together.

PROVINCIAL

ADJUSTMENT BUDGET SPEECH

2025/2026



MS. KENETSWE MOSENOGI
MEC FOR FINANCE

28 NOVEMBER 2025

**THE 2025 PROVINCIAL ADJUSTMENT BUDGET SPEECH PRESENTED
BY THE MEC FOR FINANCE, MEC KENETSWE MOSENOGI AT THE
NORTH WEST PROVINCIAL LEGISLATURE ON THE 28TH NOVEMBER
2025**

Honourable Speaker, Dr. 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

Honourable Speaker, Members of the Provincial Legislature and the beloved people of the North West Province, today we meet at a moment defined not by despair, but by possibility. The tabling of this Adjustment Budget comes at a time when our country is observing the Sixteen (16) Days of Activism of No Violence Against Women and Children.

This national campaign reminds us that budgeting is not only a fiscal exercise, but a moral commitment. It demands that we prioritise the security, dignity and protection of the most vulnerable in our communities. This August House has a solemn duty to reflect deeply on the responsibilities placed upon us.

Gender Based Violence (GBV) is not merely a crime, it is a national emergency. It destroys families, shatters communities and undermines the very foundation of our democracy.

Honourable Speaker, President Cyril Ramaphosa when addressing delegates at the recent G20 Social Summit held on 20th November 2025, officially confirmed that Gender-Based Violence and Femicide is a crisis and will be classified as a National Disaster in the country. We are in support of this stance as it will assist in ensuring that this social ill receives the serious attention it deserves and that perpetrators are dealt with accordingly.

Our duty as leaders guided by the constitution, is to build a country and province where every woman, every child and every family can live without fear.

We re-affirm our responsibility to strengthen the institutional capacity of our province, particularly in areas where the safety, empowerment and protection of women and children must be urgently reinforced.

This Adjustment Budget stands as a transparent assessment of our province's financial position, the challenges we continue to confront and the strategic decisions required to safeguard long-term stability and strengthen our province.

ECONOMIC OUTLOOK

Honourable Speaker, the Minister of Finance, Enoch Godongwana, tabled the Medium-Term Budget Policy Statement (MTBPS) on the 12th of November, signalling a wave of optimism throughout the country. For the first time in many years, revenue targets were not revised downward but adjusted upward, reflecting renewed economic activity and strengthening confidence in our national fiscal renewal path.

The stabilisation of the debt-to-GDP ratio, a fiscal space is beginning to open which creates room for us to invest where it matters most. It is Amílcar Cabral who urged leaders to *“Tell no Lies, Claim no easy victories,”* and today, we stand guided by that wisdom.

Honourable Speaker, with these words, Amílcar Cabral was reminding us never to hide anything from the masses of our people, never to tell lies and encouraged us to expose lies whenever they are told. We need to live up to these words as our people look to us to protect their interests with the utmost transparency. Our progress is not accidental, it is the outcome of deliberate policy, disciplined financial management and shared effort across all sectors of society.

Based on the estimates from Standard & Poor's (S&P) in 2024, the North West Province achieved an annual growth rate of 0.01 per cent which is a lower growth rate than what Statistics South Africa has released for South Africa as a whole, where the 2024 GDP growth rate was registered at 0.6 per cent. The growth prospects for 2026 are looking more promising as the economy is expected to grow at a faster rate.

Honourable Speaker, Premier Lazarus Kagiso Mokgosi recently shared optimistic news that unemployment in the North West had declined by two percentage points, with over 42,000 jobs created between July and September 2025. These are not just numbers, these are families earning again, communities regaining dignity and young people finding a foothold in an economy that had long felt out of reach.

The recently approved Provincial Growth and Development Strategy (PGDS) will assist to coordinate various stakeholders to achieve inclusive growth by enhancing the attractiveness and competitiveness of the province for industrial investment. The effective implementation of the PGDS will go a long way in addressing the persistent challenges that have resulted in slow economic growth and development in the province.

