

Speech by Dr Phophi Ramathuba, Premier of Limpopo, at the Executive Council Budget Lekgotla, 13 November 2024

Programme Director,

Chairperson and Deputy Chairperson of the Provincial House of Traditional and Khoisan Leaders

Members of the Executive Council

Executive Mayors of the District Municipalities including Polokwane Municipality

Chairpersons of Boards of Provincial Entities

Director-General

HODs, District Municipal Managers, CEOs of Provincial Entities, CFOs

Other support staff

Good morning,

It is with great pleasure that I welcome you all to the Extended Executive Council Budget Lekgotla. As we gather here today during this blessed week, let us take a moment to appreciate the measurable rainfall we have received.

For many of us, this rainfall signifies hope and renewal, and optimistically, we see it as heralding a speedy resolution to the challenges posed by drought. And hopefully this also marks the unravelling of the Rain Queenship.

So far, I am pleased to report that our transition has gone well, demonstrating greater signs of stability, foresight and a determined commitment to changing the lives of the people we serve in Limpopo.

The Government of National Unity has articulated key priorities that will guide our path forward: driving inclusive growth and job creation, reducing poverty and addressing the high cost of living, and building a capable, ethical and developmental state.

On the 1st of November 2024, we had the privilege of welcoming the President of South Africa, Mr Matamela Cyril Ramaphosa, along with members of his Cabinet, for a crucial meeting with the Limpopo Provincial Executive Committee, which I have had the honour to lead.

This gathering was not just a routine engagement; it was a significant opportunity for us to discuss the future of our province and address the challenges we face.

During this meeting, several important decisions were made and of great significance to our development agenda. One key commitment made by the President was regarding the Special Economic Zones (SEZs). The government has pledged to release land associated with the Musina-Makhado SEZ and the Polokwane Airport for logistics purposes. This initiative is crucial for enhancing our logistical infrastructure, ultimately facilitating trade and investment, and positioning Limpopo as a strategic hub in the national economy.

Moreover, the President reaffirmed the commitment to designate the Fetakgomo-Tubatse SEZ before the conclusion of the 2024/2025 financial year.

This designation represents not just a bureaucratic step; it signifies a tangible opportunity for economic growth, job creation, and the empowerment of our communities. Establishing this SEZ lays the groundwork for attracting investment that will drive sustainable development in the region.

In addition to these commitments, we discussed the ambitious plan for a high-speed rail link between Limpopo and Gauteng. This project is a game-changer for our province, as it will significantly improve connectivity and accessibility, making it easier for people and goods to move between these two vital economic regions.

The Department of Transport has been tasked with facilitating a feasibility study to explore the viability of this project, and I am optimistic that this dream will soon become a reality.

Furthermore, the President and his ministers acknowledged the pressing issue of water scarcity, which has negatively impacted our province over the past decade. They emphasised the need for innovative solutions to address this challenge.

We must work collaboratively to find new ways to manage our water resources effectively, ensuring that our communities have access to this essential resource for both domestic and agricultural use.

The discussions held during this meeting mark a significant step forward for Limpopo. The commitments made by the President and his Cabinet reflect a shared vision for our province's future - one that prioritises economic growth, infrastructure development, and the well-being of our people.

Together, we will work tirelessly to turn these commitments into reality, ensuring a brighter future for all residents of Limpopo.

As we engage with our traditional leaders, our magoshi, we reaffirm our commitment to effective governance, initiating a review of the Limpopo Development Plan (LDP) for the period 2025-2030. This review includes the priorities of the Government of National Unity as well as our provincial priorities.

I am pleased to announce that the first draft of the LDP will be ready by the first week of December and I encourage all role players to prepare themselves to partake in the consultation process. We believe that the final LDP document will be ready by February 2025.

At the beginning of our term, we undertook to develop a comprehensive water plan to ensure that everyone in Limpopo has access to water. I assure you that this work has begun.

The draft implementing plan has been presented to the Executive Council and approved for further handling. Given the urgency of this matter, I have directed the MEC for Cooperative Governance, Human Settlements and Traditional Affairs to ensure that the updated plan is submitted in the next Executive Council meeting.

This is a collective responsibility, as the water function resides within both local and national government. Our role as a province is to coordinate efforts, and we are committed to doing just that.

Therefore, I call upon the support of our Mayors and Municipal Managers. In line with this, we shall convene a water summit within this financial year to facilitate a focused discussion on water management in our province.

