



**Member of the Executive Council  
For Finance, Economic Development & Tourism  
FREE STATE PROVINCE**

**2026 MTEF BUDGET  
FREE STATE PROVINCIAL BUDGET SPEECH**

**HON. M.K. MAKUME  
MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND  
TOURISM**

**17 MARCH 2026**

Hon. Speaker Mr. Mxolisi Dukwana

Hon. Deputy Speaker Me. Nolitha Ndungane

Hon. Premier Me. MaQueen Letsoha-Mathae

Members of the Executive Council

Members of the Free State Legislature

Executive Mayors, Mayors and Councillors

Director-General of the Province

Heads of Departments and Chief Executive Officers of Public Entities

Special Guests

People of the Free State

Esteemed Ladies and Gentlemen.

Dumelang!

Molweni!

Goeie morê

Good morning!

## INTRODUCTION

Hon. Speaker, I am very grateful for the opportunity granted by this august House to table the Free State Provincial Budget. As members of this House will recall, the Minister of Finance tabled the National Budget on the 25 of February 2026, setting out a financial framework that is aimed at stimulating economic recovery, improving revenue collection, and strengthening public service delivery. I therefore rise today to fulfil our legal obligations as regulated by section 27(2) of the Public Finance Management Act (Act. No. 1 of 1999 as amended)—which reads as follows— the MEC for Finance in a province is required to table the provincial annual budget for a financial year in the Provincial Legislature no later than two weeks after the tabling of the national annual budget. However, the Minister of Finance may approve an extension of time for the tabling of a provincial budget, should circumstances necessitate such a deviation.

Hon. Members, while we are gathered here today to table the 2026 Budget, it is equally befitting that we pause to honour the life of a distinguished son of the Free State, a veteran of our liberation struggle, and a devoted servant of the people — Mosiuoa Gerald Patrick “*Terror*” Lekota.

On behalf of the Free State Provincial Government, we extend our deepest condolences to the Lekota’s family. Your loss is profound, but it is also shared by the people of this province and the nation as a whole.

Cde Lekota belonged to the courageous generation that refused to accept the injustice of apartheid as permanent. In the face of repression and imprisonment, he chose the path of resistance and dedicated his life to the struggle for freedom, dignity, and justice for all South Africans.

For the people of the Free State, he was more than a national leader — he was one of our own. Shaped by the soil of this province, he carried with him the

resilience and courage of its people, always prepared to speak truth to power and stand firm in his convictions.

Even in democracy, he remained committed to the ideals of ethical leadership, accountability, and principled public service. His life reminds us that leadership is not merely about holding office, but about serving the people with integrity and courage.

Hon. Members, on the occasion of the funeral of the late Cde Mosiuoa “Terror” Lekota, Cde Fikile Mbalula, Secretary-General of the African National Congress reflected that *“Cde. Mosiuoa “Terror” Lekota possessed that rare quality of a genuine revolutionary: he understood that freedom must continually be defended, even after it has been attained. He believed firmly that democracy requires constant vigilance and honest debate. From the earliest chapters of his life, he understood that the liberation of the oppressed required discipline, organisation, and sacrifice,”*

To the Lekota’s family, we thank you for sharing him with the nation. As we bid farewell to this son of the Free State, may his legacy continue to inspire future generations to pursue justice, defend democracy, and serve South Africa with unwavering principle.

Hon. Members, this year marks the fourteenth(14<sup>th</sup>) anniversary of our Grade 12 Annual Budget Essay Competition, which we proudly host in partnership with the Department of Education. This competition has become an important tradition. Over the years, it has provided many learners with the opportunity to gain a deeper understanding of how government budgeting works. At the same time, it has given us as government valuable insight into the aspirations, ideas, and perspectives of the young people in the province.

Hon. Premier, invitations were extended to secondary schools across all five districts of the province, and we are pleased to report that 145 learners

participated in the 2026 Grade 12 Annual Budget Essay Competition. The topic for this year's essay was: *"Budgeting for a Green Economy to Stimulate Economic Growth and Job Creation."*

We are proud to recognise and announce the learners who have attained the top five positions in this year's competition:

1. Matshego Mochologi from Lekhulong Secondary School in Rocklands, Bloemfontein;
2. Motshedisi Potsane from Ithabeleng Secondary Schools in Wesselsbron;
3. Palesa Lethiba from Setjhaba-Se-Maketse Combined School in Botshabelo;
4. Lethabo Mothofo from Calculus Secondary School in Bloemfontein; and
5. Kekeletso Mtshwane from Seemahale Secondary school in Botshabelo.