Our province stands on the cusp of renewal, strengthened by the encouraging signs of economic recovery that have begun to emerge across the country.

REVENUE PERFORMANCE

Honourable Speaker, provincial administrations have quasi fiscal autonomy to augment equitable share from the central government by mobilising and maximising revenue collections, on condition that the sources of the provincial own revenue are within the national fiscal policy frameworks.

The departments have been working hard to meet their revenue targets. So far, much of the focus has been on making the most of the revenue streams we already have. This has delivered encouraging results, with collections improving compared to the same period last year.

However, we also recognise that relying only on existing sources is not enough. To secure a more sustainable financial future for our province, we must broaden our revenue base. It is on this basis that the Provincial Treasury is in the process of bringing in experts who will work with departments to identify new, viable revenue generation opportunities that are within their mandates.

This will help ensure that we not only protect our current gains but also create room for future growth. The recent reduction of the North West Province equitable share created serious budget shortfalls which must be addressed through increases in our provincial own revenue.

PROGRESS ACHIEVED

Honourable Speaker, as reported during the Provincial Budget Speech, Provincial Treasury in collaboration with the Department of Cooperative Governance and Traditional Affairs and South African Local Government Association developed a comprehensive support strategy aimed at improving audit outcomes across municipalities in our province. I am pleased to report that we remain firmly on course and our teams are on the ground providing the targeted, needs-based support required to achieve the outcomes we have set for ourselves.

The municipal audit cycle is now nearing completion. We are encouraged by the collective efforts of municipalities and all stakeholders involved in this process and we remain confident that these efforts will yield positive and sustainable improvements in audit outcomes.

Honourable speaker, Section 34 of the MFMA gives us not only the right but the responsibility to build municipal financial capacity. It is a call to action for us, as a provincial government, to strengthen the heartbeat of local governance, the Budget and Treasury Offices (BTOs) in our municipalities.

To this end the Provincial Treasury conducted comprehensive Budget and Treasury Office capacity assessments, revealing that only 49% of municipal finance officials hold relevant qualifications.

The Provincial Government has therefore taken decisive steps through a structured Human Capital Support Framework. This framework focuses on the following pillars:

- **Hand Holding and Skills Transfer** – Providing on-site mentorship, day-to-day coaching, and technical guidance to municipal finance officials. The goal is to ensure that capacity remains within the municipality, reducing long-term dependency on consultants.
- **System Strengthening** – Supporting municipalities in establishing robust internal controls, improving financial systems such as MSCOA (Municipal Standard Chart of Accounts), and developing policies to ensure sustainable financial management practices.

Through this programme, we are not only closing operational gaps but are cultivating a new generation of municipal finance professionals who can lead with competence, ethics, and accountability.

This approach aligns with National Treasury's strategy to address municipal finance performance failures. The focus is on revenue management, supply chain, budgeting, assets, audit outcomes, mSCOA, and compliance.

Honourable Speaker, we remain concerned that implementation of the Mandatory Financial Recovery Plans (FRPs) across the seven municipalities has not significantly improved the municipal performance as expected.

The department is disheartened that out of the seven municipalities that underwent FRPs, only two have registered successes. We are particularly elated to announce that Ramotshere Moiloa Local Municipality has advanced to the Sustainability Phase, which is the final stage of the FRP implementation framework and has exited financial distress. This achievement is a direct result of the municipality embracing the FRP, including the adoption of a funded budget and qualifying for the second one-third Eskom debt write-off.

Similarly, Dr Ruth Segomotsi Mompati District Municipality has adopted a funded budget for the 2025/26 MTREF and has commenced implementation of the Sustainability Phase. Based on the progress recorded to date, we anticipate that this municipality will exit financial distress by the end of the next quarter. We will continue to support both municipalities to ensure that they consolidate these gains and safeguarding the financial stability achieved through these interventions

Honourable Speaker, Provincial Treasury has taken a decision to overhaul the implementation of the Mandatory Financial Recovery Plans (FRPs) across all municipalities.

