



2025

PROVINCIAL BUDGET SPEECH

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MEC for Finance
18 MARCH 2025

Let's Grow Mpumalanga Together



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 2025/26
FINANCIAL YEAR TO THE MPUMALANGA PROVINCIAL LEGISLATURE**

18 March 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
- Chairperson of the Portfolio Committee on Finance Sonto Mapeleng
- Colleagues in the Executive Council and Honourable Members of the Provincial Legislature
- Members of the Mayoral Committees 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
- Leadership of the Governing Party and Alliance Partners, SACP Provincial Secretary Lucky Mbuyane, SACP Deputy Secretary Mandla Tibane, COSATU Provincial Secretary Thabo Mokoena, SANCO Provincial Secretary Linda Dlamini, and Progressive Youth Alliance (PYA).
- The leadership of Business, Organized Labour, Youth and Women formations and Civil Society
- Citizens of Mpumalanga

I am pleased to introduce the 2025/26 Mpumalanga Provincial Budget to this August House.

We table this budget during an important month in our nation's calendar.

The designation of March as Human Rights Month is not a surprising history nor a coincidence of events. This month carries profound historical significance, particularly about the South African fight for justice and equality.

A pivotal occurrence that underscores this importance is the Sharpeville Massacre, which took place on March 21, 1960. This tragic moment marked a turning point in the struggle against apartheid, highlighting the severe consequences of systemic oppression.

The aftermath of the massacre not only led to the banning of prominent anti-apartheid organisation but also ignited a wave of global condemnation and intensified armed resistance against the oppressive regime.



This legacy continues to resonate, reinforcing the importance of human rights advocacy in our country and throughout the world.

There is no fitting reminder and tribute that we can make as a nation than to dedicate all our efforts emanating from the provincial budget to the total attainment of the compendium of rights accorded to all citizens.

PROVINCIAL ECONOMIC LANDSCAPE AND OUTLOOK

Let me put economic context to this budget.

The economic outlook for the country and province has improved compared to a year ago due to positive developments such as sustained power supply, lower inflation, and job creation in late 2024.

However, challenges persist, such as low growth, high unemployment, poverty, and inequality. Amidst these challenges, relatively low global growth and the rising geopolitical risks, are likely to affect the economies of South Africa and Mpumalanga.

The provincial economy is expected to grow very much in line with the national prospects. We expect the provincial growth rate of just below 2 per cent annually between 2024 and 2028.

The highest growth rates are expected in the transport and communication industry, finance, construction, and trade.

Other key industries with potential for high growth include agriculture and agro-processing, manufacturing, and tourism. These will have a positive effect on the job creation efforts of the province.

To underscore the Honourable Premier's sentiment, yes, we believe that Mpumalanga has the potential to grow its economy by 3 per cent per annum.

To stimulate these growth prospects and create more jobs, we must continue identifying new export opportunities and markets.

Furthermore, the stability in Mozambique is also critical, as 60 per cent of foreign tourist arrivals to our province come from this neighbouring country.

Honourable Speaker

According to the latest Quarterly Labour Force Survey (QLFS) from Stats SA, the province performed very well in the last six months of 2024 on the job market.



Net job gains reached almost 50,000 in the third quarter and more than 13,000 in the fourth quarter.

Our employment level in the fourth quarter (2024) reached 1.25 million, the highest ever recorded for this province.

Despite declining unemployment rates in the fourth quarter (2024), we remain concerned about high female unemployment, which stands at 37.0 per cent, and youth unemployment, which stands at 48.9 per cent.

The Medium-Term Development Plan (MTDP) sets a provincial unemployment rate target of 25 per cent.

To achieve this, the province must create between 50,000 and 60,000 new and sustainable jobs annually for the next five years.

Key sectors that have the potential to spur us to this target include agriculture, manufacturing, construction, trade and tourism, as well as finance.

The informal sector, which accounts for almost 30 per cent of employment at the moment, also holds significant potential to improve our employment targets.

The informal sector experienced a net gain of 51,391 jobs from the second to fourth quarter of 2024.

With targeted policy interventions, the government can unlock growth and employment opportunities in this sector, making it an integral part of the provincial and municipal economic growth strategies.