The overall winner of the 2026 Grade 12 Essay Competition is Motshedisi Potsane from Ithabeleng Secondary School, who was honoured yesterday during our prize-giving ceremony.

Hon. Speaker, allow me to convey our sincere appreciation to our valued sponsors—Old Mutual, Nedbank, and Vodacom—for their invaluable and sustained support over the years. Their unwavering commitment has been instrumental in enabling this initiative and ensuring its continued success.

We also wish to thank all the matriculants who participated in the competition, as well as their dedicated educators who supported and guided them throughout this journey. To the Class of 2026, we wish you every success in your final year. *Work hard, remain focused, and you will surely reap the rewards of your efforts.*

## **ECONOMIC OUTLOOK**

Hon. Members, the global economy is expected to remain relatively stable, growing by 3.3 percent in 2026 and 3.2 percent in 2027. However, the outlook remains uncertain due to shifting trade policies, industrial strategies, evolving economic relations, and ongoing geopolitical tensions.

For South Africa and the Free State province, economic prospects continue to be shaped by global volatility and domestic constraints. The National Treasury projects economic growth of 1.6 percent in 2026, rising gradually to 2 percent by 2028. This outlook is supported by a fiscal strategy aimed at maintaining macroeconomic stability and advancing reforms in electricity, transport, and water to stimulate investment and job creation.

While these projections indicate improving economic performance, risks remain. The outbreak of foot-and-mouth disease poses a potential threat to the provincial economy, given its sensitivity to agricultural activity. Over the medium term, from 2025 to 2029, the provincial economy is expected to experience a gradual and uneven recovery. Real provincial GDP is projected to increase from 1.1 percent in 2025 to 2.4 percent by 2029, averaging 1.8 percent over the period.

To achieve stronger long-term growth, we must focus on industrialization, strengthening agricultural value chains, ensuring energy security, attracting investment, and easing logistical constraints that continue to limit economic expansion.

## **COST CONTAINMENT**

Hon. Speaker, as part of measures to contain provincial expenditure, the Free State Province has completed the revision of Instruction Note 31. This Instruction Note establishes expenditure ceilings on selected categories of spending, particularly in the context of the prevailing fiscal constraints. This

Instruction Note will be reviewed on a regular basis to ensure alignment with ongoing reforms to the fiscal framework and to maintain prudent financial management across the provincial administration.

Hon. Members, in addition to the revision of this Instruction Note, the National Treasury has approved a total of 526 applications for Early Retirement (ERP) and Voluntary Exit Programme (VEP). Out of the said applications, 423 applications, representing 80.4 percent, originate from the Departments of Education, Health, and Social Development. This programme is projected to yield significant net savings over the Medium-Term Expenditure Framework, estimated at R261 million in 2026/27, R206 million in 2027/28, and R210 million in 2028/29. These savings will contribute meaningfully to strengthening the province's fiscal sustainability while enabling strategic budget reprioritisation particularly in the Department of Education.

In our continued efforts to strengthen accountability and ensure the integrity of the provincial personnel system, we also undertook a comprehensive staff verification process across the provincial administration under the theme "**who is where, where is who**". Hon. Members, I am pleased to report that this process is nearing closure, all departments have concluded with the exception of four (4) departments that are still in the process of finalising their submissions, with the deadline set for **20 March 2026** by the Department of Public Service and Administration (DPSA).

This exercise forms part of our broader commitment to ensuring accurate personnel records, strengthening governance, and safeguarding public resources within the provincial government.

## **SUPPLY CHAIN AND PAYMENTS**

Hon. Speaker, we wish to report that a slight improvement has been observed in the payment of suppliers within the prescribed 30-day period. This improvement can largely be attributed to the deliberate strategies implemented by Accounting Officers to address long-standing challenges, particularly accruals carried over from previous financial years.

The province will continue with outreach programmes aimed at supporting suppliers. These programmes provide suppliers with an opportunity to report instances of non-payment or late payment of invoices through the grievance mechanism established within the Free State Provincial Treasury. This mechanism remains a critical tool in ensuring accountability and responsiveness.

