

2025

PROVINCIAL BUDGET *Speech*

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MEC for Finance
03 June 2025

Mpumalanga, A Province that Works for All



provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



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AFRICA
2025



SPEECH BY THE MEC FOR FINANCE, MR BA MAJUBA (MPL), ON THE OCCASION OF TABLING OF THE PROVINCIAL BUDGET FOR THE 2025/26 FINANCIAL YEAR TO THE MPUMALANGA PROVINCIAL LEGISLATURE

03 June 2025

- Honourable Speaker Lindi Masina
- Honourable Premier Mandla Ndlovu
- Honourable Deputy Speaker Sam Masango
- Chief Whip of the Majority Party and leader of the official opposition
- Honourable Chairperson of the Portfolio Committee on Finance, Sonto Malepeng
- Colleagues in the Executive Council and Honourable Members of the Provincial Legislature
- Members of the Mayoral Committee on Finance
- Director-General, Head Official of Provincial Treasury and all Heads of Department
- Chairperson of the House of the Traditional and Khoi San Leadership, Kgoshi Lameck Mokoena
- Leadership of the Governing Party and Alliance Partners, SACP, COSATU and SANCO
- The leadership of Organised Business, Organised Labour, Youth and Women formations and Civil Society
- Citizens of Mpumalanga

INTRODUCTION

Just over two months ago, we addressed this esteemed house on the Mpumalanga Appropriations Bill for 2025. We tabled a budget inspired by our commitment to the total attainment of the compendium of rights accorded to all citizens. We remain resolute, focused on achieving this vital Constitutional imperative, which underscores our shared commitment to equity, justice, and the general well-being of all our people.

Honourable Members

The Minister of Finance withdrew the National Fiscal Framework and the Division of Revenue Bill, which sets out the allocations to the provinces, on the 24th of April 2025. The need for re-tableting of the provincial budget is therefore not merely an administrative exercise. It reflects our respect for the law which informs the government budget instruments. It also reflects a series of intricate and necessary parliamentary procedures that had to unfold following this development around the budget process at the national level.

The initially tabled national budget by the Ministry of Finance underwent rigorous debate and scrutiny, reflecting the diverse interests of the people of South Africa, including those in Mpumalanga.

We should be thankful that, as a nation, we have had this kind of engagement on tax instruments and the principles of funding public sector programmes to drive meaningful change in our country and the province.

Accordingly, I would like to withdraw the following budget documents that were tabled on 18 March 2025:

- Mpumalanga Appropriation Bill [B2] of 2025
- Estimate of the Provincial Revenue and Expenditure and its accompanying introductory Budget Speech for 2024/25.

PROVINCIAL ECONOMIC LANDSCAPE AND OUTLOOK

Honourable Speaker, there is a saying that ***the only thing that is constant in life is change***.

The economic outlook has changed significantly since the last provincial budget was tabled in March 2025. Admittedly, we were never under any illusion about the challenges at the time. We recognised that the relatively low global growth and rising geopolitical risks have the potential to impact our economy negatively.

The effects are becoming clear. The International Monetary Fund has lowered its global growth prospects by 0.5 percentage points amid heightened trade tensions and policy uncertainty. Against this backdrop, the National Treasury revised South Africa's growth down to 1.4 per cent. The provincial economic growth is expected to be in line with this GDP growth estimate this year.

In the face of this challenge, Nelson Mandela reminds us, "***The greatest glory in living, lies not in never falling, but in rising every time we fall***".

We must work together to promote inclusive economic growth. We must ensure that catalytic projects and programmes, as outlined in our Medium-Term Development Plan, result in meaningful job creation for young people, women, and people with disabilities in our Province.

PROVINCIAL FISCAL OUTLOOK

Honourable Speaker

The 2025 fiscal strategy prioritises fiscal sustainability, aims to mitigate risks to the fiscal framework, and supports economic growth and social programmes.

The Provincial equitable share has been increased by R1.6 billion over the Medium-Term Expenditure Framework (MTEF) period, in line with the most recent population data for Mpumalanga Province. This increase is intended to ensure that the province meets its growing demographic needs and to enhance the delivery of essential services, including health, education, and infrastructure development.