It is, therefore, important that the provincial government and social partners collaborate to meet economic growth and employment targets and implement successful strategies to positively change the lived experience of many of our communities.

Let's also take note of the wise words from Vladimir Lenin ***“there can be no real and effective ‘freedom’ in a society based on the power of money, in a society in which the masses of working people live in poverty and the handful of rich live like parasites.”***

South Africa is a compassionate government dedicated to addressing the interconnected issues of unemployment, poverty, and inequality. This commitment is reflected in the budget, which is designed to meet the needs of our citizens.



PROVINCIAL FISCAL OUTLOOK

Honourable Speaker

The 2025 National Fiscal Framework allocates **R369.7 million** this year and **R1.2 billion** over the MTEF to support the province in addressing the additional cost of implementing the wage agreement.

The Province also receive **R1.6 billion** over the MTEF due to the impact of the data update on the provincial equitable share formula.

Furthermore, **R31 million** declared unspent in the 2024/25 financial year is reallocated to the Departments of Economic Development and Tourism, Cooperative Governance, Human Settlements and Traditional Affairs and Community Safety, Security, and Liaison.

Sources of provincial budget

The provincial budget for the 2025/26 financial year amounts to **R66 billion, 214 million, and 94 thousand**, of which **R52.4 billion** is from Equitable Share, **R10.4 billion** from Conditional Grants, and **R2.4 billion** from Provincial Own Revenue.

SPENDING PRIORITIES

I will now outline some of the spending priorities as endorsed by the Executive Council.

VOTE 1: Office of the Premier

To provide executive leadership and ensure the administration is accountable for service delivery, the Office of the Premier is allocated **R493 million 827 thousand**. This includes an additional **R12 million** to establish a highly specialised Provincial Programme Management (PMU) unit whose core functions include:

- Enhancing overall efficient planning for qualitative infrastructure delivery whilst also insuring continued identification and support for key catalytic programmes and projects.
- Identifying and pursuing viable investments and partnerships to accelerate the implementation of such programmes and projects.
- Ensuring qualitative, timely and cost-effective delivery of programmes and projects across all sectors in the Province.



- The PMU must work with all entities and provincial departments to realise its objectives. We must emphasise that the PMU is meant to strengthen the capacity of the Province to take full advantage of and participate in domestic and global opportunities in all fronts.

The Minister of Finance in his 2025 Budget speech announced the reconfiguration of the Budget Facility for infrastructure, this is one of the immediate opportunities that the PMU must assist the Province to take advantage of. The Office of the Premier is requested to ensure that the Province reaps maximum reward from this investment.

VOTE 2: Provincial Legislature

The Provincial Legislature plays an important role in ensuring a balanced democratic order through public participation, passing laws and exercising oversight on the administration.

The baseline of the Legislature increased from **R519 million 13 thousand** in the 2024/25 financial year to **R549 million 137 thousand** in the 2025/26 financial year. Included in the budget is an:

- **Additional R37.6 million** over the MTEF for members benefit given the increase in the number of seats from the sixth to the seventh legislature.
- **R31 million** over the MTEF to upscale the voter education programme so as to reach all the people of Mpumalanga in all corners of the province.
- **R94 million** has been added over the MTEF towards supporting the work of the legislature and its stakeholders, the political parties and their constituency offices.

VOTE 3: Provincial Treasury

The Provincial Treasury is increased from **R560 million 178 thousand** allocated in 2024/25 financial year to **R647 million 494 thousand** in 2025/26 financial year. An additional allocation of **R80 million** is for:

- maintenance of current transversal systems which support all votes in the Province.
- continued investment in ICT infrastructure so as to enable efficient operational and financial administration,



- roll out new innovations as part of the business automation programme, and
- supporting initiatives to improve financial governance in departments and public entities.

