

PROVINCIAL BUDGET SPEECH **2026/27**

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MEC for Finance
11 MARCH 2026

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 BUDGET FOR THE 2026/27 FINANCIAL YEAR TO THE MPUMALANGA PROVINCIAL LEGISLATURE

11 March 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
- Executive Mayors and Members of the Mayoral Committees on Finance
- Former MEC for Finance in the first administration, Mr Bushang Modipane
- Director-General, Ms Maggie Skosana
- 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
- Citizens of Mpumalanga

Introduction

I feel honoured to address this esteemed House on Provincial Budget allocations aimed at advancing the policy priorities of the seventh administration.

This month, as we commemorate the Sharpeville Massacre—now observed as Human Rights Month—we are reminded of the sacrifices of ordinary men and women who stood fearlessly against oppression, paving the way for our democratic breakthrough.

In the midst of these commemorations, we also hear the enduring voice of Chris Hani, who warned: “What I fear is that the liberators emerge as elitists who drive around in Mercedes Benz’s and use the resources of this country to live in palaces and to gather riches.” His caution reminds us that liberation must never become the privilege of a few while the poor continue to suffer.

Let me further quote the African National Congress’ National General Council where it echoes a warning on NDR being on crossroad, and this was observed:

“The Apartheid-colonial political economy remains largely intact: the unequal distribution of economic opportunities between Black and White, men and women, urban and rural and high levels of, unemployment and economic exclusion remain a dominant pattern of South Africa’s political economy and spatial landscape.

The impact of neo-liberalism, an ideology and policies that seek to limit the role of the state in driving a developmental agenda. Thus, outsourcing and “tenderisation” of state functions have weakened the democratic state’s capacity and orientation to drive development.”

It is in this context that Chris Hani’s cautionary words gain renewed importance. We are therefore called upon to ensure that public resources speak directly to the struggles of unemployment, inequality, and the rising cost of living.

This Provincial Budget is, in essence, our pledge to confront these realities by investing in equal access to education, health, housing, and job creation.

It provides funding for the building of schools, healthcare centres, and opportunities that transform freedom from an aspiration into a lived reality.

Economic Landscape and Outlook

Honourable Speaker

The National Treasury has revised upwards South Africa’s growth prospects from 1.4 per cent in 2025 to 1.6 per cent this year.

Similarly, the Provincial economy is expected to be 1.3 per cent, rising to 1.9 per cent in 2027 and reaching 3 per cent in 2029 - which is in line with the Medium-Term Development Plan’s growth target.

This trajectory, though modest, reflects resilience of our economy.

We expect agriculture, finance, transport and communication, and construction to anchor the provincial growth into the future.

The financial sector, in particular, has demonstrated remarkable resilience.

The sector is constantly achieving a growth rate of 2 per cent and more per annum, and an average annual growth of 3.2 per cent is projected for the 2024-2029 period,

As Minister Godongwana indicated in his Budget Speech *“These are signals of restored credibility, of renewed resilience and of a nation regaining its footing”*.

Honourable Speaker

The global economic landscape is consistently shifting overtime.

We cannot ignore the global developments that are unfolding before us.

Following the economic crisis in 2008, and the impact of COVID-19 in 2020, we are witnessing nations increasingly descending into conflicts and violence.

The conflict in the Middle East is of great concern, not only from a humanitarian point of view but also because of the impact on our economy and sovereignty of nations.

The Agricultural Economist, Wandile Sihlobo, cautions that the *escalating tensions in the Middle East pose risks to global trade and commodities, with the primary concern being the disruption in our exports.*

These developments are likely to affect our farmers and have ripple effects on the provincial economy and the livelihoods of our people.

We must diversify our markets and invest in local production capacity to cushion our economy against such external shocks.

Honourable Speaker,

Turning to the labour market. The latest Quarterly Labour Force survey of Statistic SA tells a story of progress.

While unemployment remains high, the downward trend is encouraging.

In fact, provincial employment in the fourth quarter of 2025 reached its highest level ever, with Mpumalanga ranking second nationally in job creation.

The main job drivers were in the services sector such as finance, trade (which include tourism and the informal sector), community services, as well as construction and agriculture in the last five years.

We should prioritise high labor-intensive industries to create the much-needed jobs for our people.

One the critical success factors in changing the provincial economic trajectory and contributing to job creation is infrastructure investment.

The Premier in his State of the Province Address made a bold commitment on behalf of the Provincial Government to create more jobs by driving investment in infrastructure.

The Government is committing over R4 billion in economic and social infrastructure such as new roads, schools, hospitals, and private sector driven energy projects that will open opportunities for local businesses and empower communities.

