

2025/26 BUDGET HIGHLIGHTS


KWAZULU-NATAL PROVINCE
TREASURY
REPUBLIC OF SOUTH AFRICA


2025/26 PROVINCIAL REVENUE

PROVINCIAL RECEIPTS

R thousand/% of total receipts	Adjusted Appropriation	Medium-Term Estimates		
	2024/25	2025/26	2026/27	2027/28
Transfer from national	146 541 000	154 460 711	159 845 764	167 692 261
<i>Equitable share</i>	121 145 053 80.4%	128 094 529 80.7%	134 319 766 81.7%	141 007 305 81.8%
<i>Conditional grants</i>	25 395 947 16.8%	26 366 182 16.6%	25 525 998 15.5%	26 684 956 15.5%
Own revenue	4 176 860 2.8%	4 292 863 2.7%	4 489 350 2.7%	4 689 981 2.7%
Total receipts	150 717 860	158 753 574	164 335 114	172 382 242

- The provincial receipts consist of National Transfers amounting to **R154.461 billion** and Provincial Own Revenue of about **R4.293 billion**.
- About 97.3% of the provincial receipts are national transfers, whilst 2.7% emanates from provincial own revenue.
- The national transfers include an **Equitable Share** allocation, which amounts to **R128.095 billion**, and **Conditional Grants** of **R26.366 billion** in the 2025/26 financial year.
- KZN's total receipts for the 2025/26 financial year amount to about **R158.754 billion**



2025/26 PROVINCIAL EXPENDITURE

KZN TOTAL BUDGET
R158.478 BILLION



SOCIAL SERVICES
R126.515 BILLION

PROVINCIAL PAYMENTS

R thousand	Main Appropriation 2025/26	% of Total Budget
Social Services	126 515 304	79.8%
Education	66 690 206	42.8%
Health	56 211 801	35.5%
Social Development	3 613 297	2.3%
Economic Services	25 778 874	16.3%
Transport	13 827 066	8.7%
EDTEA	3 606 998	2.3%
Human Settlements	3 549 877	2.2%
Agri. & Rural Dev.	2 757 443	1.7%
Public Works	2 037 490	1.3%
Administration	6 183 871	3.9%
COGTA	1 931 153	1.2%
Sport, Arts & Culture	1 598 141	1.0%
Prov. Legislature	850 796	0.5%
Office of the Premier	817 875	0.5%
Provincial Treasury	710 190	0.4%
Community Safety & Liaison	275 716	0.2%

- The province has set aside R278.085 million, R356.771 million and R468.391 million over the next three years in the **Contingency Reserve** for unforeseen circumstances that may arise.
- The bulk of the province's budget is allocated towards the delivery of social services such as providing quality education and learning as well as school nutrition through the **Department of Education**, providing health services primarily to the uninsured population of KZN through the **Department of Health**, and services to older persons, children, and the youth through the **Department of Social Development**.
- Economic services receive 16.3% of the 2025/26 budget. The budget will be spent on **maintenance and upgrades of provincial roads**, **supporting various SMMEs**, **housing needs**, and **livestock production**, amongst other priorities.
- In 2025/26, the province's budget is increased through additional funds received from National Treasury. Part of the funds received are to fund the shortfall on the 2025 wage agreement, while the remaining portion is allocated towards easing budget pressures and funding some provincial priorities such as **learner transport**, **communal livestock production** and support for **community safety structures**.
- Funds are also received for the **Presidential Youth Employment Initiative** under the Department of Education for the employment of educator assistants on a 1-year contract.

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KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

INFRASTRUCTURE

**KZN
TOTAL INFRASTRUCTURE BUDGET
R18.248 BILLION**



**EXISTING
INFRASTRUCTURE ASSETS
R10.106 BILLION**

INFRASTRUCTURE PAYMENTS

R thousand	Main Appropriation 2025/26	% of Total Budget
Transport	8 798 110	48.2%
Human Settlements	3 144 815	17.2%
Education	3 066 425	16.8%
Health	2 403 908	13.2%
Agriculture & Rural Dev	242 680	1.3%
Sport, Arts & Culture	214 019	1.2%
Social Development	183 661	1.0%

- The largest share of infrastructure budget will be spent on Existing Infrastructure Assets in the form of maintenance and repairs (R3.577 billion), refurbishment and rehabilitation (R3.829 billion), and upgrades and additions (R2.700 billion).
- The departments will implement projects across all districts in the province, with uMgungundlovu District and eThekweni Metro receiving the largest share of the infrastructure budget for 2025/26 at R2.823 billion (15.5%) and R2.128 billion (11.7%), respectively.
- The eThekweni Metro has 797 projects, and uMgungundlovu has 570 projects. The Estimates of Capital Expenditure (ECE) publication lists all the projects to be rolled out.



ECONOMIC INDICATORS

MACROECONOMIC OUTLOOK - SUMMARY

	GDP growth rate			Consumer price inflation	Unemployment rate
	2024	2025	2026		
	Estimate	Forecast		2024	
World	3.2%	3.3%	3.3%	5.8%	4.9%
South Africa	0.6%	1.7%	1.8%	4.4%	32.6%
KwaZulu-Natal	0.5%	1.7%	1.7%	4.4%	30.2%

SA and KZN: Average unemployment rate over three quarters

- The International Monetary Fund (IMF) forecasts modest global growth of 3.3% this year and in 2026.
- South African growth is projected to pick up to 1.7% this year and 1.8% in 2026, supported by improvements in the electricity supply and further reforms in the transport sector.
- Similar to the national trend, the provincial economy is projected to regain its momentum and expand by 1.7% in 2025, benefitting from the stable power supply and ongoing reforms in the transport sector.



DEVELOPMENT INDICATORS

DEVELOPMENT INDICATORS- SUMMARY

Indicator	Development Indicators			
	South Africa		KwaZulu-Natal	
	2013	2023	2013	2023
Food Poverty Line	22.6%	47.9%	29.3%	57.2%
Human Development Index	0.61	0.66	0.56	0.62
Gini-Coefficient	0.64	0.61	0.63	0.61
Functional Literacy: age 15+, completed grade 7 or higher	82.8%	90.0%	80.3%	88.5%

- SA and KZN alike continue to grapple with high poverty rates, as evidenced by the share of people living below the poverty line.
- About 4.248 million people in KZN were social grant recipients as at the first quarter of 2024, which translates to 22% of national total grant recipients (19.234 million).
- The Human Development Index (HDI) was estimated at 0.66 for SA and 0.62 for KZN in 2023.
- The challenge of income inequality remains high, as the Gini-coefficient is estimated at 0.61 for both SA and KZN.
- The functional literacy rate for people aged 15 years and above reached 90% for South Africa and 88.5% for KZN in 2023.