



NORTHERN CAPE PROVINCIAL GOVERNMENT

Northern Cape Budget Appropriation Speech 2026



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**ADDRESS TO THE PROVINCIAL LEGISLATURE ON THE OCCASION OF
TABLING OF THE NORTHERN CAPE SECOND ADJUSTMENT
APPROPRIATION BILL, 2025 AND THE 2026/27 NORTHERN CAPE MAIN
APPROPRIATION BILL, BY V BLENNIES-MAGAGE, MEC FOR FINANCE,
ECONOMIC DEVELOPMENT AND TOURISM**

**HONOURABLE SPEAKER & DEPUTY SPEAKER, HONOURABLE
PREMIER, DR ZAMANI SAUL, HONOURABLE MEMBERS OF THE
EXECUTIVE COUNCIL,**

HONOURABLE MEMBERS OF THE PROVINCIAL LEGISLATURE,

**EXECUTIVE MAYORS, MAYORS AND MMCs OF FINANCE AND
COUNCILLORS, DIRECTOR-GENERAL, HEADS OF DEPARTMENTS &
MUNICIPAL MANAGERS, DISTINGUISHED GUESTS IN THE GALLERY**

MEMBERS OF THE MEDIA,

**OUR LISTENERS AND VIEWERS ON ALL THE COMMUNITY RADIO
STATIONS, AND VIRTUAL PLATFORMS,**

LADIES AND GENTLEMEN

INTRODUCTION

Honourable Speaker, it is with a profound sense of honour, humility and commitment to the citizens of the Northern Cape that I rise in this august House to present the 2026 Fiscal Framework of the Province.

This is the course we are pursuing, a course directed towards the realisation of a better life for all, and one that demands that we rise to the responsibility entrusted to us by the people of the Northern Cape. **Honourable Speaker**, beyond our political affiliations, we must be united by our common responsibility to confront the triple challenges of poverty, inequality and unemployment.

If the budget before this House does not respond meaningfully to these realities, then we must question the value of the work we undertake here. Fiscal policy must translate into tangible improvements in the lives of our people; if the ordinary citizen cannot see the impact of our decisions through improved services, greater economic opportunities and better living conditions, then we have not fulfilled our mandate. Beyond these policy imperatives lies our collective commitment to strengthen implementation and improve service delivery so that public resources are utilised effectively to advance the developmental priorities of our province.

Honourable Speaker, despite operating within a constrained and shrinking resource envelope, the Northern Cape has continued to make important strides. Our province remains firmly integrated within the national system of governance, supported by well-established relationships across the various Intergovernmental Relations (IGR) forums. As a province, we have taken decisive steps on several fronts during this 7th Administration, some of which may not yet have yielded their full results, but many of which will deliver meaningful benefits to the province over the medium to long term. In this regard, the Intergovernmental Relations Framework Act places a clear responsibility on the three spheres of government to work collaboratively on matters of mutual

interest, and it is therefore imperative that we fully leverage our national footprint to advance the developmental interests of our province.

Honourable Speaker, as declared by the President, 2026 has been designated the Year of Local Government. As a province, we will continue to support municipalities through both financial and non-financial interventions. However, we remain mindful that the long-term objective must be a capable and maturing local government sphere that is able to sustainably deliver basic services to our people. In this regard, the Northern Cape welcomes the President's directive to review the local government funding model. This aligns with our long-held view that, given the deep levels of poverty across many of our communities, there is a need to consider a more differentiated and responsive funding approach for municipalities.

Honourable Speaker, we need to up our game as provincial government towards settling our municipal obligations on time, which includes rates and taxes and other utility bills. Whilst we urge departments to pay municipalities on time, we also need to acknowledge that municipalities owe the provincial government huge amounts of money. We therefore need to engage as a province through the Premier's Inter-Governmental Forum to ensure that we are not overtaken by national processes on matters and disputes that we are more than capable of resolving as a province.

Honourable Members, we have noted with serious concern the scourge of government debt within the province, particularly the outstanding amounts owed for rates and taxes to municipalities. To curb this phenomenon and ensure prompt, effective, and sustainable solutions to the problem, the Provincial Treasury is looking at a number of key interventions such as launching a comprehensive analysis of the tariffs charged by municipalities for various government buildings in order to determine whether we can have a standard tariff structure.

This analysis will guide possible legislative changes, the practical and cost-effective use of government assets and the structuring of intergovernmental agreements. The aim is to optimize limited government resources in a way that benefits both the provincial and the local spheres of government. The first round of this analysis focuses on the tariff structures charged to the Provincial Department of Education for schools across the province. The intention is to develop proposals for legislative directives that maybe introduce either a flat-rate option or a set of quantile-based applicable rates, ensuring fairness, predictability and sustainability in the way municipalities charge public institutions.

