

Mpumalanga, A Province that Works for All



MPUMALANGA PROVINCIAL ADJUSTMENTS BUDGET SPEECH 2026

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MEC for Finance
19 November 2026

provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

ONE CONSTITUTION, ONE NATION
REFLECT. RENEW. RECOMMIT.

MPUMALANGA
THE PLACE OF THE RISING SUN

SPEECH BY THE MEC FOR FINANCE, MR BA MAJUBA, MPL, ON THE OCCASION OF TABLING THE PROVINCIAL ADJUSTMENTS BUDGET FOR THE 2026/27 FINANCIAL YEAR TO THE MPUMALANGA PROVINCIAL LEGISLATURE

19 November 2026

- Honourable Speaker, Makhosazane Masilela
- Honourable Deputy Speaker, Sam Masango
- Honourable Premier, Mandla Ndlovu
- Chief Whip of the Majority Party, Honourable Eva Makhabane and leader of the official opposition
- Chairperson of the Portfolio Committee on Finance, Honourable Cathy Dlamini
- Colleagues in the Executive Council and Honourable Members of the Provincial Legislature
- Chairperson of the House of the Traditional and Khoi San Leadership, Kgoshi Lameck Mokoena
- Director-General, Ms Maggie Skosana
- Acting Head Official, Ms Gugu Mashiteng and all Heads of Department
- Leadership of the Governing Party, African National Congress and Alliance Partners, SACP, COSATU and SANCO.
- The leadership of Business, Organised Labour, Youth and Women formations and Civil Society
- My Special Guests, Mr. Eric Kholwane, Mr. Gcobani Majuba, Mr. John Manaswe, Ms. Cathy Shibiluana.
- Citizens of Mpumalanga
- Sanibonani, Dumelang, Avuxeni, Lotjhani

It is my honour to stand before this August House to table the Adjustments Appropriation for the Provincial Administration. We do so with profound humility, anchored by the wisdom of one of the great advocates for socialist principles, Tony Benn, who reminded us:

> *"The duty of a representative is to use the power entrusted to them to empower those they represent"*.

From the National Development Plan to Provincial Medium-Term Development Targets, the government set out critical tasks to address pressing needs of society.

Despite global volatility and a constrained fiscal environment, this administration continues to push back the frontiers of helplessness and replace them with a narrative of collective resilience and service delivery that leaves no one behind.

ECONOMIC LANDSCAPE AND OUTLOOK

Global and South African growth outlook

Let me start by providing the economic and fiscal context for this Adjustments Budget.

The global economy remains resilient, but the outlook is still fragile and uneven. Global growth is expected to remain at around 3 per cent in 2026, despite geopolitical tensions, higher energy costs and continued uncertainty around trade and financial markets.

South Africa continues to grow well below the global economy.

Mpumalanga's growth outlook and performance of key sectors

Mpumalanga remains the fifth-largest provincial economy in the country, accounting for about 7.6 per cent of national GDP in 2025.

The provincial economy has, however, grown by only 0.5 per cent in 2025. Agriculture, trade and finance supported this growth, while mining, manufacturing and construction are of particular concern, having contracted in both 2024 and 2025.

The Mpumalanga economy is forecast to grow by an average of 1.8 per cent a year between 2026 and 2030. This is an improvement in our recent performance but remains below the national forecast of 2.1 per cent per year over the same period.

Provincial labour-market trends

The provincial labour market continues to fluctuate.

After an encouraging increase of about 47 000 jobs in the second quarter, the labour market weakened in the third quarter of 2026.

Employment declined to 1.24 million, with around 30 000 jobs lost during the quarter. Community services is now the largest employer in the Province, followed by trade and finance.

Key economic opportunities for development

Despite these socioeconomic challenges, there are encouraging developments in the provincial economy, which include



- One, the commencement of commercial operations at the Ummbila Emoyeni Wind Farm near Bethal, Govan Mbeki Municipality by Seriti Holdings. The first 155-megawatt phase came into operation in July 2026 and forms part of a much larger renewable-energy investment programme in the province. The energy transition can bring new investment and economic activity into Mpumalanga.

