






# BUDGET VOTE SPEECH

2026/27

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MEC for Finance



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

18 June 2026

- Honourable Speaker Makhosazane Masilela
- Honourable Deputy Speaker, Sam Masango
- Honourable Premier Mandla Ndlovu,
- Honourable Chief Whip Eva Makhabane
- Colleagues in the Executive Council,
- Honourable Chairperson of the Portfolio Committee on Finance, Cathy Dlamini
- Honourable Members of the Provincial Legislature,
- Chairperson of the House of Traditional and Khoi San Leadership, Kgoshi LM Mokoena
- Executive Mayors and Members of Mayoral Committees on Finance,
- Director General,
- Head Official of the Provincial Treasury, and other Heads of Department
- Leadership of the Governing Party and Alliance partners, SACP, COSATU and SANCO
- Business community,
- Esteemed Guests,
- Ladies and Gentlemen,

### INTRODUCTION

Honourable Speaker, I rise today in this esteemed Legislature, still reeling from the passing of King Makhosonke II, a revered leader who is celebrated for his commitment to his people's welfare and the preservation of culture in Mpumalanga.

His reign was marked by efforts to strengthen the AmaNdebele kingdom while honouring its rich traditions.

We thank President Cyril Ramaphosa for honouring our traditional leader and cultural authority with a fitting tribute and farewell this past weekend.

Our heartfelt condolences go to his family, the traditional authorities, and the entire AmaNdebele both within the Province and across Africa.

Just two days ago, our nation commemorated 50 years since 16 June 1976, under the theme RESET@50 – The Future Calls.

As we continue to observe this significant day throughout the month dedicated to young people, Frantz Fanon reminds us: *“Each generation must, out of relative obscurity, discover its mission, fulfil it, or betray it.”*

The democracy that we enjoy today is a fulfilment of the mission discovered by the 1976 generation in collaboration with other generations.



The youth of 1976 found their mission through struggle, fulfilled it, and created a platform for us to pursue shared prosperity for all.

That shared prosperity has not yet been achieved. The level of inequality is still very high in our society. South Africa remains the most unequal society in the world.

The current generation is obliged to find its own mission of defeating inequality, unemployment and poverty. They must, like the 1976 generation, continue the struggle to fulfil this generational mission.

This can be achieved through focused efforts to grow the National and Provincial economies, Equitable Budget Allocation, and fiscal discipline, which are critical anchors for the success of the mission of the current generation.

This is why the Provincial Treasury Budget Vote, which we are privileged to table today, is of great importance to this mission.

The Provincial Treasury plays a crucial role in our province.

It is responsible for advancing the objectives of financial management legislation in the Public Sector

The Public Finance Management Act (PFMA) places a unique responsibility on the department to prepare and exercise control over the Provincial Budget.


Our mandate encompasses a fiscal policy and governance framework that guides all plans of public-sector institutions.

As we undertake this responsibility, we are mindful that the work of this department must enable the delivery of services to the people of Mpumalanga.

For these reasons, we tabled three Provincial Appropriation Bills during the previous financial year.

These Bills gave practical meaning to the Medium-Term Development Plan by directing resources to priorities that matter most, such as education, health care and other social services.

- They ensured that our commitment to inclusive growth and job creation is backed by programmes as outlined by other departments.
- They enabled the transfer of funds to non-governmental organisations, including the Early Childhood Centres that augment government services to our people.

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- They facilitated processes towards the operationalisation of various critical infrastructure projects, such as the Mpumalanga International Food Market, the new King Nyabela Hospital and many others.

We can report that the Provincial Treasury has indeed achieved all its planned targets for the 2025/26 financial year. In the previous audit, we also achieved an Unqualified Audit Opinion without any matters (clean audit).

We will continue to build on the progress registered in the previous financial year to deepen fiscal discipline, strengthen oversight across all institutions, and affirm this administration's commitment to building a capable, ethical, and developmental state.

## **INSTITUTIONAL DEVELOPMENT**

### Organisational structure

Strong and functioning institutions are underpinned by an adaptive and effective organisational structure and culture.

For decades, the Provincial Treasury operated with limited capacity, which constrained it from realising the desired impact of strategic support to public institutions.

I am pleased to announce that the Ministry of Public Service and Administration has approved a revised departmental organisational structure.

The new organogram introduces Municipal Finance as a standalone programme, which aligns with the organisational structures of other Provincial Treasuries in the country.

The implementation of this revised structure will be phased in, taking into account our fiscal capacity.

To ensure the process is inclusive and fair, we have established a multi-stakeholder team comprising management and labour stakeholders to guide the implementation of this project.