Honourable Speaker, to improve the billing data ensure credible accounts and strengthen financial accountability across municipalities, we intend to roll out the Data Integrity Project to more municipalities. Additionally, this initiative will add value in alleviating the pressure of unpaid accounts due to disputes. These medium-to-long term interventions aim to strengthen cooperation across government spheres, improve financial management and ultimately ensure that public resources are used more efficiently whilst increasing service delivery in our communities.

Honourable Speaker, infrastructure remains a critical catalyst for economic growth, and as a province we must strengthen our planning and coordination to better streamline our infrastructure portfolio. For the first time in the history of the Northern Cape, we have developed a Provincial Infrastructure Master Plan 2040, placing us among a few provinces to have reached this important milestone. The true measure of this achievement, however, will lie in effective implementation and our ability to bring strategic partners on board swiftly. In this regard, we have already established engagement with key institutions and development finance partners, including the Development Bank of Southern Africa, which has requested our infrastructure plan to identify areas of collaboration and mutual investment. Infrastructure South Africa has also offered technical support, including assistance in advancing strategic initiatives

such as the Namakwa SEZ and in packaging our infrastructure pipeline into bankable projects

Honourable Speaker and members the province is currently engaging with the United Nations Office for Project Services (UNOPS) to provide technical support in areas such as strategic procurement, project management and infrastructure delivery. Through this partnership, UNOPS will assist the province to strengthen institutional capacity for infrastructure development, support the preparation and implementation of our infrastructure pipeline, and help structure bankable projects capable of attracting both domestic and international funding, in consultation with the National Treasury. Improving our technical capability is essential if we are to unlock the full economic potential of our province. Infrastructure remains a key enabler of growth, and our efforts are therefore focused on accelerating the implementation of the Provincial Infrastructure Master Plan.

Honourable Speaker, one of the earliest commitments made by the Honourable Premier, Dr Zamani Saul, in 2019 was the insourcing of security personnel as part of our broader effort to advance decent work and improve the livelihoods of our people. In the first phase of this programme, 99 security officers were transferred from various departments to the Department of Transport, Safety and Liaison, while a further 188 new appointments were made under phase two. This milestone represents more than employment figures; it reflects households that are now able to plan with greater certainty and participate more actively in the economy through improved wages and benefits.

Honourable Members, this progress demonstrates our commitment to translating policy commitments into tangible outcomes for our people. It must also be noted that this initiative initially covered five departments, and the process will continue until all security personnel are absorbed. Similarly, the province has already absorbed most cleaning personnel, and this process will continue. Importantly, given our fiscal constraints, the insourcing programme will proceed on a fiscally neutral basis, ensuring that we advance this

commitment without placing additional pressure on the provincial fiscus.

Honourable Speaker, this budget framework we present today results from extensive reprioritization and trade-offs to ensure we address key initiatives in health, education, and to some extent, debt provisions, while we closely monitor spending in health and education. Within our limited available resources, we are gradually setting aside funds for our province's contribution to the operationalization of our SEZ.

Honourable Speaker, this Main Budget Appropriation is accompanied by the Second Adjustments Appropriation Bill for the 2025/26 financial year, reflecting our continued commitment to prudence in spending and value for money.

Through strengthened monitoring and oversight mechanisms, we have improved our ability to identify underperformance and reallocate resources where necessary, ensuring that public funds are not directed toward undesirable or inefficient expenditure while safeguarding the key outputs contained in departmental Annual Performance Plans.

Honourable Members, I am pleased to confirm that, aside from the technical rebasing of the projected CPI affecting both the equitable share and conditional grants, there are no further budget cuts. This will provide departments with the necessary space to prioritise critical posts, particularly frontline personnel, thereby strengthening institutional capacity and supporting the effective delivery of essential public services.

ECONOMIC OUTLOOK

Honourable Speaker, according to the International Monetary Fund (IMF), world economic output grew by an estimated 3.3 per cent in 2025, with projections remaining constant for 2026 and 2027 at 3.3 and 3.2 per cent respectively. Global inflation is estimated at 4.1 for 2025, with slightly lower inflation projected for the following two years at 3.8 per cent in 2026 and 3.4 per

cent in 2027. Growth in both Advanced economies and Emerging market and developing economies is expected to remain stable, although a slight slowdown is projected for Emerging market and developing economies

Honourable Speaker, Advanced economies' growth is estimated at 1.7 per cent in 2025 and projected to amount to 1.8 per cent in 2026 and 1.7 per cent in 2027. At more than double this rate, emerging market and developing economies are estimated to have grown by 4.4 per cent in 2025, with projected growth slowing slightly to 4.2 and 4.1 per cent in 2026 and 2027 respectively. Sub-Saharan Africa, included in Emerging market and developing economies, grew by an estimated 4.4 per cent in 2025, with slightly higher growth projected for 2026 and 2027 at 4.6 per cent per year.