The total provincial budget for the financial year 2025/26 is R66 billion, 185 million, and 97 thousand. This figure represents a reduction of R29 million compared to the amount that was initially proposed and tabled on 18 March 2025.

The Provincial Government will continue to engage the National Treasury and National Disaster Management Centre regarding the withdrawn funds for this year.

DIVISION OF PROVINCIAL BUDGET

Honourable Speaker

This Provincial Budget reaffirms the centrality of the three-policy emphasis of the seventh administration, which are:

- Driving inclusive growth and job creation,
- Reducing poverty and tackling the high cost of living, and
- Building a capable, ethical and developmental state.

Accordingly, there are no substantive changes to the spending priorities already announced in March 2025, except for Vote 5, which I will reflect on later.

VOTE 1: Office of the Premier is allocated R493 million 827 thousand to ensure executive leadership and accountability for service delivery throughout the provincial administration.

VOTE 2: Provincial Legislature received R549 million 137 thousand in 2025/26 for law-making, oversight, and any other business of the legislature.

VOTE 3: Provincial Treasury's budget for the 2025/26 financial year is R 647 million and 494 thousand.

VOTE 4: Co-operative Governance, Human Settlements, and Traditional Affairs receives R2 billion 360 million 127 thousand to support municipalities, traditional authorities, and improve access to decent human settlements.

The initial budget for **VOTE 5: Agriculture, Rural Development, Land, and Environmental Affairs** is reduced by R29 million from the Disaster Relief Grant, revising the allocation to R1 billion, 615 million, 634 thousand.

VOTE 6: Economic Development and Tourism receives R1 billion, 324 million, 261 thousand to drive economic development and growth initiatives.

VOTE 7: Education gets the largest share of the budget at R 28 billion 732 million 642 thousand, to expand eLearning and provide education infrastructure in targeted municipalities.

VOTE 8: Public Works, Roads and Transport is allocated R 5 billion 876 million 915 thousand for the repair and maintenance of roads and the delivery of other infrastructure programmes entrusted to the department.

VOTE 9: Community Safety, Security and Liaison's budget of R 2 billion 144 million 260 thousand aims to ensure safety on roads, homes and public places.

VOTE 10: Health is allocated R 19 billion 750 million 975 thousand to enhance healthcare services, recruit medical staff, and develop health infrastructure in targeted areas, which includes the budget for the construction of Linah Malatji Hospital.

VOTE 11: Culture, Sport and Recreation receives R812 million 298 thousand to support cultural heritage and sports initiatives, including the social cohesion programme.

VOTE 12: Social Development is allocated R1 billion, 877 million, 527 thousand to ensure social security support for vulnerable groups and to increase NGO funding in the sector.

Honourable Speaker

Our goal is not just to allocate funds, but to ensure that each expenditure yields tangible benefits for our people and addresses their most pressing needs. We must utilise every rand and cent efficiently to drive significant and positive changes in the lives of our community members.

This budget marks the beginning of new opportunities for societal development and economic growth as envisioned in the province's five-year plan. It is a plan that funds the construction of new clinics and new schools, and operationalises various completed infrastructure projects. It signifies continuity in our efforts towards the continued growth and development of the Province.

The Members of the Executive Council (MECs) will outline detailed spending choices when they present Budget Vote speeches.

CONCLUSION

Let me take this opportunity to express my appreciation to the Premier, Honourable Mandla Ndlovu, colleagues in the Budget and Finance Committee, Executive Council, the Chairperson of the Portfolio Committee on Finance, Honourable Sonto Malepeng, and all the members of the Committee for your support and guidance.

I also want to express my gratitude to the Head Official, Ms. Gugu Mashiteng, the management team, and the entire staff of the Provincial Treasury for all your efforts and enabling us to fulfil our responsibilities under the PFMA and MFMA mandates.

Last but not least, I would like to extend our gratitude to the African National Congress and the South African Communist Party for entrusting us with this public responsibility.

I have the honour of tabling the following budget documents for reconsideration:

- Provincial Budget Speech for 2025/26.
- Appropriation Bill for 2025/26.
- Estimates of Provincial Revenue and Expenditure for 2025/26.

Thank you.