



MPUMALANGA PROVINCIAL ADJUSTMENTS BUDGET SPEECH

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MEC for Finance
25 November 2025

Mpumalanga, A Province that Works for All



provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



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

25 November 2025

- 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
- Members of the Mayoral Committees on Finance
- Director-General, Ms Maggie Skosana
- Head Official, Ms Gugu Mashiteng and all Heads of Department
- Chairperson of the House of the Traditional and Khoi San Leadership, Kgoshi Lameck Mokoena
- 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
- Citizens of Mpumalanga

INTRODUCTION

It is a profound privilege for me to introduce the 2025 Adjustments Appropriation for the Provincial Government of Mpumalanga today. This budget advances the interconnected priorities of our Medium-Term Development Plan (MTDP), channels resources to high-impact programmes, and allocates funds to address unforeseen pressures across departments and public entities. It is a statement of our commitment to continue attending to pressing service delivery needs of our communities.

ECONOMIC LANDSCAPE AND OUTLOOK

Honourable Speaker

Before I introduce the changes to the budget, let me briefly provide some economic context for this adjustments appropriation.

Global growth is projected to be 3.2 per cent in 2025 despite persistent trade tensions, geopolitical uncertainty, and supply chain disruptions.

The Minister of Finance, in his Medium-Term Budget Policy Statement, revised South Africa's economic growth from 1.4 per cent, announced in the main appropriation, to 1.2 per cent in 2025, with the average annual GDP growth forecast at 1.8 per cent over the next three years.

The Provincial economic growth is expected to hover around 1 per cent this year. Sectors such as finance, transport, and agriculture are expected to expand by around 3 per cent annually, while construction is expected to grow by approximately 2.4 per cent.

The average annual growth rate of less than 1 per cent in key industries, such as mining and manufacturing, is a cause for concern, given their importance to the provincial economy.

On the labour market

According to the latest Quarterly Labour Force Survey (QLFS), Mpumalanga's unemployment rate was the fourth-highest among the nine Provinces in the third quarter of 2025.

But there's some good news, the Province recorded net job gains of around 34 thousand between April and September 2025. This is more than 50 per cent of our MTDP annual target of 60 thousand jobs. It is worth noting that third-quarter employment levels also surpassed pre-COVID levels.

Most of these jobs were created in trade, finance, and construction, and the latter underscores the importance of sustaining infrastructure investment. However, job losses in manufacturing remain a serious challenge that demands urgent attention.

Opportunities Amidst Challenges

Honourable Speaker

We are indeed exposed to a challenging economic environment, but at the same time, there are also positive developments around us with several opportunities.

- **Firstly**, the G20 Summit showcased the potential of South Africa - and Mpumalanga - to the world. We have firmly put Africa on the agenda of global engagement on inclusive economic growth and financial stability.

- **Secondly**, the Provincial Investment and Mining Conference, hosted by the Honourable Premier, secured sizable commitments which will lead to job creation and skill development, amongst others.
- **Thirdly**, the outlook for energy generation is highly positive, with new initiatives being rolled out in line with the Energy Action Plan.
- **Fourthly**, for the first time since 2005, Standard & Poor Global Ratings upgraded South Africa's credit rating, acknowledging our improving growth and fiscal trajectory. This is a milestone worth celebrating.
- **Lastly**, the US has recently opened the market to some of South Africa's fruit and nuts free duty. This is also a welcome boost, especially for Mpumalanga's agriculture sector.

As Madiba reminded us: **"It always seems impossible until it is done."** We must continue to work together to transform our economic landscape for the greater benefit of all people.

INFRASTRUCTURE DELIVERY

Honourable Members,

Infrastructure delivery is the backbone of community and economic development, yet it is beset by persistent challenges that demand urgent and decisive action across the country.

The root causes of challenges in turnaround for infrastructure delivery include poor planning, capacity issues among contractors and implementing agents, and disruptions that often arise within communities.

These issues directly affect the pace, quality, and sustainability of infrastructure.