Currently we are in a process to review our approach and re-look at measures that will address capacity gaps and other weaknesses that have been identified.

Honourable Speaker, we must acknowledge the persistent structural and institutional challenges that continue to impede financial recovery in many municipalities. In several cases, Provincial Executive Representatives (PERs) have become de facto implementers rather than oversight facilitators. This has resulted in municipalities becoming dependent on external support, with weakened internal accountability mechanisms, high staff turnover, and fragile governance structures.

These challenges have made it clear that the previous model of intensive, PER-driven intervention is no longer sustainable. It is for this reason that the Provincial Treasury has developed a revised provincial intervention support framework, an evolution in our approach to stabilising municipal finances and restoring functional governance.

The revised framework establishes a decisive shift in how the Province supports municipalities in financial crisis, while the Financial Recovery Plan remains our primary instrument for addressing deepening financial distress, the new approach places stronger responsibility on municipalities themselves to build internal capacity and institutional resilience.

Honourable Speaker, under this revised approach, municipalities will resume full responsibility for implementing the FRP, as mandated by Section 146 of the MFMA. This includes:

- Adhering to FRP financial limitations and achieving set targets;
- Ensuring all council and administrative decisions align with the approved FRP;

- Reporting monthly to the MEC for Finance on progress against the plan.

This shift marks the beginning of a more accountable, resilient, and sustainable system of municipal financial management. One where municipalities lead their own recovery, supported but not substituted by the Province. These reforms represent a decisive move towards strengthening the capacity of local government, improving service delivery, and ensuring long-term financial sustainability across our municipalities. We remain committed to this work and confident that, together, we will build municipalities that are stable, accountable and financially sound.

INFRASTRUCTURE DELIVERY

Honourable Speaker, during the second quarter of this financial year, the Provincial Treasury convened a provincial Infrastructure Delivery Management System (IDMS) Workshop as part of strengthening support across the infrastructure delivery value chain.

The workshop fostered renewed commitment from departments to improve infrastructure planning, project packaging and delivery. Significantly the Department of Public Works and Roads has committed to revive the Infrastructure Support Forum (ISF), which had been dormant and will be co-chaired with Provincial Treasury.

From the fourth (4th) quarter onwards, the ISF will adopt a three-tier approach, beginning with engagements at the level of infrastructure officials across departments, progressing to the Broader Executive Technical Committee (Broader Ex-Tech) and ultimately tabling quarterly reports to EXCO.

In our effort to improve accountability, Provincial Treasury has conducted seventeen (17) project site visits, and the departments are now providing feedback on the reports issued. Post the feedback from the Departments, Provincial Treasury will ensure the enforcement of the recommendations of site visits reports.

PROVINCIAL SUPPLY CHAIN MANAGEMENT

Honourable Speaker, as reported during the main budget speech the North West Business Enterprises Database (NWBED) was launched on 22 July 2025 as Provincial Treasury's resolve to support inclusive economic growth, job creation and promote sustainable local development. In an effort to accelerate registration of businesses on this database, the department developed a road map through which it continues to undertake campaigns and a series of outreach activities across the Province to assist businesses to register.

A targeted approach to aggressively reach these businesses includes engagements with all provincial departments and entities, Local Economic Development (LED) units in various municipalities and accessing various private sector organisations.

PROVINCIAL FISCAL FRAMEWORK

Honourable Speaker, the 2025 Provincial Adjustment Budget takes into consideration the recent fiscal updates, changes to certain conditional grants allocations and additions to the Provincial Equitable Share. Furthermore, this Adjustment Budget reflects technical changes and in-year reprioritisation to better address immediate service delivery imperatives.

The 2025/26 Fiscal Framework has been adjusted upwards by R1.432 billion from R55.798 billion to R57.231 billion through rollovers, additions to Conditional Grants as well as additional Equitable Share.

The **Office of the Premier** receives an additional amount of R82.581 million consisting of R35 million towards SMARTGOV, R15 million for support to Municipalities and R32.581million for the centralisation of Microsoft Licenses. The Office of the Premier's budget has therefore increased from R519.498 million to R602.079 million.