Hon. Speaker, we would also like to remind everyone that timely payment of suppliers is not only a legislative requirement, but also a critical driver of economic sustainability, particularly for small and emerging businesses that rely on government as a dependable client. The province therefore remains committed to strengthening financial discipline and restoring confidence in public financial management.

## **GOVERNANCE AND AUDIT IMPROVEMENTS**

Hon. Speaker, we must intensify our efforts to reduce *Unauthorized, Irregular, and Fruitless and Wasteful Expenditure*. To support departments in resolving outstanding cases, Provincial Treasury has established a transversal term contract and appointed a panel of experts. This panel will conduct assessments, determination tests, investigations, and forensic reviews related to these expenditures. The panel will support the province for a period of thirty-six (36)

months. Departments are therefore urged to ensure that all outstanding cases are finalized within this period.

Hon Members, in our continued effort to strengthen Internal Audit Functions, Risk Management Units, and Anti-Fraud and Corruption initiatives within provincial departments and public entities, Provincial Treasury has implemented several measures aimed at enhancing these critical governance areas. The following measures were implemented, amongst others, International Fraud Awareness Week in collaboration with CUT and the Association for Certified Fraud Examiners, Combined Assurance training and Supplier Extortion Awareness Session.

Provincial Risk Management will continue to assess the extent to which risk management strategies are implemented across departments and public entities. We will also evaluate how effectively these practices support management in making informed decisions. Our focus remains on positioning risk management as a vital tool to promote the efficient and effective achievement of institutional objectives.

## **MUNICIPAL FINANCE MANAGEMENT**

Honourable Members, I must acknowledge that local government continues to face a number of challenges. However, as the Provincial Government, we are not standing idle. We remain firmly committed to stabilising and strengthening local government through coordinated interventions led by the Office of the Premier, the Department of Cooperative Governance and Traditional Affairs (COGTA), and the Provincial Treasury.

In this regard, we are currently intervening in eight (8) municipalities including Mangaung Metro in terms of Section 139 of the Constitution. Hon. Members, while we recognise that the results of these interventions may not be immediate, we are confident that we are on the right path towards turning around the state

of local government in our province. To that extent the province has deployed intervention team to these various municipalities to assist with financial, institutional, governance and service delivery matters.

Hon. Speaker, last year we reported that only eight out of the twenty-three municipalities were able to submit funded budgets for the 2025 financial year. This was a matter of serious concern, as a funded budget is a fundamental requirement for sound financial management and the sustainable delivery of services.

Municipalities that submitted unfunded budgets were therefore required to develop and submit Budget Funding Plans. The purpose of these plans is to address the underlying financial challenges and place municipal finances on a more credible and sustainable footing. We are pleased to report that the Provincial Treasury continues to provide technical support and guidance to these municipalities. This support is aimed at ensuring that the requirements of credible Budget Funding Plans are properly met and that municipalities are assisted in implementing practical and sustainable solutions to their financial constraints.

Our focus is clear. We are supporting municipalities to restore financial stability, achieve funded budgets, and strengthen financial management. This work matters. It is essential for better governance and for ensuring reliable, sustainable services for our communities.

Hon. Members, we have also concluded a process aimed at reducing unwanted expenditure within the local government sphere. This initiative demonstrates the province's firm resolve to take decisive action in addressing the financial challenges facing municipalities. Through these measures, we seek to promote greater financial discipline, improve the efficient use of public resources, and strengthen the overall sustainability of local government institutions.

## **PROVINCIAL FISCAL FRAMEWORK**

Hon. Members, the total 2026 MTEF provincial fiscus amounts to R47.9 billion in 2026/27, R49.5 billion in 2027/28 and R51.0 billion in 2028/29. The province will spend an estimated amount of R148.5 billion over the 2026 MTEF ahead. The implementation of this budget over the MTEF period will be guided by the 2024-2029 Medium Term Development Plan key priorities, namely—

- *Inclusive growth and job creation;*
- *Reducing Poverty and tackling high cost of living; and*
- *Building capable, ethical and developmental state*

Specifically, the 2026/27 financial year budget amounts to R47.9 billion and represent an increase of 1.6% when compared to the last financial year allocation. This allocation includes equitable share of R36.7 billion, conditional grants of R9.8 billion and provincial own revenue of R1.2 billion. Equitable share allocation constitutes 76.7 percent of the total allocation, whilst conditional grants and provincial own revenue account for 20.6 percent and 2.7 percent respectively.