### Youth Skills Development

Honourable Members, as we expand our institution to improve the quality of support for departments, public entities, and municipalities, we must also focus on nurturing the strength of our people.

The capacity of a state is intrinsically linked to its citizens; that is why institutional development must go hand in hand with skills development initiatives, particularly targeting graduates in the commerce and information technology streams.

This year, we enrolled seventy-one (71) young graduates in our internship programme, making another significant step towards preparing the youth for careers in Finance and Information and Communication Technology.



We will continue to explore partnerships with Sector Education and Training Authorities and key players in the finance and ICT sectors to expand investment in the professional development and career pathways for young people in our Province.

## **SUSTAINABLE RESOURCE MANAGEMENT**

### Revenue Collection

The Provincial Treasury serves as both the architect and executor of our revenue enhancement programme.

During the previous year, we facilitated the approval of a comprehensive Provincial Revenue Enhancement Strategy. This revenue management blueprint outlines collection targets and identifies new growth opportunities to increase the Provincial revenue base.

We are proud to report that revenue collection has grown consistently each year, making the Province one of the top revenue collectors in the country

As of the end of March 2026, the province collected R4.7 billion, largely driven by motor vehicle licensing fees, gambling and related taxes. We will continue to implement measures that will help departments and public entities boost revenue collection.

### Budget and expenditure

During the 2025/26 financial year, Provincial Treasury advanced prudent resource management through expenditure reviews.

Working with the Government Technical Advisory Centre, we have started conducting spending reviews of key cost drivers in the Departments of Education and Health. We will roll out structured training across all departments to enable them to conduct spending reviews independently.

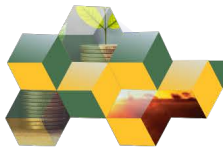
These interventions aim to strengthen planning, reduce fiscal risk, and improve the quality and sustainability of expenditure decisions in departments.

### Infrastructure delivery support

#### Honourable Speaker

As we roll-out social and economic infrastructure throughout the Province, we must institutionalise benchmarking with similar projects elsewhere and conduct cost-benefit comparisons as a fundamental requirement for funding new infrastructure projects. This approach will enhance budgeting processes, improve accountability and ensure that our investment in infrastructure yields maximum returns.

The Provincial Treasury will also support departments in leveraging the Budget Facility for Infrastructure (BFI) to build a robust pipeline of strategic infrastructure projects that will propel provincial economic growth.



## ASSETS AND LIABILITIES MANAGEMENT

### Physical assets management

Honourable Members,

The Provincial Treasury will continue to advance the priorities set out in the Provincial Asset Management Strategy. To this end, we will support departments and public entities in improving the accuracy of asset registers to sustain unqualified audit outcomes in asset management.

As part of support to the local government, we will provide additional assistance to municipalities, particularly those operating under the Financial Recovery Plans, with a concentrated focus on investment property management. This initiative will address crucial components, including legal lease agreements, comprehensive asset registers, maintenance planning, and other vital measures that empower informed decision-making at the municipal level.

### Information Technology and financial systems

The World Bank, in the report titled GovTech: The New Frontier in Digital Government Transformation, notes: *"Digital transformation in the public sector is not just about technology; it is about making government more accessible and responsive to its citizens."*

For this reason, the Provincial Treasury is actively advancing its business automation programme to modernise operations and improve service delivery.

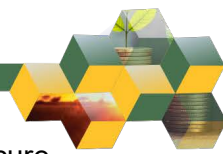
In the 2025/26 financial year, the Department successfully transitioned the Provincial administration to Microsoft Outlook to enhance the reliability and modernity of official communication.

Additionally, the e-submissions system has been implemented across the administration, which streamlines administrative tasks such as drafting memoranda, planning itineraries and processing of travelling and subsistence claims on Persal. Efforts are ongoing to ensure the complete rollout of this system, which will include features for the digital processing of legislative questions for written replies, among other functionalities.

This year, our focus will be on refining the system. We want to integrate manual templates and electronic signatures into our Business Process Automation (BPA) systems. We also plan to enhance data integrity by adding biometric security features to the PERSAL system.

### Modernising Recruitment

In our quest to simplify and enhance the integrity of recruitment processes, we piloted a new electronic recruitment system in a few departments and plan to expand it to other departments during the year.



The pilot phase allowed us to evaluate the transition from paper applications to a more secure, efficient online system that automates the recruitment process. We extend our profound gratitude to the Centre for Public Sector Innovation (CPSI) for working with us to deploy this online capability in the Province.