VOTE 4: Co-operative Governance Human Settlements and Traditional Affairs

As per the pronouncement of the Premier, we confirm from financial administration and management point of view that Votes 4 and 13 have since been consolidated into one vote, that is Vote 4. Department of Co-operative Governance, Human Settlements and Traditional Affairs receives **R2 billion 360 million 127 thousand**. The allocation includes, amongst others:

- **R942.9 million** for Human Settlements Development Grant for provision for the progressive realisation of access to adequate housing.
- **R184.5 million** for Informal Upgrading Partnership Grant to facilitate a programmatic and inclusive approach to upgrading of informal settlements.
- We commend the department for ensuring timely delivery of its programmes and call on them to also ensure the qualitative spending aspects thereof.
- **R119.2 million** is added to the baseline over the MTEF to support the work of head men and women in Traditional Councils.
- **R204 million** is in the baseline over the MTEF to enhance infrastructure provision and support for our traditional councils and traditional authorities.
- **R45.5 million** is allocated in the 2025/26 financial year to ensure that the province responds comprehensively to natural disasters as and when they happen.
- **R1.8 million** that was rescheduled in 2024/25 is reallocated to the Department to finalise the bulk work at the Parliamentary Village.

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

The Department of Agriculture, Rural Development, Land and Environmental Affairs is allocated **R1 billion 644 million 634 thousand** for the 2025/26 financial year. Included in this allocation is:

- **R60 million** for the continued revitalisation of the Senteeko Tea Estate and to promote agro-processing of the farm harvests.



- **R65 million** to provide extensive production support to local farmers and enable to compete in different markets.
- **R 45 million** towards the Cannabis Project in partnership with Sasol, Govan Mbeki Local Municipality, and the anticipated support from the Department of Small Business Development, which will help the province fully establish this industry.
- The operationalisation of the Mpumalanga International Fresh Produce Market has started thus **R32.7 million** is made available in the 2025/26 financial year for the department to do its part in the establishment of trading systems for the market and putting in place plans for the development of the bigger market precinct.
- The Department also received **R29 million** from the National Disaster Relief Fund for disasters that affected the agricultural industry late last year.

VOTE 6: Economic Development and Tourism

The Department of Economic Development and Tourism gets **R1 billion 324 million 261 thousand** to drive growth initiatives and unlock the investment potential of the provincial economy. This allocation includes:

- The previously rescheduled **R7 million** for the Nkomazi Special Economic Zone (SEZ) is being reallocated to this budget, taking the overall amount allocated over the MTEF to **R158.5 million**.

Madam Speaker this is yet another immediate task for the specialised PMU, so that it can work closely with the DEDT, the SEZ itself, MEGA and the Department of Trade, Industry and Competition (DTIC) to unlock funding opportunities available. For example, the Critical Infrastructure Fund, the SEZ Fund and other funds available at the national level related to the development of Special Economic Zones in the country at large.

- **R38 million** is for payments related to the completion of the Mpumalanga International Fresh Produce Market.
- **R30 million** will be allocated to the Mpumalanga Economic Regulator to automate and streamline the liquor and gambling regulatory functions, processes and improve overall industry compliance.



- Within the baseline of Mpumalanga Economic Growth Agency (MEGA), **R70.9 million** is made available over the MTEF for the refurbishment of the assets under its control so as to strengthen the balance sheet of the entity and improve its ability to leverage funding from private sector.
- Within the baseline of the Mpumalanga Tourism and Parks Agency (MTPA) over the MTEF **R111.6 million** is provided for the maintenance of nature reserves, and **R118 million** for tourism development and marketing initiatives.
- The baseline of the Vote has also been adjusted by **R31 million** over the MTEF to enable the vote to amongst others conduct feasibility studies for the development of new tourism products such as the Mariepskop Cable Car, the Hazyview Waves and others, this whilst also seeking partnerships for the actual development phase for these programmes.

We call on the department and MTPA to work with all role-players in the tourism sector right from the start so that these developments are holistic and serve the needs of the tourism sector for their ultimate development.

VOTE 7: Education

In the Official Opening of Legislature last year, the Honourable Premier said, “ **The three main priorities for the socio-economic transformation of our society are anchored on an education system that delivers quality outcomes**”.

We are indeed investing in the education of our children. The 2025/26 Appropriations Bill allocates the largest share of the provincial budget at **R28 billion 732 million 641 thousand** to the Department of Education.