### **Equitable Share**

Hon. Speaker, the 2026 MTEF allocation to the province came with budget cuts occasioned by updates to the provincial equitable share formula and inflation adjustments. Specifically, the formular updates resulted in the reduction of R332.6 million over the MTEF period, whilst the inflation adjustments reduced the provincial equitable share by R297.1 million.

However, Hon. Speaker, we have received additional allocations totalling R1.7 billion which are earmarked for frontline services. I will provide details of these allocations when we deal with allocations to various departments.

## Conditional Grants

Hon. Speaker, a few changes have been made to conditional grants. Most notably, funds have been reprioritised from the Provincial Roads Maintenance Grant to support the Presidential Employment Stimulus in the 2026/27 financial year. As a result, the province's allocation for the Provincial Roads Maintenance Grant has been reduced by R271.8 million compared to the initial 2025/26 allocation.

The total allocations for conditional grants over the 2026 MTEF period amount to R30.2 billion. The province will therefore spend more than R9.8 billion in 2026/27, R10 billion 2027/28 and R10.3 billion in 2028/29.

These funds are highly regulated by the Division of Revenue Act and are earmarked for implementation of socio-economic programmes and projects—including infrastructure delivery. Hon. Members, allow me to briefly reflect on the grants' allocations per department.

- Health is allocated a total of R4.1 billion which caters for, amongst others, maintenance and delivery of infrastructure, provision of comprehensive HIV and AIDS programmes, and training of health personnel.
- Education is allocated R2.1 billion to address the following, amongst others, maintenance and delivery of infrastructure, provision of school nutrition, special needs schools, and early childhood development.
- Agriculture, Rural Development and Environmental Affairs will receive R286.3 million to provide for comprehensive support to farmers, cater for poverty relief, infrastructure development and Expanded Public Work Programmes.
- Community Safety, Roads and Transport is allocated R2.1 billion for the maintenance of provincial roads and payments of subsidy for public bus transport services.

- Human Settlements is allocated R892.5 million for the development of sustainable and integrated human settlements and upgrading of informal settlements.
- Sport, Arts, Culture and Recreation will receive R240.3 million to transform urban and rural community library infrastructure, facilities and services and facilitate sport and active recreation activities.

## **Provincial Revenue Collection**

Hon. Speaker, mobilization of revenue remains critical for the province, especially in this environment of budget constraints. We are pleased to indicate that in the last financial year the province surpassed the target by 17.4 percent. Similarly, in the current financial year our revenue collection as at end of January is above the norm by 4.5 percent. Hon. Members, this revenue over collection will be strategically deployed to address key revenue related priorities.

Hon. Speaker, over the 2026 MTEF we plan to collect R3.9 billion. However, the estimated revenue collection for the 2026/27 financial year is just above R1.2 billion which an increase of 0.6 percent to the adjusted revenue estimates of 2025/26 financial year.

## **BUDGET TIPS SUBMISSIONS**

Hon. Speaker, before tabling the allocations for the 2026 Budget, allow me to express our sincere appreciation to South Africans—particularly the people of the Free State—for the valuable budget tips and inputs they have provided. Your contributions have enabled us to reflect more critically on the provincial budget and to ensure that it responds to the key service delivery priorities and socio-economic challenges facing our province.

## **2026 MTEF ALLOCATIONS**

Hon. Members, allow me to now focus on the funded priorities over the medium-term period ahead. These priorities reflect our collective commitment to directing available resources towards programmes and interventions that will have the greatest impact on service delivery and the wellbeing of our communities.

Over the MTEF period, the allocated funding will support key strategic initiatives aimed at strengthening economic growth, improving infrastructure, strengthening support to municipalities, and enhancing the quality and accessibility of public services. Our collective focus must remain on ensuring that the resources are utilized efficiently, responsibly, and in a manner that delivers tangible results for our people.

Hon. Speaker, in preparation of the 2026 Budget, we undertook a series of comprehensive provincial deliberations in line with the prescribed budget process. These engagements included, among others, two EXCO Planning and Budget Lekgotla sessions held in October 2025 and February 2026, meetings of the Provincial Medium-Term Expenditure Committee convened in October 2025, and the National Benchmarking Exercise chaired by the National Treasury in January 2026.