- Two, various infrastructure projects that are implemented by both the private and public sector, such as Mapulaneng Hospital and the rehabilitation of N2 and N4 by SANRAL, amongst others.

- The operationalisation of the Mpumalanga International Food Market is also beginning to change the story of our agricultural economy. The focus is no longer on what we have to build, but on what this investment can now do for our farmers, emerging enterprises and our people.

We call upon the Economic Cluster departments and entities to work together to explore high-value markets, beginning with opportunities within the existing bilateral agreements that the Province has entered into with our global sister regions, the BRICS+ bloc, and the Eswatini-Mozambique-South Africa economic zone.

MUNICIPAL FINANCE AND SUPPORT

Honourable Speaker

The advent of the Seventh Municipal Council comes at a critical juncture, particularly from a financial governance, accelerated service delivery, and general municipal administration perspective.

The new Councils must refocus their energies towards Section 152 Constitutional imperatives, which include:

- to provide democratic and accountable government for local communities.
- to ensure the provision of services to communities in a sustainable manner.
- to promote social and economic development.
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organisations in the matters of local government.

Municipalities are five months into the 2026/27 financial year, and several legislated programmes and processes are underway, all of which require immediate focused attention from the incoming councils and councillors, amongst them:

- 2025/26 MFMA audit of financial statements and non-financial information. We are committed to improving these audit outcomes. In this regard, this should be the immediate task as the Councils are being established. In those audit reports, you will find historic areas which will need immediate attention, e.g., historic Unauthorised, Irregular, Fruitless and Wasteful expenditure (UIF&W) balances. There is no silver bullet for clearing the UIF and W expenditure; you must work on it as per the relevant guidelines issued by Treasury.

- Expenditure management and control to ensure that municipalities use resources where our communities need them most, such as water, sanitation and other essential municipal services.

The Provincial Treasury, working together with COGHSTA and SALGA, must urgently work on a focused municipal support plan, premised on the national back-to-basics programme and key imperatives for a developmental local government, which include:

- Accelerating access to reliable basic services, particularly water, sanitation and waste removal.
- Strengthening partnerships with traditional authorities and community-based organisations
- Support towards funded budgets,
- Improvement in revenue management,
- Improvement in implementation of Standard Chart of Accounts,
- Support towards compliance in Supply Chain Management,
- Improvement in asset management,
- Support capacity development of oversight assurance providers, both at the political and administrative levels, and
- Improvement in audit outcomes.

The Minister of Finance, Honourable Enoch Godongwana, in his 2026 Medium-Term Budget Policy Statement, announced an improvement in local government's share of the equitable division of nationally raised revenue over the medium term.

We welcome this development, as it starts the arduous journey of strengthening the fiscal position of municipalities and provides greater support for the delivery of basic services to our communities.

PROVINCIAL FISCAL FRAMEWORK (ADJUSTMENTS)

Honourable Speaker

I will now highlight a few aspects of the composition of this Provincial Adjustments Budget.

- The Province receives R100.7 million as a Provincial Equitable Share to fund the rollout of the Early Retirement Programme across the provincial administration, except the Department of Education, which is still under consideration.
- The Conditional Grants receipts amount to R305.6 million for rollovers and a further R284 million for previously experienced disasters.
- From the provincial raised sources and investment, we avail R1.5 billion for this Adjustments budget.

Overall, the provincial budget is increased from R70 billion 390 million 447 thousand to R72 billion 978 million 247 thousand for the year ending 31 March 2027.

PRIORITIES AND CHANGES TO BASELINE ALLOCATIONS

Honourable Speaker

When Premier Mandla Ndlovu stood at this very podium to deliver the State of the Province Address earlier this year, he made the following commitment to the People of Mpumalanga:

> *"We will continue to build more clinics, additional classrooms, and new schools, particularly in areas experiencing rapid population growth, to ensure that our people have access to quality healthcare and education services close to where they live".*

This Budget responds to this strategic intent by providing resources to reinforce the delivery of education and health services, address inflationary impact on programmes, support infrastructure delivery projects and expand opportunities across our Province.

I will now highlight some of the spending priorities in line with this commitment.