As a result of the centralisation of licenses in the Office of the Premier, the budgets for Health were reduced by R6.9 million, Arts Culture Sports and Recreation by R1.5 million, R3.8 million from Community Safety and Transport Management, R1.3 million from Economic Development, Environment, Conservation and Tourism, R2.8 million from Provincial Treasury, Cooperative Governance and Traditional Affairs R2.8 million, Public Works and Roads R3 million, Social Development R5.6 million, Agriculture and Rural Development R2.1 million and Human Settlements R2.8 million. The same amounts will be reduced from these Departments over the next two years of the MTEF.

The allocation of the **North West Provincial Legislature** increased by R50 million from the main appropriation of R522.583 million to R572.583 million. This increase consists of R15 million for Committees Work, Public Hearings and Training for MPLS including any expenditure incidental budget pressures. Inclusive to this increase is also an amount of R35 million as a retention and revenue collected, in accordance with Section 12 of the Financial Management of Parliament Amendment Act, 34 of 2014.

The budget for the **Department of Health** has been adjusted increased by R503.467 million from R17.040 billion to R17.544 billion. The additional amount includes a rollover of R40.414 million in respect of National Tertiary Services grant for settlement of invoices of the previous financial year.

The allocation for National Tertiary Services grant has been reduced by R25 million to address the misallocation caused by a sectoral technical error that occurred at national level for both North West and the Eastern Cape provinces where this amount is to be re-channelled to the Western Cape.

An additional amount of R466.467 million has been received from national to assist the Department of Health with budget pressures on Compensation of Employees, Goods & Services as well as accruals and payables. A further amount of R60 million has been allocated to augment the national allocation on accruals.

A further amount of R7.703 million has been allocated to the Department by National Treasury to mitigate against the withdrawal of the President's Emergency Plan for AIDS Relief.

Honourable Speaker, the budget for the **Department of Arts Culture Sports Recreation** has been increased from R776.063 million to R837.563 million due to a rollover of R9.004 million for Community Library services grant and another roll over of R3.996 million for the refurbishment of Mmabana Arts, Culture and Sports Foundation facilities. R50 million has been made available to support athletes, artists, relevant federations, rehabilitation of recreational centres and film development as well as any incidental costs related to the support of artists.

The scholar transport in the **Department of Community Safety and Transport Management**, is receiving an additional R10 million. A further R10 million has been availed to facilitate the finalisation of the White fleet decentralisation process. This therefore adjusts the budget for the department from R2.446 billion to R2.463 billion.

The **Department of Economic Development, Environment, Conservation and Tourism** receives a roll over amount of R7.211 million for refurbishment and upgrades at Taung Hotel School as well as R4.980 million from BankSETA for skills development programme of entrepreneurship and therefore increases the departmental budget from R1.013 billion to R1.024 billion.

Honourable Speaker, the budget of the **Provincial Treasury** is reduced by R102.8 million from R695.181 million to R592.381 million.

The reduction includes R100 million which has been re-allocated to the Provincial Revenue Fund pending the operationalisation of the North West Development Fund and R2.8 million towards centralisation of the micro soft licences at the Office of the Premier.

The budget of the **Department of Education** is increased by R463.215 million. Included in this amount is conditional grants of R104.010 million, equitable share of R276.766 million and R82.439 million rollovers.

The rollovers include R4.001 million for Early Childhood Development grant; R71.322 million for Education Infrastructure Grant; R5.590 million for Maths, Science and Technology Grant and R1.526 million for Learner Teacher Support Material. The budget of the Department of Education is therefore increased from R22.895 billion to R23.358 billion.

The Early Childhood Development (ECD) subsidy has been increased from R17 to R24 for centre-based programmes and from R6 to R9 for non-centre-based programmes. This is intended to increase access to early learning up to the age of five years.

Following the centralisation of the Microsoft licences to Office of the Premier, the budget for **the Department of Cooperative Governance and Traditional Affairs** is adjusted downward from R681.869 million to R679.069 million.