The February 2026 EXCO Planning and Budget Lekgotla, in particular, provided an extensive platform to assess the province's priorities and the budgets required to implement them. Consequently, the 2026 Budget before this House is firmly informed by these deliberations.

## **ALLOCATIONS PER CLUSTER**

### **SOCIAL CLUSTER**

The frontline service departments are projected to spend more than R116.2 billion over the 2026 MTEF period to fulfil their critical mandate to our people. These departments remain at the centre of government's service delivery efforts, ensuring that essential services reach communities across the province.

Their mandate encompasses the provision of quality healthcare services, education and training, the strengthening of the social safety net, and the implementation of programmes that promote social cohesion and community development.

Hon. Speaker, these departments collectively account for 77.8 per cent of the 2026/27 provincial budget, reflecting government's continued commitment to prioritizing services that directly improve the well-being and livelihoods of our citizens.

Hon. Members, we received five budget tips recommending allocation for employment of Environmental Health Practitioners (EHPs). Ms. Dimpho Mokatsane noted the National Department of Health standard of 1 EHP per 10,000 people, highlighting that some towns have none. This is a serious concern, and I trust the relevant departments and municipalities will address it.

### **DEPARTMENT OF EDUCATION**

The department is allocated just over R20 billion in 2026/27, R21 billion in 2027/28 and R21.7 billion in 2028/29. In total the department is estimated to spend R62.8 billion over the 2026 MTEF period.

Included in the MTEF allocations are the additional amount of R543.292 million earmarked for alleviation of budget pressures and R22.465 million for

equalization of Grade-R educators' remunerations. Furthermore, the 2026/27 allocation makes provision for R17.168 million towards the Presidential Employment Stimulus, and R16.640 million for the Early Retirement and Voluntary Exit Programme.

Hon. Members, the conditional grants allocation for the 2026/27 financial year, which is already included in the total allocation, amounts to R2.1 billion.

Over the MTEF period, these resources will support several key priorities of the department, amongst others:

- Early Childhood Development
- Learning and Teaching Support Material
- Grade R programme
- School Hostel Support
- Secondary School Support
- School infrastructure which includes maintenance
- Learner Transport Programme

My colleague Dr. Maboya, our esteemed educator, will elaborate further on the funded priorities during the tabling of the departmental Budget Vote Speech, particularly highlighting key interventions aimed at strengthening the education sector.

## **DEPARTMENT OF HEALTH**

The department is allocated R15 billion in 2026/27, R15.6 billion in 2027/28 and R16.1 billion in 2028/29. In total the department is estimated to spend R46.9 billion over the 2026 MTEF period.

The MTEF allocations make provision for several critical commitments. These include the carry-through costs associated with the appointment of unemployed doctors, the procurement of beds and linen for our healthcare facilities, as well

as the payment of outstanding accruals. These allocations are essential to ensure the continued strengthening of our healthcare system and the effective delivery of services to our communities.

Conditional grants allocation for 2026/27 financial year, which are already included in the allocation, amounts to R4.1 billion. The following key priorities, amongst others, are funded:

- Improve availability of medicine and medical supplies
- Strengthen Primary Healthcare Services
- Laboratory Services (NHLS) and Blood Supply and Services
- Infrastructure Maintenance

My colleague, MEC Mahlatsi, will elaborate further on the funded priorities, including key health-related matters, during the tabling of the Departmental Budget Vote Speech.

## **DEPARTMENT OF SOCIAL DEVELOPMENT**

The department is allocated more than R1.4 billion in 2026/27, R1.4 billion in 2027/28 and R1.5 billion in 2028/29. In total the department is estimated to spend R4.4 billion over the 2026 MTEF period. Included in the 2026/27 financial year allocation is an amount of R6.2 million earmarked for Expanded Public Works Programme.

Social Development plays a critical role in strengthening the social safety net and in ensuring the provision of essential services to vulnerable members of our communities. As the challenges facing many households continue to grow, there is an increasing need for us to further strengthen our interventions. The budget before us makes provision for these important interventions, enabling the department to continue supporting and protecting those who are most in

need. The following key priorities, amongst others, are funded over the MTEF period:

- Food Relief and Poverty Alleviation programmes
- Women, Youth and Persons with Disabilities
- Prevention of Substance Abuse Programmes
- Fighting scourge of Gender Based Violence and Femicide

My colleague, MEC Hlalele, will provide further details on the funded priorities of the departments, including key social challenges while working with stakeholders to promote social cohesion, dignity, and sustainable livelihoods.