#### Enhancing Procurement system

The Provincial Government is committed to building transparency and accountability in our procurement environment. This year, we will introduce a new electronic procurement system to streamline supply chain processes and improve efficiency in the procurement of goods and services. The system will be piloted in the Provincial Treasury and expanded to other departments once the assessment is completed.

#### Cybersecurity

As we embrace digitisation, we are aware of the escalating challenges posed by cyber threats and their impact on governments, enterprises, and individuals alike.

Despite our efforts to enhance cybersecurity, such as through deploying firewalls, conducting routine security audits, and training personnel, the frequency of malicious attacks on institutions continues to escalate. We must continue to be vigilant in our collective response to these threats.

To further bolster our defense, we will deploy comprehensive mitigation measures, including real-time threat monitoring, vulnerability assessments, and stringent user security protocols across all our online platforms. Furthermore, we will conduct targeted educational campaigns to increase awareness on cybersecurity

### **MUNICIPAL FINANCE SUPPORT**

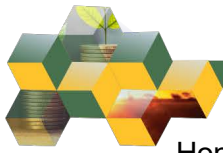
Honourable Speaker,

Viable and well-run municipalities are the foundation of effective government and improved service delivery.

Despite some advances in many areas, challenges persist in the local government sector, particularly regarding the credibility of municipal budgets, revenue collection, and the overall effectiveness of governance and oversight structures.

We need innovative strategies to manage our creditors effectively, enhance our collection efforts and encourage payment for services rendered to communities and businesses.

The Provincial Treasury will continue to provide targeted support to municipalities, guided by the strategy on the non-negotiables that are required to fix local government.



Honourable Speaker

We are proud to announce that the Procurement, Infrastructure and Knowledge Management (PINK) programme for municipalities has been extended for a period of five years.

This partnership with the Swiss Government, through its State Secretariat for Economic Affairs (SECO), will be extended to all municipalities in the Province this year.

Five technical advisors have already been deployed to strengthen municipal procurement, infrastructure delivery and knowledge management in the Province.

Honourable Speaker

Strong oversight by assurance providers and councillors is essential to ensure good financial administration.

We will intensify support to governance structures to strengthen financial management across the Province.

As President Cyril Ramaphosa has said: *“We must build a capable state, a state that delivers on its promises, a state that serves the people.”*

To respond to this clarion call, we must recognise that financial governance is the cornerstone of the desired developmental state.

## **FINANCIAL GOVERNANCE**

The Medium-Term Development Plan places ethics and accountability at the centre of development and provision of services to the communities.

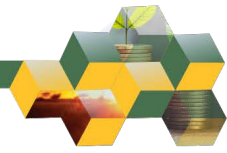
In the last financial year, the Provincial Treasury provided support to institutions in reviewing their implementation of the Audit Improvement Plans. As a result, audit outcomes improved, with four municipalities receiving unqualified audit opinions on their financial statements.

There are still several municipalities that remain at a qualified audit level. We will continue working with COGHSTA and SALGA to improve these outcomes at the municipal level.

We are also concerned about the high number of Provincial Departments that received qualified audit opinions in the last audit cycle.

We are closely monitoring all qualified departments to confirm that all qualification areas are being addressed.

The Department will intensify support to Audit and Risk Management Committees as key pillars of governance in order to strengthen oversight and drive sustained improvements in governance, risk management and internal controls across the Province.



## DEPARTMENTAL BUDGET DISTRIBUTION

Honourable Speaker

The total budget allocated for implementation of policy priorities of the Provincial Treasury for the 2026/27 financial year is R729 million and 185 thousand, of which:

- R183 million and 968 thousand is allocated to the Administration component.
- Sustainable Resource Management programme gets R93 million and 31 thousand to oversee budget implementation and support to the local government.
- Assets and Liabilities Management branch receives R409 million and 731 thousand to monitor transformative targets in the public procurement policy, provide IT support and drive systems modernisation.
- Financial Governance components take R42 million and 455 thousand to advise and support public sector institutions on regulatory compliance and financial reporting.

Honourable Speaker and Members, the budget allocations mentioned in this address - and those of my Colleagues in the Executive Council - cannot, on their own, sufficiently inspire confidence in the state. They can only become meaningful when translated into tangible service delivery and matched by fiscal discipline and accountability.

We are committed to supporting all provincial institutions in achieving the government priorities set out in the Medium-Term Development Plan of the Province.

Let us continue to build a Mpumalanga Province that works for all.

I hereby table the Policy Priorities and Budget for **Vote 3: Provincial Treasury** for consideration by the Legislature.

Ngiyabonga.



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