The IMF estimates that the South African economy grew by 1.3 per cent in 2025 with projections showing slightly higher growth expectations in each of 2026 and 2027 at 1.4 and 1.5 per cent respectively. National Treasury is slightly more optimistic, with estimated growth of 1.4 for 2025 and projections amounting to 1.6, 1.8 and 2.0 per cent for 2026, 2027 and 2028 respectively. In order to reach 2.0 per cent growth by 2028, government's economic strategy will focus on macroeconomic stability, structural reforms, building state capacity and accelerating the delivery of infrastructure projects.

Honourable Speaker, National Treasury expects that inflation will increase slightly from 3.2 per cent in 2025 to 3.4 per cent in 2026. Thereafter it is expected to decrease by 0.1 of a percentage point annually to 3.3 per cent in 2027 and 3.2 per cent in 2028.

Honourable Speaker, on a national level, jobs increased in agriculture, utilities, construction, transportation, finance, community and social services, and private households compared to the previous quarter. During this period, jobs decreased in mining, manufacturing, and trade.

According to Statistics South Africa the national unemployment rate was 31.4 per cent in the fourth quarter of 2025, equating to a reduction of 0.5 of a percentage point on both an annual and a quarterly basis. The improvement in the unemployment rate can be attributed to a combination of an increase in the number of employed people and a decrease in the number of unemployed people. On an annual basis, as compared to the fourth quarter of 2024, the number of employed people increased by 21 000 while it increased by 44 000 on a quarterly basis, as compared to the third quarter of 2025. Nationally, the number of unemployed people decreased by 155 000 on an annual basis and by 172 000 on a quarterly basis.

Honourable Speaker, at 27.1 per cent in the fourth quarter of 2025, the Northern Cape unemployment rate also decreased on an annual and quarterly basis. The quarterly decrease was more pronounced at 4.1 percentage points compared to the annual decrease of 0.3 of a percentage point. On a quarterly basis, the number of employed people increased by 17 000, while the unemployed decreased by 20 000. During this period, jobs were gained in agriculture, utilities, trade, transport, finance and community and social services and lost in mining, manufacturing, construction and private households. On an annual basis, both the number of employed and unemployed people decreased. Employment decreased by 18 000 while unemployment decreased by 9 000.

Honourable Speaker, the provincial unemployment rate of youth aged 15 to 34 improved meaningfully during the last quarter of 2025. This rate decreased by 3.3 percentage points from 43 per cent in the third quarter of 2025 to 39.7 per cent in the fourth quarter of 2025. The agriculture, trade and community and social services industries each accounted for more than 20 per cent of the jobs for this age group during the final quarter of 2025.

We are encouraged by these numbers, it is through our interventions **Honourable Speaker** that the province has seen its unemployment rate decrease over time, this trajectory has been consistent and we can build on

these gains. Notably, this was the highest decrease in unemployment by any province in the country. The Northern Cape workforce has however had a major setback with the recent mine closure in Kimberley.

JOBS PLAN

Honourable Speaker, the 2026 planned Investment and Jobs Conference is not a calendar event. It is a strategic economic intervention anchored in our developmental agenda as the 7th Administration. The Northern Cape stands at the centre of the global shift toward critical minerals, green energy, and industrial decarbonisation. Eighty percent of the world's manganese resources are located within our province. South Africa remains among the world's leading iron ore producers. We hold copper, rare-earth elements, and lithium that are essential to battery storage and advanced manufacturing. We now have a blue print, we know where want to go, we know how will get there.

Honourable Members, extraction alone will not deliver 60 000 sustainable jobs by 2030. Beneficiation, manufacturing, and logistics integration will. This budget therefore signals a decisive shift towards the attainment of these jobs, and infrastructure is central in this regard.

Provincial government will not only regulate and coordinate, but we will also invest directly to catalyse private capital into Special Economic Zone and Industrial Parks. Strategic public investment in bulk infrastructure, serviced industrial land, grid connectivity, and water security will reduce entry risk and crowd in industrial partners. It will be done in collaboration with our National Government and our strategic partners to realise this potential.

Honourable Members, the Northern Cape already produces nearly three times more renewable energy than it consumes and accounts for most the country's renewable energy projects. With the largest allocation of national grid expansion, we are positioned to power green steel, green manganese, hydrogen, ammonia, and future facing manufacturing. Through the

development of Boegoebaai SEZ and Port, the Namakwa Special Economic Zone within the Northern Cape Industrial Corridor, we are constructing an export gateway that links mineral resources, renewable energy, rail, and port access into one competitive platform.

This is deliberate fiscal positioning with public capital that will unlock private investment. Infrastructure sequencing will align with investor readiness and industrial land will be prepared before demand peaks. The Investment and Jobs Conference 2026 which will be hosted in Kimberley from the 13th -15th April 2026 and will convert this strategy into bankable commitments. It will present investable projects; secure job linked pledges and align development finance institutions with provincial priorities.

Honourable Members, the Northern Cape is not seeking inclusion in South Africa's growth story, we are building the next chapter of it. The New Growth Frontier will be defined by energy abundance, mineral beneficiation, export competitiveness, and inclusive employment. This budget lays the foundation. The conference will accelerate execution and together with the private sector, we will deliver 60 000 sustainable jobs by 2030.