## **DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION**

The department is allocated R685.3 million in 2026/27, R708.2 million in 2027/28 and R725.5 million in 2028/29. In total the department is estimated to spend R2.1 billion over the 2026 MTEF period. The conditional grants allocation for the 2026/27 financial year, which is already included in the total allocation, amounts to R240.6 million.

The department carries a critical responsibility in promoting social cohesion within our communities. This mandate is advanced through the promotion and development of sport, arts, artists, and culture.

Hon. Speaker, it is widely known and accepted that these programmes have consistently demonstrated their value and success in bringing together diverse communities, fostering unity, mutual understanding, and a shared sense of belonging. The budget for this department supports continuation of these programmes and further provides for construction and maintenance of infrastructure such as libraries and community centers.

My fellow colleague, MEC Sifuba, will provide further details on the funded priorities of the department in her Budget Vote Speech.

## **ECONOMIC AND INFRASTRUCTURE CLUSTER**

Hon. Speaker, Strategic Priority Number One of the 2024–2029 Medium Term Development Plan, together with Pillar One of the Free State Growth and Development Plan, places strong emphasis on inclusive economic growth and job creation. Pillar One of the FSGDP further underscores the importance of sustainable rural development as a key driver of economic opportunity.

This cluster, working in partnership with the private sectors, is key in stimulating the provincial growth and job creation. To support these objectives, the cluster is projected to spend more than R26.3 billion over the 2026 MTEF period.

Ms. Caroline Mosiamo, advised that the province should prioritize, among others, infrastructure investment, support for SMMEs, the enhancement of skills and vocational training, incentives for the private sector, and support for agriculture and its related value chains. We wish to assure her, and all those who made similar submissions, that this budget indeed addresses many of the key priorities raised.

## **DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE**

Public Works and Infrastructure is allocated just above R2.3 billion in 2026/27, R2.4 billion in 2027/28 and R2.5 billion in 2028/29. In total the department is estimated to spend more than R7.3 billion over the 2026 MTEF period. Included in the 2026/27 financial year allocation is an amount of R5.3 million earmarked for Expanded Public Works Programme.

Hon. Members, the Department of Public Works and Infrastructure carries a very important mandate in our province. It is responsible for coordinating, providing, and promoting built infrastructure, as well as ensuring effective asset management. Hon. Speaker, infrastructure investment remains a key driver of

economic growth and job creation in the province. It stimulates development, supports service delivery, and creates opportunities for our people.

It is therefore important that we continue to support the mandate of this department. The budget allocated provides for, amongst others, payment of municipal services, rates and taxes and maintenance of buildings.

Hon. Speaker, my esteemed colleague, MEC Mance, will clarify the priorities funded during the tabling of her Budget Vote Speech.

## **DEPARTMENT OF COMMUNITY SAFETY, ROADS AND TRANSPORT**

The department will receive R3.5 billion in 2026/27, R3.3 billion in 2027/28 and R3.3 billion in 2028/29. In total the department is estimated to spend more than R10.2 billion over the 2026 MTEF period. Conditional grants allocation for 2026/27 financial year, which are already included in the allocation, amounts to more than R2.1 billion.

Hon. Speaker, roads infrastructure remains a critical pillar for economic development and must continue to receive the necessary support and investment. The department carries the significant responsibility of maintaining a vast network of road infrastructure across the province. This network includes key economic routes that connect our province with neighbouring provinces, a role that is particularly important given the central geographic position of the province.

Furthermore, our province serves as a major basket of agricultural products. As such, the reliability and quality of our road infrastructure are essential to support the agricultural sector. Efficient roads enable farmers to transport goods to markets, sustain supply chains, and ensure that economic activity continues to

thrive. The following key priorities, amongst others, are funded over the MTEF period:

- Maintenance of road infrastructure
- Support to public transport operators
- Implementation of the Township Revitalization programme

MEC Mbalula, will elaborate on the initiatives, priorities, and funding strategies aimed at enhancing our provincial road network during his departmental Budget Vote Speech.