To underpin our growth agenda, we must prioritise stronger infrastructure investment. This is why a significant focus of our budget adjustment is directed toward the development and maintenance of roads. You will see in this budget adjustment a substantial lean towards supporting this critical area.

We have initiated the #DikgerekgereWednesdays programme, which has received positive feedback and demonstrated our ability to mobilise internal resources.

However, we must expand our efforts to increase the number of kilometres of tarred roads. Improved road infrastructure is essential for enhancing access to markets and improving the overall economic landscape of Limpopo.

Furthermore, our budget adjustment will also examine ways to support the 3D entities - particularly the Limpopo Economic

Development Agency (LEDA) and the Gateway Airport Authority Limited (GAAL) - which have faced financial and administrative challenges.

The administration and the legislature have consistently focused on these issues. To this end, the Legislature has directed that we present a sustainability plan for these entities to ensure their autonomy and effectiveness.

A plan has already been submitted to the Standing Committee on Public Accounts (SCOPA), which has requested regular updates on our progress. A technical team has been established, led by the Director-General and the Head of Department for Provincial Treasury, to drive this initiative forward.

We recognise that to effectively coordinate industrial development, we must provide both technical and financial support to LEDA and GAAL.

However, it is essential for us to consult with the legislature, as they initially provided guidance on this matter and we will follow the necessary processes through this budget adjustment.

This session should clearly outline strategic issues and milestones to be achieved, allowing us to release the reviewed draft LDP in the first week of December 2024 for public consultation. I urge all of you to engage in this review process and provide your valuable input.

As we move forward, we must remain vigilant in implementing structural reforms and building the capacity of our state to support growth-enhancing public infrastructure investment. We must also address the challenges we encounter in driving our industrialisation agenda, which has yet to see the transformative impact we desire for our province's economy.

Additionally, we need to proactively tackle the issues in agriculture that we identified during our meeting with the President.

We must ask ourselves how we can enhance agro-processing and finalise projects that have been stagnant, particularly those under the Communal Property Associations (CPAs). Our approach must include strategies to turn around manufacturing, which serves as the backbone of industrialisation.

This is a moment for us to be assertive in integrated planning and monitoring. Creating jobs in the mining sector will require us to increase manufacturing and primary commodity beneficiation.

Furthermore, we must evaluate the functionality of our industrial parks to ensure they are operational and effectively contributing to our economic goals.

In our efforts to combat poverty and the rising cost of living, we must implement the social wage, with a particular focus on health, education, and social development, especially for our youth, women and people with disabilities.

Building a capable, ethical, and developmental state requires us to expedite the recruitment process for vacant Heads of Department positions and finalise the provincial professionalisation action plan.

As we approach the next local government elections, it is critical to revive the Community Development Workers (CDW) Programme. This initiative will strengthen our grassroots engagement and ensure that we remain connected to the communities we serve.

The MEC of Finance should ensure that the adjustment budget provides for, among others, that CoGHSTA is allocated a budget to among others enable it to stabilise the Thabazimbi

Municipality following the Section 139 (1)(c) intervention we have embarked upon arising from the collapse of governance there. This is informed by the fact that it is the first time that such an intervention has had to be done with no precedence to learn from.

In fact, I am directing Provincial Treasury to earnestly give attention to municipal finance management by monitoring and supporting municipalities on their internal capacity development initiatives. This will go a long way in preventing the recurrence of what happened in Thabazimbi.

To cement all these development plans, we have just come out of a successful Limpopo Investment Conference that managed to raise over R120 billion in pledges aimed at growing the economy of our province.

As we review the 2024/25 mid-year provincial performance, we note the conditional grants rollover of R132.249 million from 2023/24 to 2024/25, an increase in provincial own revenue by R410.298 million, and an equitable share rollover of R175.787 million.

The proposed increase in provincial adjustment allocations, from R83.111 billion to R83.481 billion, reflects our commitment to responsible fiscal management in the face of numerous challenges.

We have met with churches, traditional leadership, and other stakeholders who have made a commitment to work with us. Yesterday we also had time to meet some traditional healers who we think are an important stakeholder that have a greater role to play in our society. This way makes us a province that is all rounded, taking into consideration needs of all stakeholders.

In conclusion, let us approach this budget Lekgotla with a spirit of collaboration, determination and optimism.