Estimates of
National Expenditure

2025

National Treasury

Republic of South Africa

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The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

Foreword

Despite South Africa's ongoing challenges, the 2025 Budget marks a pivotal step towards achieving a balanced and equitable economic future. It emphasizes economic growth through strategic infrastructure investments, while stabilising public finances and supporting vulnerable households.

The updated version of the ENE publication highlight shifts from the March proposals, though policy priorities and departmental baselines remain broadly unchanged. Expenditure is highly redistributive, with substantial allocations to the social wage, including health, education, social protection, housing, public transport, and employment programmes. Government is committed to improving spending efficiency, protecting the vulnerable, and increasing infrastructure spending to support future growth and service delivery.

Main budget non-interest expenditure increased by a net R4.5 billion in 2024/25 compared to the 2024 projection, mainly due to rollovers, troop deployment in the Democratic Republic of the Congo, debt repayment for the Gauteng Freeway Improvement Project, and extended COVID-19 social relief grants. These increases were partially offset by unspent funds, underspending, and drawdowns of the contingency reserve and provisional allocations.

Proposed medium-term revisions to main budget non-interest spending show a net increase of R74.4 billion compared to the 2024 Budget. This includes spending additions partially offset by reductions in provisional allocations and a drawdown of the contingency reserve. Relative to the March 2025 Budget, medium-term revisions are R67.6 billion lower due to reversed provisional allocations in line with the revised fiscal and revenue position.

Accordingly, consolidated government spending is projected to increase at an average annual rate of 5.4 percent, from R2.4 trillion in 2024/25 to R2.81 trillion in 2027/28. Notably, 61 percent of total non-interest spending over the three-year period is allocated to supporting the social wage. Public employment programmes will see an increase of R4.5 billion in 2025/26. The 2025 Budget also adds R33.7 billion for public infrastructure projects the three-year period.

No new reductions are proposed over the medium term, but the budget addresses spending pressures through additional allocations amounting to R180.1 billion. This includes provisional allocations of R41.3 billion for frontline service delivery departments.

As the 2025 Budget accommodates the costs of the first three-year public service wage agreement since 2018, additional allocations were required for employee compensation. The government aims to implement the early retirement incentive announced in the 2024 Medium-term Budget Policy Statement to rationalise and rejuvenate the public service. This initiative is expected to motivate 15 000 public service employees to apply for early retirement in 2025/26 and 2026/27, with R5.5 billion allocated to support the programme.

This budget lays the foundation for sustainable growth by addressing immediate spending pressures while prioritising investments in infrastructure and providing social support. It strikes a balance between expenditure and incremental revenue adjustments to stabilise the economy while providing essential social assistance to those in need.

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** These are government components within votes*