## **DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT AND ENVIRONMENTAL AFFAIRS**

The department will receive R1 billion in 2026/27, R1.1 billion in 2027/28 and R1.1 billion in 2028/29. In total the department is estimated to spend more than R3.3 billion over the 2026 MTEF period. Conditional grants allocation for 2026/27 financial year, which are already included in the allocation, amounts to R286.3 million.

The allocation for the 2026/27 financial year and the outer years has increased significantly due to the inclusion of the Environmental Affairs Programme. In this regard, the budget that has shifted amounts to R183.8 million in 2026/27, R196.4 million in 2027/28, and R203.4 million in 2028/29.

Hon. Premier, we would also like to indicate that the shifting of functions involves a substantial amount of administrative and technical work. During this process, there is a possibility that certain discrepancies or errors may arise. Should this occur, the Provincial Treasury will work closely with the affected departments to address and correct such matters through the relevant budget processes.

Hon. Speaker, the mandate of the department, as indicated earlier, is significant and entails provision of support to the agricultural sector in the province with a view to optimizing productivity and economic growth within the sector. This sector remains vibrant and has proven itself over the years in relation to its contribution to Regional Gross Domestic Product. It is labour intensive and has a strong potential for labour absorption and thus must be supported for the benefit of the province.

Hon. Members, we continue facing the challenges posed by Foot and Mouth Disease. It is therefore imperative that all key stakeholders work closely with the Department in combating this serious threat. We urge everyone to comply fully with the relevant regulations and restrictions, as this is essential to prevent the unnecessary spread of the disease. The economic impact of Foot and Mouth Disease is significant, affecting not only our agricultural sector but the broader economy as well.

It is thus critical that we all adhere to these measures and offer our unwavering support to the sector. Let us act with responsibility and unity, ensuring that together we protect our livestock, our economy, and the livelihoods of our communities. The following key priorities, amongst others, are funded over the MTEF period:

- Land care support programme
- Farmer Support and Development
- Veterinary services
- Disaster response
- Agricultural Education and Training
- Environmental affairs programme

My fellow colleague, MEC Rockman, will also elaborate on the initiatives, priorities, and funding strategies aimed at enhancing our provincial road network.

## **DEPARTMENT OF HUMAN SETTLEMENTS**

The department is allocated R1.1 billion in 2026/27, R1.2 billion in 2027/28 and R1.2 billion in 2028/29. In total the department is estimated to spend more than R3.6 billion over the 2026 MTEF period. Conditional grants allocation for 2026/27 financial year, which are already included in the allocation, amounts to R892.5 million.

Hon. Speaker, the department is primarily entrusted with the vital responsibility of providing sustainable and integrated human settlements across the province. Beyond this, its mandate extends to ensuring that there is increased access to basic services, a cornerstone for improving the quality of life for our people. Over the MTEF period, the department will focus its resources on the following key priorities:

- Provision for human settlements needs, ensuring that citizens have access to adequate, safe, and well-planned housing.
- Upgrading of informal settlements, transforming these areas into dignified, serviced, and fully integrated communities

My fellow colleague— MEC Mokoena “*Bodulo my son, Beke le Beke*” will provide more details in his departmental Budget Vote Speech.

## **DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM**

Hon. Speaker, the department is allocated R533.3 million in 2026/27, R542.8 million in 2027/28, and R550.1 million in 2028/29. Over the 2026 MTEF period, the department is estimated to spend more than R1.6 billion. It is important to note that these allocations reflect a substantial decrease of R183.8 million in 2026/27, R196.4 million in 2027/28, and R203.4 million in 2028/29. This reduction is due to the shift of the Environmental Affairs Programme to the Department of Agriculture, Rural Development and Environmental Affairs.

Hon. Members, the department has a critical mandate, which includes, amongst others, driving economic development as well as tourism development and promotion within our province. The responsibility extends to overseeing the provincial public entities, which are themselves key players in stimulating and sustaining the provincial economy. In support of this mandate, the following priorities, amongst others, are funded over the MTEF period:

- Economic Development, including support for Small, Medium, and Micro Enterprises.
- Tourism Development and Support; and
- Transfers to the Provincial Entities that are instrumental in driving growth and development.

These priorities are essential not only for the strategic growth of our province but also for ensuring that our communities experience tangible economic benefits.

Hon. Speaker, the same will apply to the MEC of Finance, Economic Development and Tourism, he will provide details of priorities funded in his Budget Vote Speech.