MUNICIPAL SUPPORT

Honourable Speaker, this year marks a defining period for local governance and a critical juncture for our municipalities. Municipal finance is not simply a matter of numbers, it is anchored in our municipalities' ability to deliver services, sustain infrastructure, and uphold the trust of our communities. Our people deserve greater transparency, stronger governance, and more responsible fiscal policies, as the Provincial Treasury, we are geared to have a rapid response in addressing the support measures to our municipalities. We demand cooperation and commitment from our municipalities to ensure success in our interventions, this is pivotal.

President Ramaphosa's recent SONA recognised the deep operational and governance problems in many municipalities, and proposed a significant overhaul of the local government policy framework, and committed resources toward enabling reforms and stronger service delivery. His address linked these actions to broader national priorities around accountability, infrastructure performance, and improving citizens' daily lives.

Honourable Speaker, the road ahead requires all of us gathered here today to reflect on 2026 and why it is called "the year of local government." We need to be prepared and understand where we stand as a province. We need to examine municipalities' current financial status, the economic pressures faced, and the impact of local government elections on their fiscal stability.

Honourable Speaker, as part of our continued support to municipalities in the province, Provincial Treasury plans to implement workable strategies to support municipalities to achieve the following inter alia:

- Build stronger financial management capacity – Provincial Treasury will embark on capacity building initiatives and monitor the implementation of the minimum competency regulations by all municipalities.
- Embrace transparent governance - Enforce internal controls and credible reporting by prioritising the implementation of the municipal audit support strategy.
- Improve financial sustainability – Intensify the work on revenue management, ensuring that all municipalities conclude cost of supply studies, phase-in cost reflective tariffs and explore new revenue streams
- Strengthen financial prudence - clamp down on unwanted expenditures (UIFWE) and closely monitor the implementation of consequence management to deal with issues of financial misconduct.

- Establish technical teams with specific skills on the built environment to assist with infrastructure spending.

Honourable Speaker, part of our municipal support intervention included a targeted grant to assist municipalities in addressing UIFW&E. This support was intended to fast-track the processes of investigating, writing off, and reporting on UIFW&E, while also strengthening annual financial statement preparation and related audit matters.

In addition, the programme sought to recommend practical improvements to mitigate identified weaknesses and enhance overall financial governance.

Honourable Speaker, these interventions have yielded positive results, with many municipalities now able to clear historic balances and initiate the formal write-off processes for UIFW&E. Preliminary audit outcomes indicate an overall improvement across our municipalities.

The number of municipalities with unqualified audit opinions with increased from six to eleven; qualified opinions decreased from twenty to seventeen; and disclaimers improved from three to one. These improvements, particularly the increase in unqualified outcomes, not only expand the pool of clean audit contenders but also demonstrate that our interventions are yielding sustainable results rather than short-term fixes.

Honourable Speaker, the financial pressures in municipalities are real and pressing. Through continuous engagement, collaborative efforts, and the commitment of all role players in the accountability ecosystem, this year can become a turning point for local government. The resilience of our communities depends on financially stable, transparent, and responsive municipalities with close oversight from the province and Legislature.

Honourable Speaker, in his recent speech at the 2026 State of the Province Address, the Premier of the Province indicated that in response to the many challenges faced by local government, the provincial government has introduced a targeted Municipal 10-Point Plan, which aims to:

- Strengthen public participation in municipal decision-making;
- Improve billing and financial systems so municipalities can be more financially viable;
- Accelerate infrastructure maintenance and repairs in key service areas; and
- Support municipalities with disciplined financial management and improved revenue collection.

These efforts are intended to help local councils stabilise service delivery and become more effective in their core functions. **Honourable Speaker**, the Provincial Treasury is fully supportive of this plan and will align these outcomes with the initiatives to be carried out by the programme responsible for municipal financial management.

Honourable Speaker, we are currently in the second cycle of the second write-off phase of the Eskom Municipal Debt Relief Programme, it is important to note that Eskom debt across the Northern Cape continues to rise. We therefore strongly encourage municipalities to prioritise the payment of their current accounts and to implement and enforce robust credit control and debt management policies to ensure long-term financial sustainability and viability, unfortunately, there is no way out on this.

Honourable Speaker, if 2026 is truly the year of local government, then it must also be the year in which we strengthen the financial foundations of our municipalities. Because without sustainable revenue, service delivery falters. With innovation and accountability, we can build a “virtuous cycle of service

delivery” where every rand collected works for our people... translating into better roads, flowing taps, reliable electricity, and economic expansion.

Our support initiatives will echo the “Quality-for-Payment” principle, prioritizing visible “frontline” service failures to strengthen the delivery of basic services such as water, electricity, refuse removal, and sewerage.