Indeed, the future we envisage is not a distant dream. It is within reach, if we build it together as partners.

National Fiscal Framework

Honourable Speaker,

It is important to locate this budget within the national fiscal framework. As highlighted by the Minister of Finance in the National Budget Speech on 25 February 2026, the national fiscal strategy is beginning to bear fruit.

The consolidated budget deficit is expected to fall to 4 per cent in 2026/27, while the primary budget surplus is projected to expand to 1.6 per cent of GDP in the same period.

The provincial equitable share increases from 8.2 per cent in 2025/26 to 8.4 per in the following financial year.

We are starting to see the phased in population growth impact on the equitable share formula.

Provincial Fiscal and Expenditure Framework

Against this backdrop, the Province will spend R216 billion in the 2026 Medium Term Expenditure Framework (period), of which R70.3 billion is allocated for the 2026/27 fiscal year.

Of this allocation, 79.6 per cent will be derived from transfer receipts through the provincial equitable share, 15.2 per cent from conditional grants, and 5.2 per cent from own revenue and other receipts.

Provincial Revenue Collection

Honourable Speaker,

Own revenue collection system serves as a vital bridge between the national receipts and the budget shortfall for province-specific interventions that directly support service delivery.

The recent growth in revenue was largely driven by motor vehicle license fees, as well as gambling and liquor tax revenue – which are some of the critical pillars of the provincial revenue collection strategy.

As part of sustained measures to improve revenue collection, the Executive Council adopted the revised Revenue enhancement strategy last year.

To this end, all departments must vigorously implement the strategy, identify ways to enhance collection and continue to build more assets from which we could optimise revenue to attract more investment.

New Tax Proposals

It is important to highlight other developments that may significantly impact provincial revenue, if they materialize.

In November 2025, the National Treasury published a Draft National Online Gambling Tax Discussion Paper, proposing a new 20 per cent national tax on Gross Gambling Revenue (GGR) from online betting and interactive gambling activities.

The analysis of Mpumalanga Economic Regulator is that this measure would raise the effective burden on licensed online bookmakers from approximately 22.5 per cent to over 42.5 per cent of GGR, before operating costs are even considered.

The Regulator has, on behalf of the Province, submitted that this proposal poses a direct risk to provincial revenue stability.

We concur with this view that introducing a national tax in this concurrent regulatory space risks undermining this established base, crowding out provincial collections, and weakening our capacity to fund critical programmes and services.

At a time when own-revenue capacity is already constrained, such a measure may destabilise regulatory systems and place additional fiscal strain on provinces.

We therefore call for a balanced approach, one that recognises the legitimate need for national revenue while safeguarding the fiscal space of provinces.

Our collective responsibility is to ensure that every policy decision strengthens the foundations of service delivery.

Spending priorities

Let me turn to the spending priorities for the 2026/27 fiscal year.

Honourable Speaker,

Incentivised early retirement

The 2024 Medium Term Budget Policy Statement introduced incentivised early retirement programme for public servants. The initiative aims to reduce the wage bill and importantly rejuvenate the public service.

The 2026/27 provincial budget allocates R84.3 million to 8 departments for this government-initiated programme on early retirement and the voluntary exit retirement with no penalties to qualifying employees.

Disaster response

We may not predict the exact moment of a disaster, but through risk management approach we can prepare for it. Our budget instruments remain the key to turning this foresight into readiness. The Province has successfully built some reserves to enable us to respond to recent natural disasters that befell our communities.

Accordingly, R250 million is allocated as enabling response to the unforeseen challenges. I will highlight some of these allocations under the relevant votes.

We have made a comprehensive submission to the National Disaster Centre for funding given the impact of the recent disasters.

Vote 1: Office of the Premier

The Seventh Administration has resolved to deepen stakeholder engagement, broaden citizen participation, and strengthen citizen focused service delivery.

To give effect to this undertaking, the Office of the Premier is allocated R505 million and 959 thousand to coordinate and oversee the machinery of government and ensure that policy priorities are implemented. This budget includes funding to support the work of the Mpumalanga Aids Council (MPAC) through the rollout of campaigns such as ZAZI which targets learners in school and society in general. The Office of the Premier will also undertake a feasibility study to establish a provincial data centre for a comprehensive, secure information hub repository of the Province.

Vote 2: Provincial Legislature

An allocation of R584 million 460 thousand is made to the Legislature to strengthen its oversight of the Executive, and to ensure that public participation reaches every corner of our province, thereby enriching the law-making process. Included in this budget is an additional R10 million towards enhancement of democracy programmes.