- **R1.8 billion** is added over the MTEF to expand the eLearning programme starting at Grade 10. The baseline is topped up with **R591.6 million**, bringing the total allocation for the eLearning Programme to **R717.6 million** in the 2025/26 financial year.
- **R1.1 billion** is provided over the MTEF for Learner Teacher Support Material.
- Transfers to our public, independent and special schools amount to **R4.2 billion** over the MTEF to enable schools to function and execute daily teaching and learning tasks effectively.
- **R155 million** is allocated for the construction of Mokebe Secondary in Dr JS Moroka, Khokhovela Primary in Bushbuckridge and Trichardsfontein Primary in Govan Mbeki Municipality.



- This is in addition to **R184 million** already allocated during adjustments budget for the construction of Chayaza Secondary in Bushbuckridge, Perdekop Secondary in Dr Pixley Ka Isaka Semele and Tidimalo Primary School in Thembisile Hani Municipality. The department will elaborate on other infrastructure programmes in their Policy and Budget speech.
- We further confirm a budget amount of **R304.5 million** over the MTEF is already in the baseline of the department for the construction of the School for the Deaf and Blind whose mandate is now envisaged to cater for the needs of children with disabilities wholistically as pronounced in the SOPA.
- **R103.4 million** is added to the equitable share of the Department for the recruitment of teacher assistants to support educators with various tasks in the classroom.
- The baseline of the Mpumalanga Regional Training Trust is adjusted by **R65.5 million** over the MTEF period. We urge the entity to pro-actively collaborate with various SETAs to expand artisan development programmes, and leverage its tourism & hospitality offerings so as to be able to cease opportunities in the sector

VOTE 8: Public Works, Roads and Transport

The Department of Public Works, Roads and Transport plays an important role in delivering social and economic infrastructure for a functioning society and economic growth.

To this end, **R3.7 billion** is allocated over the MTEF for the repair and maintenance of roads through the Provincial Roads Maintenance Grant. In addition, we are allocating:

- An additional R40 Million for the construction of Manyeleti road in 2025/26 financial year, bringing the total budget to **R65 million**,
- **R30 million** is reallocated for the Driekoppies bridge and **R100 million** towards Emalahleni civic bridge.

The Department also receive an additional **R163.9 million** over the MTEF for the Scholar Transport programme.

The total allocation to the Department of Public Works, Road and Transport for the 2025/26 financial year is **R 5 billion 876 million 914 thousand**.



The Department is urged to strengthen its project management and implementation capacity and ensure that all infrastructure projects are delivered on time, within scope and within budget. The Department is further urged to work closely with other implementing agents and the specialised PMU in the Office of the Premier.

VOTE 9: Community Safety, Security and Liaison

The total budget allocated to the Department of Community Safety, Security and Liaison of **R2 billion 144 million 260 thousand**, is meant to ensure that *the people of Mpumalanga and visitors are and feel safe* in their homes, roads and public facilities.

Public facilities such as clinics and schools have been under attack in recent times. To this end, the baseline of the department for security services is adjusted by **R89.7 million** in the 2025/26 financial year to add capacity and in order to protect the communities, the officials and public infrastructure overall.

R22.2 million, which was rescheduled in the second Adjustments Appropriations, has been reallocated to the department for the intake of youth at the Mpumalanga Traffic Training College and for adding vehicles for road safety programmes.

Since we started with the takeover of the Driving Licence Testing centres in the 2018/19 financial year, the revenue collection rate of the Department grew by **45 per cent** from 2019/20 to 2024/25. In the 2025/26 financial year, the department will take over the DLTC operations from Thembisile Hani and Dr Pixley ka Isaka Seme municipalities.

We call on the department to ensure the efficient provision of services by cutting the time communities take to renew their licence discs, including through new technology.

VOTE 10: Health

A Healthy society is essential for the long-term economic prosperity of the province. When citizens are healthy, they can better support their families and communities and ultimately foster growth and development.

To expand quality health care services to all, the Department of Health is allocated **R19 billion 750 million 974 thousand**. This budget includes:

- **R47.4 million** towards recruitment of medical officers to strengthen the public healthcare system.