Honourable Speaker, support initiatives are rendered meaningless if municipal bank accounts remain empty. To address this, the Northern Cape Provincial Treasury has established a Joint Special Political Intergovernmental Relations Forum, a high-level political platform for strategic alignment, coordination, and decision-making among provincial and municipal leaders led by the responsible for Finance, Economic Development, and Tourism.

This forum will strengthen cooperation and drive inclusive economic growth across the Northern Cape Province. It will focus on tourism and cultural assets, Public-Private Partnerships, local economic development linkages, smart billing and payment systems, property valuation, and land management.

By embracing these revenue-enhancement initiatives, we are not merely balancing municipal books. We are igniting a “virtuous cycle of service delivery”, where strong finances build strong communities, and strong communities build a stronger Northern Cape.

COMPENSATION OF EMPLOYEES

Honourable Speaker, for the 2026/27 fiscal year, Compensation of Employees amounts to R14.5 billion, representing 60 per cent of the total provincial budget. This reflects an increase of 2 per cent compared to the 2025 budget. The growth is primarily attributable to the conclusion of the provincial fiscal stabilization plan in March 2025, which resulted in departments reverting to their original compensation of employees' baselines prior to the provincial fiscal reductions cuts, as well as additional allocations directed to the departments of Health and

Education, including additional funds allocated by national, this is well within our target to cap the wage bill at 60 per cent of total consolidated spending.

Honourable Speaker, in advancing the Early Retirement Initiative announced in the 2025 Budget, we are pleased to report progress during the 2026 Medium-Term Expenditure Framework (MTEF) period. Following a comprehensive evaluation of applications submitted by provincial departments, the National Treasury has approved 226 early retirement applications in the Northern Cape. An amount of R110. million has been allocated to finance these approved applications during the first phase of implementation.

Honourable Members, for this assessment cycle, priority was given to qualifying employees who indicated their intention to exit the public service by 31 March 2026. This targeted approach ensures that the initiative delivers immediate fiscal and organizational benefits, while enabling departments to undertake structured succession planning, facilitate knowledge transfer, and maintain service continuity.

Honourable Members, the second phase of the Early Retirement Initiative will commence from April 2026 to September 2026. This phase will build on the lessons derived from the initial rollout, broadening participation for qualifying employees while ensuring that critical and scarce skills are retained to safeguard service delivery.

Importantly, the savings generated through this initiative will be retained by departments in accordance with the approved framework. We will ensure that these savings will be strategically redirected to address critical vacancies, particularly within frontline service delivery sectors. In doing so, we are not merely reducing headcount, we are deliberately reshaping and strengthening the provincial workforce to align with service delivery priorities, youth employment objectives, and long-term fiscal sustainability.

SUPPLY CHAIN MANAGEMENT & STRATEGIC SOURCING

Honourable Speaker, the Northern Cape Provincial Treasury has issued an Instruction Note that makes it compulsory that for all awarded contracts to be loaded onto the e-Tender Portal. When contracts are openly published, citizens, businesses, and oversight bodies are ensuring that every contract is published on the e-Tender platform, we advance transparency, accountability, and public trust in the management of public resources. Open access to contract information further promotes better market access and fair competition by levelling the playing field for emerging enterprises and broadening participation in the provincial economy.

Honourable Speaker, departments are supported by the Provincial Treasury throughout the procurement and contract lifecycle, and compliance is actively monitored against the contracts as awarded and recorded on the e-Tender Portal. This creates a single source of truth, strengthens oversight, and enables early identification of risks in implementation.

At the same time, it enables data-driven monitoring and risk management, allowing Treasury to track expenditure patterns, project milestones, and delivery outcomes, thereby shifting oversight from a reactive approach to a more proactive and preventative one. **Honourable Members**, this will also improve monitoring of infrastructure projects and allow prompt intervention where necessary. In this way, contract management becomes the guardian of delivery, ensuring that commitments made on paper translate into infrastructure on the ground and services to our communities.

Honourable Speaker, policies and plans alone do not build schools, clinics, roads, or water infrastructure, contracts do. Contract management is the guardian that ensures: scope is adhered to, milestones are met, payments are linked to verified performance, variations are controlled, and projects are completed within approved budgets. We need to allow agility within the contract

management framework within the confines of the law.

Honourable Speaker, procurement remains the primary vehicle through which we advance inclusive economic growth. Over the previous two financial years (i.e. 2024/25 and 2025/26), the province has spent R8.47 billion on procurement, with deliberate focus on historically marginalized groups:

- Black-owned enterprises: R4.64 billion
- Women-owned enterprises: R1.64 billion
- Youth-owned enterprises: R950 million
- Enterprises owned by persons with disabilities: R48.7 million

This is not incidental spending. It reflects intentional economic transformation.

Honourable Members, Accounting Officers are required to utilise their Annual Procurement Plans strategically, on an annual as well as quarterly basis ensuring that procurement planning actively supports socio-economic objectives and broad-based participation in the provincial economy. Procurement is not merely about purchasing goods and services. It is a mechanism to convert micro and small businesses into growing enterprises, enabling local citizens to participate meaningfully in economic development.