Vote 3: Provincial Treasury

The Provincial Treasury is allocated R729 million 185 thousand to strengthen budget implementation aligned to priorities, prudent and accountable expenditure management, financial governance in both MFMA and PFMA institutions and drive digital transformation initiatives.

Vote 4: Co-operative Governance, Human Settlements and Traditional Affairs

The Department of Co-operative Governance, Human Settlements and Traditional Affairs receives R2 billion 370 million 438 thousand to support local government and provide integrated housing and basic services to communities. This allocation includes amongst others:

- Additional R8.2 million to sustain support for the House of the Traditional and Khoi San Leadership, and
- A new allocation of R67 million from the Equitable Share for the eradication of asbestos roofs in targeted areas.

Vote 5: Agriculture, Rural Development, Land and Environmental Affairs

The Department of Agriculture, Rural Development, Land and Environmental Affairs is allocated R1 billion 827 million 23 thousand to drive food security, sustainable land use, and national imperatives such as climate resilience and biodiversity protection in the Province.

The budget includes amongst other allocations:

- R35 million for Senteeko Dam disaster recovery following heavy rains that caused structural damage and threatened the safety of nearby communities.

Madam Speaker, we must hasten to indicate that this project needs more resources. To this end, DARDLEA will therefore engage potential funders such as the Department of Land and Rural Development, the Department of Water and Sanitation and other relevant stakeholders to secure the resources needed to intervene.

- R20 million is for optimum agricultural production at the Tekwane farm and to work with MEGA in exploring its export capacity to carry the produce from *Mpumalanga's soil* to markets beyond our borders.
- To support the flagship hybrid rice cultivation project, as announced in SOPA, an allocation of R25 million is made to give effect to the partnership agreement with the University of Mpumalanga on advancing sustainable agriculture, driving innovation, and deepening applied research.

- We want to thank the Premier and the University of Mpumalanga for this initiative. We would like the university to also work with the Provincial Government in other areas such as local government and governance.

Vote 6: Economic Development and Tourism

The Department of Economic Development and Tourism is allocated R1 billion 406 million 635 thousand to foster inclusive economic growth and position our province as an attractive destination for investment and tourism.

- One of the flagship initiatives driving this vision is the Nkomazi Special Economic Zone.
- We welcome the commitment of Infrastructure South Africa (ISA) to work with the province to bring this project to fruition.
- ISA has already supported the development of a bankable feasibility study and business case, amongst others.
- Today, the provincial government reaffirms its commitment by allocating an additional R30 million from the Revenue Fund and R15 million from within the programme, making the total allocation R45 million, for infrastructure development within the Zone.
- Linked to this drive for transformation is our transition into the green economy.
- As the Honourable Premier highlighted in his State of the Province Address, the Mpumalanga Green Cluster Agency has done commendable work in steering our economy from traditional industries into the green revolution.
- To sustain this momentum, the provincial government commits an additional **R10 million**, and a further **R10 million** already on the baseline towards activities that enhance the Green Economy in our Province.
- R21 million is added to the baseline of Mpumalanga Tourism and Parks Agency for infrastructure development in nature reserves.
- The Mpumalanga Economic Regulator will also continue with the rollout of the automation systems to enhance industry regulatory compliance.

Vote 7: Education

This budget continues to make a decisive investment in education. It supports our educators and ensures that every child has the opportunity to learn and succeed in a safe and enabling school environment.

The Department of Education receives 43.4 per cent of the total provincial budget or R30 billion, 619 million, 440 thousand. This amount includes:

- A baseline top-up of R265.9 million to address budget pressures in compensation of employees and goods and services, including Learner Teacher Support Material.
- R105 million rescheduled from the previous financial year for the construction of previously pronounced SOPA schools, that is, Mokebe Secondary in Dr JS Moroka, Khokhovela Primary in Bushbuckridge and Trichardsfontein Primary in Govan Mbeki Municipality.
- R150 million for the repair of school infrastructure damaged during recent heavy rainfall, provision of mobile classrooms as a response to the impact of the disasters and to alleviate overcrowding in our schools.
- R27.9 million for the continuing implementation of the Presidential Employment Stimulus programme in the education sector.
- Additional R30 million is allocated over the MTEF for the development of sporting talent through School Sports League and to prepare teams for the participation in elite sporting competitions. This budget includes training of educators to be qualified and certified coaches in the various sporting codes, development and training of learners and support for the Sport Wednesday launched by the Department few years ago.
- We call on Mpumalanga sport associations, communities and our sporting stars to work with schools to nurture the next generation of competent sport men and women who will represent us in national and international platforms.