Even more concerning is that these delays in infrastructure delivery pose risks of missed investment opportunities, future budget overruns, and threaten the stability of our provincial fiscus, even municipal budgets.

We must continue to strengthen project planning and support and embed mechanisms for early community consultation to minimise disruptions. The Social Enterprise Development Programme (SEDP) is also being revised to support the development and participation of local suppliers in the infrastructure delivery programme.

We call on departments, public entities and municipalities across the infrastructure delivery value chain to improve capital spending efficiency and enforce accountability among implementing agents and contractors.

MUNICIPAL FINANCE

Honourable Speaker

Supporting municipalities to improve the funding status of their budgets remains a top priority for the Provincial Treasury.

We continue to work closely with all municipalities that adopted unfunded budgets to develop credible budget funding plans.

I am pleased to report that, as a result of this intervention, eight municipalities have successfully reduced the unfunded portion of their budgets during the year under review.

In an effort to also strengthen the entire municipal revenue value chain, the Provincial Treasury transferred R10 million to targeted local municipalities:

- R4.9 million to Steve Tshwete for the revamping of metering systems,
- R3 million to Dr JS Moroka, and
- R2.9 million to Emakhazeni for support towards data cleansing projects.

These interventions are part of a broader strategy informed by detailed assessments of municipal finances and governance.

Additional initiatives are underway to support other municipalities in areas identified through our ongoing support services, including through the financial recovery plans in Govan Mbeki, Emalahleni, Thaba Chweu and Msukaligwa local municipalities.

PROVINCIAL REVENUE ENHANCEMENT

Honourable Members,

For many years, our budgets have struggled to keep pace with the growing demand for service delivery. Each financial year brought intensified pressure to do more with less. Yet, despite these constraints, our provincial revenue collection streams have demonstrated *resilience and steady growth*.

We have seen a remarkable upward trajectory on collection. For the financial year ending 31 March 2025, the Province exceeded its annual revenue target by 23.4 per cent, collecting R694.2 million above projections. Even more encouraging, in the first six months of the current financial year, we have already collected R2.2 billion, representing 61.6 per cent of the R3.6 billion target - well ahead of projections.

It is no coincidence, then, that the latest report from the National Treasury confirms that our Province has the highest revenue collection rate among all provinces. This is a testament to the effectiveness of our systems.

To build on this momentum, the Executive Council has approved the Provincial Revenue Strategy. This strategy is designed to broaden our revenue base, strengthen compliance with the collection points, and sustain high collection rates across all revenue streams.

Every collectable rand must be collected, accounted for, and translated into *visible, tangible improvements* in the lives of our people.

PROVINCIAL FISCAL FRAMEWORK (ADJUSTMENTS)

Honourable Members,

In response to higher-than-anticipated revenue collection, the Minister of Finance has announced the acceleration of certain one-off expenditures. This strategic move allows us to respond more decisively to immediate service delivery needs.

Equitable Share

As a result, our Province has been allocated an additional R766.5 million through the Equitable Share for the 2025/26 financial year.

These funds are earmarked to alleviate funding pressures, particularly within the critical sectors of Education and Health.

Conditional Grants

In addition, the Province will receive R169.1 million in Conditional Grant funding to strengthen the early childhood development programme.

To further bolster our disaster response and health emergency capacity, the national fiscus has allocated R351.2 million for disaster relief and R118.2 million for urgent health interventions.

Provincial Receipts

From our own Provincial Revenue Fund, we are contributing R702.2 million to this adjustments budget - demonstrating our commitment to co-financing priority programmes in the Province.

Overall Adjustment and Budget Impact

The provincial budget is therefore adjusted upward by R2 billion, 45 million, 994 thousand to enhance the delivery of education, health, and social services, while also supporting programmes that drive inclusive economic development.

The effect of this is that the total provincial budget will increase from R66 billion 185 million 97 thousand to R68 billion 231 million 91 thousand for the year ending 31 March 2026.