ALIGNMENT WITH THE NORTHERN CAPE INFRASTRUCTURE MASTER PLAN

Honourable Speaker, procurement and contract management serve as the implementation arm of the Northern Cape Infrastructure Master Plan 2040. The success of the Infrastructure Master Plan depends on rigorous contract management. Most projects overrun budget and timelines. It is not enough to allocate budgets, projects must be managed to be delivered: ON SPEC. ON TIME. ON BUDGET.

The visibility of contracts on the eTender Portal strengthens this approach by ensuring that every infrastructure project can be tracked from award to completion. By strengthening oversight through the eTender Portal, supporting departments with technical expertise, and enforcing accountability across the procurement value chain, we are ensuring that public funds translate into real infrastructure, real jobs, and real economic growth.

BUDGET AGGREGATES: 2026 MTEF

Honourable Speaker, the original baseline of the provincial equitable share amounts to R57 billion over the 2026 MTEF inclusive of additions as a result of the impact of new data updates. Further additions have been made, amounting to R860 million over the 2026 MTEF in respect of the Education and Health sectors to assist in stabilizing baselines owing to the impact of fiscal consolidation. However, there is a downward revision of R148.2 million over the same period in line with the national inflation target rate by the National Treasury.

Honourable Speaker, various changes have been made to conditional grants in the form of reprioritization to provide for other priorities within the normal grant framework. Additional allocations have been made to the Early Childhood Development Grant for the continued expansion of early childhood development services. Consumer Price Index (CPI) adjustments that were previously applied to National School Nutrition Programme (NSNP) and Learners with Profound Intellectual Disabilities Grants have been reversed, resulting in these grants maintaining their initial baselines.

Funds have been reprioritized from Education Infrastructure Grant, and Provincial Roads Maintenance Grant to make provision for Presidential Employment Stimulus initiative. These are the trade-offs that have become permanent features of reprioritization efforts by national, **Honourable Members**, it is imperative that we spend all our grants so that we do not erode

out baselines across all conditional grants due to poor spending. Conditional Grants allocation amount to R16.3 billion over the 2026 MTEF.

Honourable Speaker, our total infrastructure aggregated MTEF spending amounts to R9.119 billion, with R3.075 billion to be spent in 2026/27 financial year and R2.994 billion in 2027/28 with it increasing to R 3.050 billion in 2028/29.

Honourable Speaker, Provincial Treasury continues to implement revenue enhancement strategy to enhance provincial own revenue collection and consequently provide sustainable financial resources for service delivery. Provincial own revenue amounts to R1.7 billion over the 2026 MTEF, of which:

- R564 million is in 2026/27,
- R589 million is in 2027/28 and
- R607 million is in 2028/29.

Honourable Members, whilst there is a healthy growth of 7.7 per cent over the next three years in respect of our own revenue targets, there is so much potential and untapped revenue sources that Provincial Treasury is continuously looking at optimizing revenue collection including the Weighbridges project that Treasury will assist in expediting.

2026 MTEF ALLOCATIONS:

Honourable Members, in order to respond to various developmental challenges facing the province, we have added to the departmental baselines R1.271 billion over the 2026 MTEF inclusive of national and provincial additions, of which R767 million is added in 2026/27 financial year, R247 million in 2027/28 financial year and R223 million in the 2028/29 financial year. Over the next three years our total provincial payments will amount to R73.2 billion.

Social sector

Honourable Speaker, the composition of our budget continues to favour the social sector in line with broad government priorities, it is therefore not surprising that 79 percent of total spending will go towards sectors protecting the social net and most vulnerable in society. We are deliberate in this split **Honourable Members**. What we need to improve is the efficacy and value for money in spending on our priorities.

A key component of inclusive growth is basic education, which helps citizens escape the cycle of poverty and engage in the economy while lowering income and gender disparities. Basic education constitutes 39 percent of this budget or R9.3 billion which will provide support to Nine Thousand Six hundred and sixty-two (9 662) teachers and Three Hundred and Fourteen Thousand two Hundred and Eighty-Five (314 285) learners.

As part of national allocations, a total amount of R271 million has been added over the next three years to provide for compensation of employee's pressures, furthermore, an additional amount of R7.4 million is made available towards the Presidential Employment Stimulus.

Honourable Speaker, given the pressures in Education, we had to tap into provincial reserves to cater for specific priorities mainly linked to our matric intervention programme, this in order to sustain the gains we have made in improving our matric results.

During the State of the Province Address, the Honourable Premier indicated that our matric pass rate has been improving for two consecutive years and that the gap between us and the leading province is 2.8 percent. As such an amount of R150 million is allocated towards Matric intervention initiatives while an additional R3.2 million will support district offices in their role of providing management and expert assistance to schools.