Vote 8: Public Works, Roads and Transport

Honourable Speaker,

The Department of Public Works, Roads and Transport plays a vital role in delivering social and economic infrastructure for both communities and businesses. For the 2026/27 financial year, the department is allocated R6 billion 56 million 755 thousand. This allocation includes:

- R15 million to equip youth with industry relevant knowledge and practical competencies within the property sector training in partnership with the Property Practitioners Regulatory Authority and Services SETA as announced in the State of the Province Address. We thank the Ministers of Human Settlements and Higher Education and Training for partnering with the Province on this skills development initiative.

- The provincial service delivery and infrastructure programme, *Kubhunya Lutfuli* is showing remarkable results. We appreciate that the department has moved with speed to implement this adjustments budget priority as evidenced by the handover of the yellow fleet this past Monday. To continue with this programme, R40 million is added to increase the property, plant, and equipment budget.
- As we invest in machinery to implement this initiative, it is equally important that we build the internal capacity to operate the fleet effectively. Accordingly, R19.4 million is allocated for targeted capacity-building interventions to maximise impact of this investment.
- Additional R120 million for the rehabilitation of road infrastructure damaged by recent disasters.

Vote 9: Community Safety, Security and Liaison

Honourable Speaker,

Crime and corruption undermine the right of our communities to live in safe neighborhoods and enjoy secure public spaces.

To intensify oversight of the police, enforce road safety laws, and ensure the security of citizens in public facilities, the Department of Community Safety, Security and Liaison is allocated R2 billion, 350 million, 442 thousand. This includes:

- R10 million to strengthen road safety programmes and improve visibility of law enforcement, amongst others.

The Department will assume responsibility for the Driving License Testing Centres previously managed by Dr JS Moroka and Dipaleseng Local Municipalities. To ensure a seamless transition and uninterrupted service delivery, R46.1 million has been allocated to support this shift.

- R8 million, rescheduled in the Adjustments Appropriations, is reallocated for infrastructure repairs at DLTCs across the province.

Vote 10: Health

Honourable Speaker,

Health is not a privilege reserved for the few; it is a fundamental right of every individual. We will continue to advocate for National Health Insurance, while strengthening the foundations of our provincial health system to deliver equitable and compassionate care.

The Department of Health is allocated R21 billion, 193 million, 365 thousand. This budget includes:

- additional R577.4 million for the compensation of employees and employment of health professionals, including Community Health Workers, to alleviate pressure on the goods and services budget and for the non-negotiables for functioning, safe, and efficient healthcare system.
- R55 million is added to the baseline for the operationalization of the following health facilities/clinics: Alexander, Dumfries, Kinross, Langkloof, Lebohang, Lefisoane, Troya, Vezubuhle and Ethandukukhanya and a further R13.3 million for King Nyabela Hospital.
- The department will continue to expand its fleet of ambulances and response vehicles with the previously earmarked funding of R15.6m and finalize construction of other clinics as committed in the State of the Province Address.

Vote 11: Culture, Sport and Recreation

Honourable Speaker,

Culture and sport are powerful instruments of transformation, identity, and social cohesion. To preserve our heritage, drive transformation through sport, and support language diversification, the Department of Culture, Sport and Recreation is allocated R721 million 373 thousand.

This allocation includes:

- R45 million for the construction of a 5,000-seater multipurpose arena in the Mbombela Stadium precinct.
- An allocation of R12 million for the inaugural Mpumalanga Premier's Cup as highlighted in the State of the Province Address.
- This tournament will give our teams the opportunity to fine-tune their preparations for the upcoming season.
- Because it is designed to be a bridge between grassroots and professional sport, the Mpumalanga Premier's Cup will also open the stage for our school sport league winners whose talent deserves to shine on a provincial platform.

Vote 12: Social Development

Honourable Speaker,

Social development is about care, dignity, and inclusion. In 2025, we increased the disbursement rate to Non-Profit Organisations (NPOs) caring for the elderly and people with disabilities.

In line with our commitment to progressively strengthen this sector, R98.3 million is allocated over the 2026 MTEF to NPOs that care for and support children and youth, of which R31.3 million is allocated in the 2026/27 financial year.

In total, R2 billion 25 million 372 thousand is allocated to the Department of Social Development to provide care, protection, and opportunities that promote dignity and build an inclusive society.

Conclusion

Honourable Speaker,

The Provincial Budget consolidates spending to protect core social services and unlock infrastructure delivery programmes to transform the provincial landscape.

It establishes a firm fiscal foundation on which departments and public entities should build on the priorities set in the Medium-Term Development Plan (2025-2030).

The Provincial Treasury will continue to provide support to strengthen budgeting, reporting, and governance structures across all provincial public sector institutions.