The budget of the **Office of the Premier** increases from R505 million 959 thousand to R532 million 798 thousand, mainly to attend to long-standing human resource policy requirements, give effect to the transfer of the Transversal Human Resource Development function from the Department of Education to OTP and to establish a monitoring system for the monitoring of government's programme of action.

The **Provincial Legislature** retains unspent funds from the previous financial year totalling R26.1 million, in accordance with Section 22(1) of the PFMA.

R13.2 million is also added to programmes to support the mandate of the Legislature.

The Legislature's budget will therefore increase from R584 million, 460 thousand to R623 million, 805 thousand.

The allocation to **Provincial Treasury** increases from R729 million, 181 thousand to R733 million, 158 thousand; the increase is only for implementation of the Early Retirement Programme.

We encourage the Provincial Treasury to continue its investment drive to ensure sustained growth of provincial revenue in order to sustain the provision of critical public services, infrastructure and programmes that improve the quality of life of the people of Mpumalanga.

Co-operative Governance, Human Settlements, and Traditional Affairs budget increased from R2 billion, 370 million, 438 thousand to R2 billion, 514 million, 294 thousand. This allocation includes, amongst others:

- To continue with removal and replacement of asbestos-roofed houses in identified localities.
- To augment the required funds for tools of trade for traditional Councils.
- To reconfigure the Provincial Disaster Management Centre to ensure that they are better equipped with the necessary supplies and systems. Honourable Speaker, this is a programme we will be focusing on over the next MTEF.
- Councillor capacity development will be one of our focus areas; to kickstart the programme, given the establishment of new Councils, R7 million is allocated.

The budget for the **Department of Agriculture, Rural Development, Land, and Environmental Affairs** increases from R1 billion, 827 million, 23 thousand to R2 billion, 402 million, 915 thousand. Included in the budget is:

- The department receives R28 million and reprioritises a further R24 million within the baseline for completion of work to restore Senteeko Dam following the disaster. We call on the department to also reach out to other partners to deal holistically with the project.
- R64 million to continue with the farmer production support programme, amongst others.
- R186.5 million for compliance-related retrofits and customisation of facilities in the Mpumalanga International Food Market.

Honourable Speaker

The government must help create the conditions for businesses to invest, expand and create jobs.

We must catalyse the opportunities in growth-oriented sectors to place them at the centre of economic development and transformation.

The Budget of the **Department of Economic Development and Tourism** is therefore adjusted from R1 billion, 406 million, 635 thousand to R1 billion, 476 million, 30 thousand. Included in this allocation is:

- R16.7 million for bulk infrastructure linked to the Nkomazi Special Economic Zone.
- R20 million for promotion and marketing of the Province as a destination of choice across all sectors.
- MER is allocated R7 million for infrastructure maintenance and to elevate their programme towards the fight against the scourge of Gender Based Violence and Femicide.
- R7 million is allocated to MTPA for protected areas interventions, including game census.

Honourable Speaker

Department of Education's budget increases from R30 billion, 619 million, 440 thousand to R31 billion, 357 million, 750 thousand. The additions include, amongst others:

- R300 million is allocated for the new catalogue, commencing with Foundation Phase and subsequently covering Intermediate, Senior and FET phases.
- R132.6 million is provided for the e-learning programme as a rollover from the previous financial year.

- R109.1 million is for planning and design towards newly identified school projects, intervention to alleviate overcrowding in targeted schools, and support for the school sport programme.

The Budget of the **Department of Public Works, Roads and Transport** increases from R6 billion 056 million 755 thousand to R6 billion 685 million 352 thousand. The Adjustments Appropriations Bill provides, amongst others:

- R253 million for roads that were previously affected by natural disasters and for maintenance of other public roads.
- R101.2 million, which is inclusive of rollovers, is added to address learner transport pressures.
- R108.3 million is provided for completion of Mpumalanga Parliamentary Village.

Community Safety, Security and Liaison's budget increases from R2 billion, 350 million, 442 thousand to R2 billion, 463 million, 760 thousand, with:

- R76.7 million allocated to enhance security and traffic management capacity and services.
- R25 million for infrastructure maintenance at the Driving Licence Testing Centres.