Honourable Members, turning to health, the department will receive R7.244 billion or 30 per cent of the total budget in the 2026/27 financial year, which is expected to increase to R7.760 billion in 2028/29 fiscal year. Similarly, like education, the department of health receives an additional amount of R582 million over the 2026 MTEF from national to alleviate budget related pressures in both personnel and goods and services. Furthermore, an additional amount of R100 million is sourced from own provincial funding and earmarked towards the carry through priorities allocated in the adjustment, these includes critical posts in RMSH and Kimberley Mental Hospital as part of the Health Ombudsman Recommendations, and I must indicate that we are happy with the progress to date.

Honourable Members, in every society, governments are legally and morally obliged to take care of the welfare of citizens and households. This is achieved this, the Department of Social Development which is allocated R1 billion in 2026/27 fiscal year and this allocation is expected to increase to R1.2 billion in outer year of the MTEF. **Honourable Members**, the achievement of sustainable community development depends heavily on the partnership between government and NGOs, **Honourable Members**, Non-Governmental Organizations play a critical role in society, especially given the current levels of social ills in our communities, and in order to sustain this sector, over the next three years, NGOs will receive R668 million.

Department of Sport, Arts and Culture is vital for establishing a common national identity, social cohesiveness, and nation-building. For the 2026/27 fiscal year, the department has been allocated R494 million which is projected to increase to R503 million in the outer year of the MTEF. Included in the 2026/27 allocation is an amount of R8 million for commemorative events, it's through these events and cultural celebrations, that the department particularly fosters a sense of national pride and solidarity by acting as a bridge across cultural barriers. Regular maintenance of our facilities lowers expenses, improves safety, and prolongs their life span as such an additional amount of

R10 million is also added to the department to refurbish AR Abass stadium.

Economic Sector

Honourable Speaker, there is substantial evidence demonstrating the economic returns associated with strategic investment in infrastructure and public works programmes. Beyond improving the quality of life for our citizens, infrastructure development stimulates local economic activity, creates employment opportunities, and plays a critical role in reducing poverty and inequality.

Over the 2026 Medium-Term Expenditure Framework (MTEF), the Department of Roads and Public Works will receive a total allocation of R6.5 billion, of which R2.3 billion is allocated for the 2026/27 financial year. This investment will support the continued expansion and maintenance of critical infrastructure, while simultaneously enabling job creation and strengthening the economic foundations of our province.

To reduce the lease portfolio while improving government ability to provide accommodation for departments by making use of government properties an amount of R66 million for the first two years of the MTEF has been allocated to the Department of Roads and Public Works towards procurement of buildings.

Honourable Speaker, over the 2026 Medium Term Expenditure Framework, the department of Economic Development and Tourism will receive an amount of

R1.2 billion of which R447 million is allocated in 2026/27 fiscal year. Included in this allocation are the following priorities:

- R3 million is for Industrial Parks which aim to fast-track economic development in lagging districts by attracting business investments to locate in those identified parks.

- R24 million is allocated for the Diamonds and Dorings events portfolio, aimed at igniting and promoting the province's tourism potential. The Executive Council (EXCO) has resolved on a bouquet of events under the Diamonds and Dorings programme. The implementation of these initiatives will be undertaken by the Northern Cape Economic Development Agency (NCEDA) to position the province as a vibrant destination for tourism, events, and broader economic activity.
- R10 million is allocated towards the Northern Cape Jobs Plan. This plan is aligned with the national commitment to create 2.5 million jobs over the next five years. To ensure sustainable employment, the plan prioritises economic diversification, leveraging key sectors such as agriculture, mining, banking and financial services, renewable energy, as well as strategic infrastructure development. A dedicated team will be established to coordinate implementation and monitor the progress of the Jobs Plan, ensuring that targets are tracked and interventions are implemented effectively.
- As indicated by the Honourable Premier during the State of the Province Address (SOPA), work on the Namakwa Special Economic Zone (SEZ) is at an advanced stage, following its designation in the 2024/25 financial year. Construction of the required bulk infrastructure is envisaged to commence in the near term. Accordingly, an amount of R50 million has been allocated to the Department to support this critical development initiative.

Beyond providing shelter, housing restores dignity, enhances economic productivity, and contributes to improved living conditions for households. Over the 2026 Medium-Term Expenditure Framework (MTEF), the Department of Cooperative Governance, Human Settlements and Traditional Affairs will receive a total allocation of R2.3 billion, of which R657 million is allocated for the 2026/27 financial year.

For the 2026/27 financial year, Agriculture, Environmental Affairs, Land Reform and Rural Development will receive R783 million and is projected to increase to R845.8 million in the outer year of the MTEF. This allocation provides for an amount of R714.8 million allocated over the medium-term in respect of Comprehensive Agricultural Support Programme Grant to assist vulnerable farming communities to achieve an increase in agricultural production while investing in infrastructure that unlocks agricultural production within strategically identified production areas.