CHANGES TO BASELINE ALLOCATIONS

Madam Speaker

I will now outline changes to the baseline allocations and highlight some of the priorities funded through these adjustments.

- There are no changes to the total allocations for the Office of the Premier and Provincial Treasury, with the budgets remaining at R493 million, 827 thousand and R647 million, 494 thousand, respectively.
- The Provincial Legislature retains unspent funds of R34 million, 835 thousand from the 2024/25 financial year in accordance with Section 22(1) of the PFMA. A further R15.5 million is allocated to Voter Education and other initiatives. The Legislature's budget will therefore increase from R549 million, 137 thousand to R599 million, 472 thousand.
- Co-operative Governance, Human Settlements, and Traditional Affairs budget increase from R2 billion, 360 million, 127 thousand to R2 billion, 388 million, 783 thousand. This allocation includes amongst others:
 - R8 million to augment the baseline for Traditional Authorities-related programmes.
 - R5 million to continue with the skills audit and capacity development programmes in targeted municipalities.
 - R7.7 million for continued work at the Parliamentary Village.
- Agriculture remains a cornerstone of our economy, with immense potential to create jobs and expand the food basket of our province and neighbouring countries.
- We must harness recent investments in agricultural infrastructure - such as the Mkhuhlu Agrihub and the Mpumalanga International Food Market - to ensure that our communities derive lasting value and opportunity.

- The budget for Agriculture, Rural Development, Land, and Environmental Affairs increases from R1 billion, 615 million, 634 thousand to R1 billion, 991 million, 627 thousand. Included in the budget is:
 - R279.8 million from the Comprehensive Agricultural Support Grant to respond to the effects of various natural disasters experienced in recent times.
 - R20 million to complete Mkhondo Agri-hub, and
 - R30 million to continue with the farmer production support programme, amongst others.
- Economic Development and Tourism's budget increases from R1 billion, 324 million, 261 thousand to R1 billion, 423 million, 941 thousand. The adjustments process adds:
 - R32 million for work related to the Mpumalanga International Fresh Produce, while R25.9 million is a rollover amount for the same objective.
 - R7 million for the establishment cost for the Nkomazi Special Economic Zone.
 - R10 million for tourism awareness programmes.
 - MEGA is allocated R10 million towards the refurbishment of factories.
 - R9 million to increase revenue generation efforts and conduct feasibility study for the fourth casino.
 - R5.7 million is allocated to MTPA to cushion contractual obligations and budget pressures.

The Province recently hosted the Investment and Mining Conference, and we expect the proceeds of this drive to strengthen the provincial purse as we prepare for next year's main budget.

To achieve this, Department must coordinate and actively participate in networking opportunities - both nationally and internationally - to grow our investment portfolio and contribute to job creation efforts of the Province.

The National Development Plan identifies SMMEs as catalysts for growth. It is therefore our responsibility to unlock their potential and place them at the centre of economic development and transformation. We call on the Department to work closely with municipalities and local economic development structures, including sectors such as tourism, to achieve our developmental goals.

- Education's budget increases from R28 billion, 732 million, 642 thousand to R29 billion, 184 million, 153 thousand. The allocation includes:
 - R359 million set aside to address contractual obligations, LTSM provisioning and ensure continuity of other essential education services.

- R100 million for the provision of mobile classes to intervene in overcrowded schools.
 - Mpumalanga Regional Training Trust is allocated R10 million to cushion budget pressures.
 - Conditional Grants rollovers to the tune of R177.5 million are added to the baseline of the Department for Early Childhood Development, National School Nutritional and Maths, Science, and Technology programmes.
- The Budget of the Department of Public Works, Roads and Transport increases from R5 billion 876 million 915 thousand to R6 billion 353 million 748 thousand. The Adjustments Bill provides amongst others:
- R71.3 million towards the reconstruction and rehabilitation of disaster-damaged roads infrastructure.
 - R44.5 million is for completion of the Parliamentary Village, as well as R13.2 million rollover amount for the same project .
 - Mkhondo Boarding Schools is allocated a rollover of R9 million, and an additional R4.7 million is added to the baseline for the same objective.
 - R100 million is added to cushion the budget pressure on scholar transport.