The **Department of Health's** budget is increasing from R21 billion, 193 million, 365 thousand to R21 billion, 370 million, 434 thousand. Included in this allocation is

- R25 million for the rehabilitation of health infrastructure affected by natural disasters.
- R34.5 million is allocated for the absorption of qualifying doctors to improve the health care service.
- R60.9 million for the operationalisation of Mmametlhake and Middelburg hospitals and to supplement healthcare supplies in all other facilities.
- R42.1 million is allocated for procurement of 15 ambulances and autoclaves for hospitals.

Culture, Sport and Recreation gets funding to address budget pressures in goods and services as well as rollover of unspent Conditional Grants. However, the Department's overall budget decreases slightly, from R721 million 373 thousand to R720 million 925 thousand, mainly due to slower-than-anticipated spending on infrastructure projects.



Social Development's budget is increased from R2 billion, 25 million, 372 thousand to R2 billion, 97 million, 26 thousand to:

- support the work of social workers in reaching out to the needs of communities.
- enable the operationalisation of Msogwaba Youth Development Centre.
- address final accounts on infrastructure projects under implementation.

GOVERNANCE

The Provincial Treasury continues to strengthen its support for governance structures through targeted interventions and capacity-building initiatives to contribute towards improved audit outcomes across the Province.

Provincial audit outcomes

Honourable Speaker, last year, at almost the same time, we stood before this August House and committed to a continuous programme aimed at turning around audit outcomes across departments and public entities.

We are proud to announce that the Province improved its PFMA audit outcomes from five clean audits in 2024/25 to eight in the recent audit cycle.

Beyond the PFMA institutions, the Provincial Treasury and allied structures will also channel the effort of support to the new councils to improve municipal outcomes and deliver the clean and accountable governance that our people deserve.

CONCLUSION

Our task is not simply to respond to the economy of today, but to act on the present challenges while preparing Mpumalanga for the economy of tomorrow. This requires us to be deliberate about the choices we make with the provincial fiscus. We must therefore make every available rand work harder for the people.

I would like to convey my appreciation to

- the **Honourable Premier Mandla Ndlovu** for support throughout the process of preparing this Adjustments Budget,



- the **Speaker and my colleagues in the Executive Council** for their understanding when we engaged on this adjustment during the MTEC engagements,
- the **Honourable Chairperson and Members of the Portfolio Committee on Finance** for the oversight of our budget processes on behalf of the people of Mpumalanga,
- the leadership of the ANC-led Alliance for policy guidance on finances and supporting the work we are doing on behalf of the citizens of this great Province

Honourable Speaker

Institutions are not built by policies, budgets and systems alone. They are built by people, by men and women who choose to dedicate their knowledge, experience and energy to the service of others.

Amongst them, the Acting Head Official, Ms Gugu Mashiteng, and the long-serving Accountant General of the Province, Ms Janet Bezuidenhout.

Like many of their colleagues before them, their departure from the Provincial Treasury does not erase their contribution.

Working together with many officials, some of whom have recently joined other departments, they have made huge contributions, from improved budget preparation to the record clean audit for the PFMA institutions in the most recent audit cycle.

And to the officials who remain, the responsibility now passes to you to take this work forward. We believe in your capabilities. We believe in your capacity.

Thank you for carrying out the administrative tasks related to this adjustment budget process with professionalism and commitment.

Honourable Speaker
I now table for consideration:

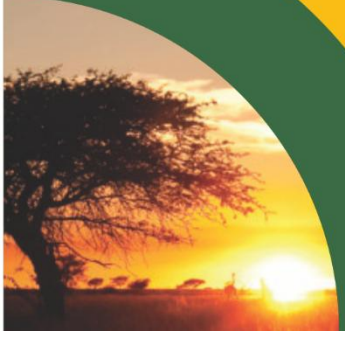
- Mpumalanga Adjustments Appropriation Bill, 2026
- Adjusted Estimates of Provincial Revenue and Expenditure for 2026/27
- Introductory speech on the Mpumalanga Adjustments Budget for 2026/27

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