Honourable Speaker, the **Department of Public Works and Roads** receive R265 million of which R100 million is allocated towards the Provincial Road Maintenance Grant for Disaster relief, a top-up of R50 million for intervention of disasters on provincial roads and R115 million for rural roads maintenance projects, contractor development as well as procurement of necessary equipment for patching of potholes.

A roll over of R2.477 million is received for design and building of seven (7) houses at Ga-Lowe Parliamentary Village for Members of the Legislature and R2.662 million for Provincial roads maintenance grant. The budget for the department of Public Works and Roads therefore increases from R4.207 billion to R4.465 billion.

The budget of the **Department of Social Development** is adjusted from R1.876 billion to R1.921 billion due to an additional R50 million to address pressures on Compensation of Employees and Goods and Services as well as a reduction of R5.6 million for centralised ICT services at the Office of the Premier.

Honourable Speaker, additions to the **Department of Agriculture and Rural Development** relate to rollovers for both Equitable Share and Conditional Grants. An amount of R35.028 million is rolled over in respect of Comprehensive Agricultural Support Programme (CASP) for the support of support farmers to ensure sustained food security. Illima/Letsema Grant receives a rollover of R1.960 million to settle previous year invoices. Equitable Share rollovers of R2.229 million for Machavie Research Farm as well as R3.462 million for Klipkuil Research Farm. The allocation of the Department of Agriculture and Rural Development is therefore revised upwards from R1.277 billion to R1.317 billion.

Department of Human Settlements is adjusted from R1.848 billion to R1.856 billion through a rollover amounting to R640 thousand for Human Settlements Development Grant as well as additional R10 million for Compensation of Employees and other budget pressures.

Honourable Speaker, please allow me to table the following documents which contain more details in relation to the proposals contained within the Adjustment Budget:

- North West Adjustment Appropriation Bill 2025,
- Provincial Adjustment Budget Speech 2025,
- Adjustment Estimates of Provincial Revenue and Expenditure 2025,
- Provincial Economic Review and Outlook 2025,

I thank you.

R Thousand	2025/26 Adjustment					
	Main Appropriation	Rollovers	Reductions	Additions	Total Adjustments	Adjustment Appropriation
Office of the Premier	519 498	-	-	82 581	82 581	602 079
Provincial Legislature	522 583	35 000	-	15 000	50 000	572 583
Health	17 040 332	40 414	(71 117)	534 170	503 467	17 543 799
Arts, Culture, Sports and Recreation	776 063	13 000	(1 500)	50 000	61 500	837 563
Community Safety and Transport Management	2 446 358	-	(3 800)	20 000	16 200	2 462 558
Economic Development, Environment, Conservation and Tourism	1 013 489	7 211	(1 300)	4 980	10 891	1 024 380
Provincial Treasury	695 181	-	(102 800)	-	(102 800)	592 381
Education	22 894 640	82 439	-	380 776	463 215	23 357 855
Cooperative Governance and Traditional Affairs	681 869	-	(2 800)	-	(2 800)	679 069
Public Works and Roads	4 207 490	5 139	(13 000)	265 000	257 139	4 464 629
Social Development	1 876 413	-	(5 800)	50 000	44 400	1 920 813
Agriculture and Rural Development	1 276 612	42 679	(2 100)	-	40 579	1 317 191
Human Settlements	1 847 870	640	(2 800)	10 000	7 840	1 855 710
Total Allocation	55 798 398	226 522	(206 817)	1 412 507	1 432 212	57 230 610

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North West Provincial Treasury

Private Bag X 2060

Mmabatho

Tel: (018) 388 3584/388 3642/388 3486/388 4254

Fax: (018) 388 3305

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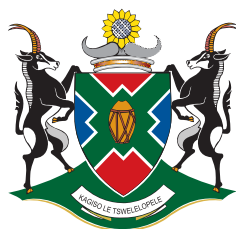
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Mmabatho

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Fax: (018) 388 3305



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