The Department is expected to strengthen its own project management capabilities to expedite infrastructure delivery in the Province

We call on all sectors to support DPWRT by ensuring timely planning of infrastructure projects and strengthening monitoring and support throughout their implementation.

We also call upon the Department to work with communities, Department of Community Safety, Security and Liaison and SAPS to confront the criminal activities that disrupt our projects, ending up driving delivery costs, and attracting unwanted expenditure.

- Community Safety, Security and Liaison's budget increases from R2 billion, 144 million, 260 thousand to R2 billion, 173 million, 160 thousand, with:
- R9.1 million allocated to absorb 104 traffic learners,
 - R10 million to address resource pressure related to the Lebombo Border Post.
 - An allocation of R17.8 million is provided to strengthen security services at high-risk government sites particularly at health centres and other facilities, to protect workers and communities.

- Department of Health's budget is increasing from R19 billion, 750 million, 975 thousand to R20 billion, 435 million, 986 thousand. Included in this allocation is
 - R507.5 million for budget pressures, mostly on essential goods and services.
 - R118.2 million to sustain the HIV/TB intervention.
 - R20 million to operationalise the New Middleburg Hospital, Neonatal Intensive Care Unit in Middleburg, female surgical ward in Mmamethlake and Barberton Rehabilitation Centre for patients, and
 - R39 million for provision of essential items such as autoclaves in hospitals and optimal operationalisation of our health facilities.
- ⊖ Culture, Sport and Recreation's budget will decrease from R812 million, 298 thousand to net R631 million, 373 thousand. The reduction is mainly from slow-moving spending on infrastructure projects. Notwithstanding this, the department receives:
 - R2.7 million rollover from the Mass Participation and Sport Development Conditional Grant.
 - R7.5 million to cater for the Provincial Teams Support.
 - Support to ensure that the province hosts high-profile games amounts to R3.8 million.
- Social Development's budget of R1 billion, 877 million, 527 thousand is increased to R1 billion, 907 million, 527 thousand. Included in this allocation is R30 million to attend to budget pressures on goods and services, as well as tools of trade within the department.

CONCLUSION

As I conclude, allow me to borrow the words of the former UN Secretary-General Kofi Annan who reminded us: *"Good governance is the single most important factor in eradicating poverty and promoting development."*

We call on all departments to use the allocated budget effectively, and commit to governance that is transparent, accountable, and results-driven.

Indeed, reporting and accountability in the use of this budget is not optional—it is a fundamental obligation of every Accounting Officer, Chief Financial Officer, and every official.

Honourable Speaker

We are determined to turn around audit outcomes across departments, public entities, and municipalities. Achieving this requires to all of us to rise to the occasion and embrace this responsibility, and act with integrity.

Management and oversight structures across all spheres must ensure that internal controls are not just maintained but regularly tested for effectiveness so that the principal objectives of public finance management legislation are fully achieved. Let's make this Adjustments Budget works for all, and that it advances the aspirations of the people of Mpumalanga.

I would like to express my appreciation to

- the Honourable Premier Mandla Ndlovu for leading us through the process of preparing this adjustments budget,
- my colleagues in the Executive Council for always supporting us in this important and yet balancing task of resource allocations,
- the Honourable Chairperson and Members of the Portfolio Committee on Finance for supporting the principle positions of the department on budget and governance matters,
- the Director General, Head Official and all officials of the Provincial Treasury for carrying out the administrative tasks related to this process with professionalism and commitment.
- Last but not least, 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

I hereby table the following budget documents for consideration:

- Mpumalanga Adjustments Appropriation Bill, 2025.
- Adjusted Estimates of the Provincial Revenue and Expenditure for 2025/26.
- Introductory speech on the Mpumalanga Adjustments Budget for 2025/26.

I thank you.



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