- **R3.2 billion** is allocated in 2025/26 financial year towards the Health sector non negotiables such as medicine, blood and laboratory services.
- **R30 million** is made available, **R15 million** of which is already in the baseline allocation to increase ambulances to improve the response time and medical care in emergency situations.
- **R80 million** is provided for the construction of four (4) new clinics, Barberton in the City of Mbombela, Langkloof in Thembisile Hani, Alexandria in Bushbuckridge, and Lebogang in Govan Mbeki Municipality in the 2025/26 financial year.
- The baseline of the Department includes an allocation **R683.2 million** towards the construction of Mapulaneng Hospital in the 2025/26 and
- **R497.2 million** over the MTEF for the construction of Linah Malatji Hospital in eMalahleni Local Municipality.

We urge the Department to expediently work with its implementing agent to fast track the qualitative completion of these health facilities and finalise the operationalisation plans thereof.

VOTE 11: Culture, Sport and Recreation

R812 million 298 thousand is allocated to the Department of Culture, Sport and Recreation to preserve our cultural heritage, accelerate transformation through sport, and harness our artistic and cultural excellence. This budget includes, amongst others:

- **R7.1 million** for the promotion of multilingualism and linguistic diversity in the Province and ensure that the public can access government services, knowledge and information in their preferred languages.
- **R175 million** for the construction of a 5000-seater capacity multipurpose arena in the Mbombela Stadium precinct for hosting major events, conferences, indoor sporting activities, and conventions.
- Funding of **R81 million** for the High-Altitude Centre is in the baseline of the department for the 2025/26 financial year.
- As pronounced in the SOPA, the Provincial government will continue to support hosting events such as the Mpumalanga Cultural Experience, Metro FM awards, Innibos and many others due to their recreational effects and the



economic spinoff they bring to the Province whilst also promoting social cohesion objectives of the province.

VOTE 12: Social Development

R1 billion 877 million 527 thousand is allocated to the Department of Social Development to champion an inclusive and responsive social security system that supports and protects vulnerable and marginalised members of society.

- **R40 million** to mitigate the operational budget pressures related to the delivery of core social services.
- The 2024 budget increased the disbursement rate to Non-Profit Organisations (NPOs) that care for the Elderly and People with Disabilities.
- **R141 million** is already in the baseline of the department for the construction of centres for the elderly over the MTEF.
- In line with the commitment to progressively increase the funding throughout the sector, **R32.5 million** is added to the baseline over the 2025 MTEF to NPOs that care for children and the youth in our communities.

Honourable Speaker

Our path to success is grounded in the fundamental principles our forebears followed, even in the face of significant challenges of our past.

We continue to draw inspiration from the unwavering leadership of Oliver Reginald Tambo, who profoundly stated, ***“The fight for freedom must go on until it is won; until our country is free and happy and peaceful as part of the community of man, we cannot rest.”***

We are optimistic about achieving our goals, dreams, and aspirations for a better life for all citizens of Mpumalanga.

We urge all provincial departments and public entities to make the most of their allocated budgets.

As I conclude, let me borrow the words of Kenyan environmentalist and Nobel prize winner Professor Wangari Maathai, and I quote. ***“In the course of history, there comes a time when humanity is called to shift to new levels of consciousness, to reach higher moral ground. A time when we have to shed our fear and give hope to each other. That time is now.”***



I would like to take this opportunity to express my appreciation to the Premier, Honourable Mandla Ndlovu, for your exceptional leadership during the preparation of this budget.

I extend my gratitude to my colleagues in the Budget and Finance Committee and the Executive Council for your support in finalizing this budget.

Many thanks to the Chairperson of the Portfolio Committee on Finance, Honourable Sonto Malepeng, and all the members of the Committee for your ongoing support whenever we seek your guidance.

I also want to express my gratitude to the Head Official, Ms. Gugu Mashiteng, and the management team for their assistance in preparing this budget.

A special thank you goes to the entire staff of the Provincial Treasury for their continuous efforts that enable us to fulfil our responsibilities under the PFMA and MFMA mandates.

To the officials in the Office of the MEC and to my family, I appreciate your patience and support.

Finally, I would like to thank the African National Congress and the South African Communist Party for entrusting us with this important public responsibility.

I have the honour of presenting the following budget documents for consideration:

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

Thank you.




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