We remain steadfast in our enduring commitment to ensure that public finances are managed with integrity and transparency on behalf of the people of Mpumalanga.

I wish to express my appreciation to:

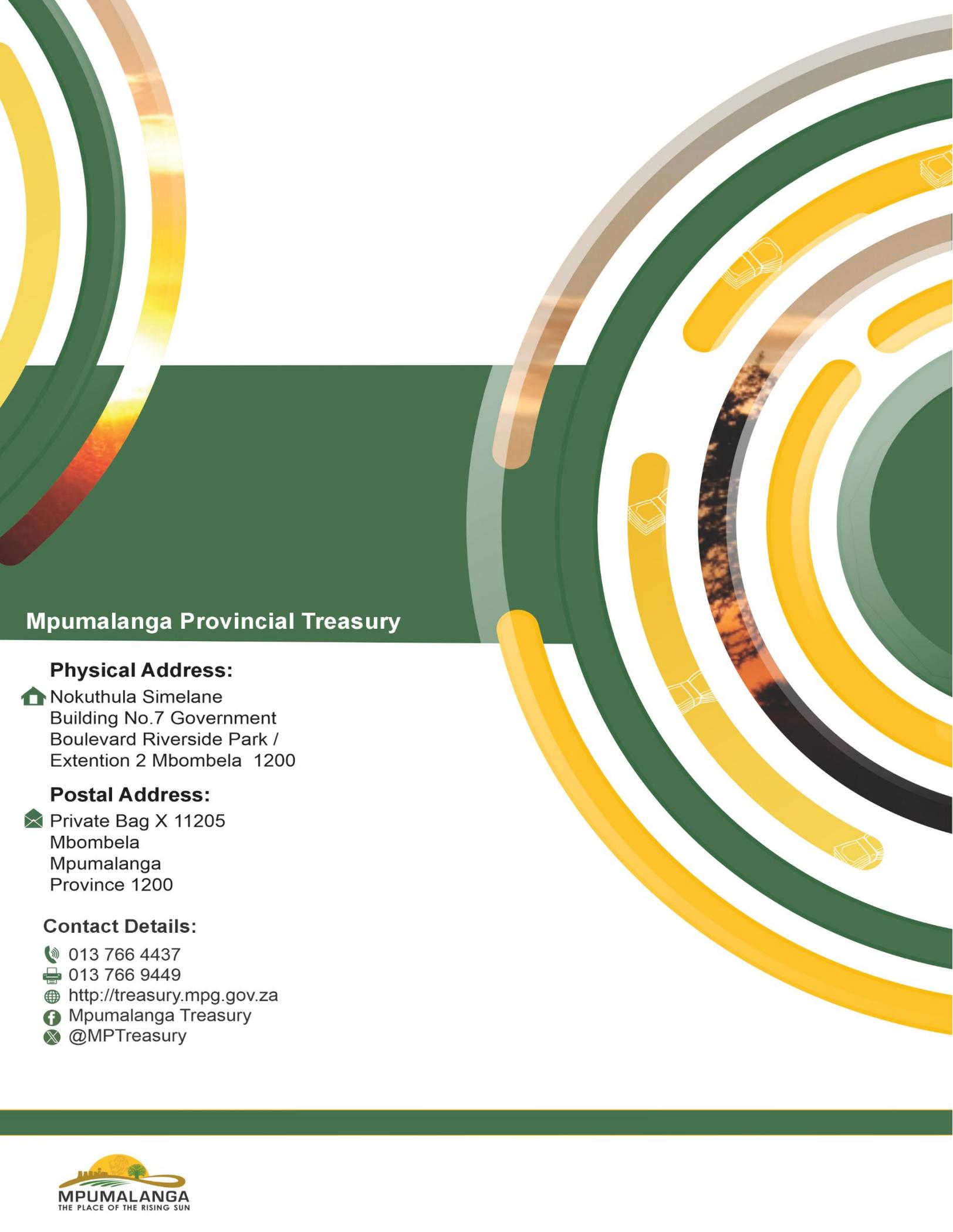
- The Honourable Premier Mandla Ndlovu for excellently leading the process of preparing this budget for the people of Mpumalanga.
- My colleagues in the Executive Council for their support in this important and balancing task of resource allocation.
- The Honourable Chairperson and Members of the Portfolio Committee on Finance for their advice on budget and governance matters.
- The Director-General, Head Official, and all officials of the Provincial Treasury for their professionalism and commitment throughout the process.

- And lastly, the leadership of the ANC-led Alliance for policy guidance.

I hereby table the following budget documents for consideration:

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

I thank you.



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