Administration Sector

Provincial Treasury is allocated an amount of R466 million in 2026/27 and R1.2 billion over the 2026 MTEF to continue providing support to provincial departments and municipalities in order to ensure sound fiscal and financial management. Key interventions included in the 2026/27 financial year allocation includes the following earmarked funding:

- R15 million is earmarked towards capacity building programmes through institutional development and training.
- R10 million is made available for municipal support,
- R12.500 million is in respect of Development Bank of Southern Africa (DBSA) project management.
- R35 million is for interest in respect of Development Bank of Southern Africa (DBSA).

Office of the Premier is allocated an amount of R324.794 million in 2026/27 and R1.008 billion over the 2026 MTEF to continue its crucial role of providing coherent strategic leadership, provincial policy coordination and overseeing service delivery.

Provincial Legislature continues to be the foundation of our democratic society

with its responsibility of exercising an oversight role and holding the executive accountable, to ensure effective oversight, an amount of R245 million in 2026/27 and R765 million over the 2026 MTEF has been allocated to assist towards achieving its constitutional role.

Honourable Speaker, in line with the mandate of the Department of Transport which is to coordinate safe, secure and sustainable transport and policing system for a crime free Northern Cape, an amount of R497 million is made available in the 2026/27 financial year which grows to R1.5 billion over the 2026 MTEF. Investing in public transportation has several benefits beyond simply making it possible for people to travel at reasonable prices. It generates network capacity for urban expansion and unlocks economic benefits. Over the 2026 MTEF, Public Transport Operations Grant is allocated R233. Million.

SECOND ADJUSTMENT APPROPRIATION BILL, 2025/26

Honourable Speaker and **Honourable Members**, the MEC responsible for Finance in a province is empowered in terms of Section 31(1) of the Public Finance Management Act (PFMA) to table an adjustments budget in the Provincial Legislature.

Section 31(2) provides for the necessary provisions regulating such an adjustment, and for the purpose of this adjustment, Provincial Treasury hereby invokes sub section (f) which allows for the utilization of savings under a main division within a vote for the defrayment of excess expenditure under another main division within the same vote in terms of section 43 and sub-section 2(b) which provides for the additional allocation as a result of unforeseeable and avoidable expenditure recommended by the Executive Council.

Honourable Members, this underspending came as a result of slow recruitment processes in compliance with the regulations of the Department of Public Service and Administration (DPSA).

Honourable Speaker, we are all aware of the unfortunate incident and circumstances which happened at Ekapa Mine recently, we are also fully aware that mining is a national competency, however, as a caring government, we listened and are sympathetic to both the mine workers and their families.

Honourable Members, we have made an amount of R3.5 million available as an immediate relief.

Honourable Speaker, Section 31 of the Public Finance Management Act provides for the tabling of a provincial adjustment budget to make adjustments to the appropriations in the Provincial Appropriation Act. In line with this provision, the following changes are made to the adjustment budget.

Honourable Speaker and **Honourable Members**, the details per department are included in the schedule of the Bill.

CONCLUSION

Honourable Speaker, the Provincial Treasury will continue to ensure that the implementation of this budget advances the commitments articulated in the State of the Nation Address, the National Budget Speech by the Minister of Finance, the State of the Province Address, and the respective Vote Speeches of MECs. Our responsibility is to ensure that the resources entrusted to the province translate into meaningful progress on these policy priorities.

Honourable Speaker, the budget process led by the Treasury remains an important mechanism for aligning provincial priorities with the realities experienced by departments on the ground. While it has not been possible to accommodate every request put forward by sector departments due to fiscal constraints, we are confident that the budget tabled today provides a balanced and responsible response to the needs of the province. It reflects the collective choices of the Executive Council and our shared commitment to advancing the development of the Northern Cape while maintaining sound financial stewardship.

As I conclude, allow me to convey, on behalf of the Provincial Treasury team, our sincere appreciation to the Executive Council led by Honourable Premier Dr Zamani Saul for the understanding and support in managing this portfolio, a responsibility I do not take for granted. To the Portfolio Committee on Finance, we remain grateful for the partnership and oversight you provide to the Treasury team. It is through your rigorous questions and thorough scrutiny that we are continuously challenged to improve and strengthen our work.

To the Provincial Treasury team, led by the Head of Department, Dr Moses Gasela, I extend my sincere appreciation for your dedication, professionalism and tireless work in advancing the mandate of this department. I also thank the Ministry team for your continued support and commitment to the work we do in service of the people of the Northern Cape.

I want to take a moment to sincerely thank my family, whose consistent support allows me to fulfill the responsibilities given to me.

Honourable Speaker and Honourable Members, I now table the following documents associated to the Bill for consideration by this House:

- *The Northern Cape Main Appropriation Bill, 2026;*
- *The Northern Cape Second Adjustment Appropriation Bill, 2025;*
- *The Northern Cape Estimates of Provincial Revenue and Expenditure (EPRE) 2026 MTEF;*
- *The Northern Cape Capital Estimates of Provincial Expenditure for 2026;*
and
- *The Northern Cape Socio-Economic Review 2026*



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