## **GOVERNANCE CLUSTER**

Hon. Members, the budget allocations to the Office of the Premier, the Provincial Treasury, and the Provincial Legislature will enable these institutions to effectively fulfil their respective oversight responsibilities. Through these allocations, they will be better positioned to monitor and support the implementation of budgets and related priorities by provincial departments and public entities, thereby strengthening accountability, transparency, and the efficient use of public resources.

The governance cluster is projected to spend more than R5.7 billion over the MTEF period ahead.

## **OFFICE OF THE PREMIER**

The department is allocated R658.3 million in 2026/27, R656.2 million in 2027/28 and R655.5 million in 2028/29. In total the Office of the Premier is estimated to spend above R1.9 billion over the 2026 MTEF period. The allocation includes R10.064 million for implementation of the Early Retirement and Voluntary Exit Programme as approved by the National Treasury.

## **COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (COGTA)**

COGTA is allocated R483.5 million in 2026/27, R476.2 million in 2027/28 and R485.6 million in 2028/29. In total the department is estimated to spend more than R1.4 billion over the 2026 MTEF period. The budget provides for, amongst others, disaster management, municipal support programme and support for water laboratories in municipalities.

## **PROVINCIAL TREASURY**

Provincial Treasury is allocated R403.9 million in 2026/27, R411.7 million in 2027/28 and R421.4 million in 2028/29. In total the department is estimated to spend more than R1.2 billion over the 2026 MTEF period. The allocation provides for State Information Technology Agency costs, Operation Clean Audit programme, municipal support programme and strengthening of oversight role.

The allocation includes R6.5 million earmarked for implementation of the Early Retirement and Voluntary Exit for applicants that have been by National Treasury.

## **FREE STATE LEGISLATURE**

The Provincial Legislature is allocated R339.0 million in 2026/27, R380.9 million in 2027/28 and R408.4 million in 2028/29. In total the Provincial Legislature is estimated to spend above R1.1 billion over the 2026 MTEF period. The allocation for provides for public participation, constituency allowances and Political Party Funding.

## **CLARION CALL FOR PEACE**

Hon. Members, as I move towards the conclusion of our speech, it is important to state upfront that the current geopolitical tensions in the Middle East, including attacks on oil shipping routes and facilities and the possible closure of the Strait of Hormuz, are already affecting the global economy, including South Africa. South Africa is a net importer of oil and highly trade-dependent; the impact on economic projections, supply chains, fuel prices, and inflation is already significant.

“The world does not need war. We do not need violence or destruction. What humanity truly requires is the courage to resolve our differences peacefully — through dialogue, negotiation, and diplomacy,” said Paul Mashatile, Deputy President of South Africa. The Deputy President, in his eulogy for Ntate Lekota, further emphasized that Ntate Lekota espoused this conviction—“*that dialogue is stronger than division, that reconciliation is greater than retaliation, and that peace is highest form of justice*”.

Hon. Members, we present this Budget as a means to unlock opportunities for the poor and the needy in our province. Unlocking opportunities means ensuring that no entrepreneur is left behind; that no child goes to school on an empty stomach; and that no community or village is excluded from the promise of prosperity.

As a province, we have committed ourselves to building a society in which, once opportunities are unlocked, they become a foundation for uplifting the standard of living of our people and advancing the pursuit of equality and shared prosperity.

Hon. Members, peace is not possible without prosperity, and prosperity is not possible without opportunity. Unlocking opportunities for our people is, and must remain, the urgent task of our time. It is for this reason that we make a clarion call to the leaders of the world to prioritise peace over profit, and to invest more in life than in war. This is our clarion call for peace.

## **CONCLUSION**

I wish to extend my sincere appreciation to the MaQueen Letsoha-Mathae, Premier of the Free State Province, for her steadfast stewardship and leadership.

I also wish to thank Members of the Executive Council for their unwavering support throughout the budget engagements and in bringing this process to its successful conclusion.

My appreciation further goes to the Hon. Speaker and Deputy Speaker, Members of the Free State Provincial Legislature and their respective Portfolio Committees for their thorough scrutiny of the Appropriation Bill and their constructive criticism, which has helped shape the provincial budget in the right direction.

I extend my gratitude to the officials of the Free State Provincial Treasury, as well as officials from other provincial departments and entities, for their continued dedication and support throughout the budget process.

I also wish to express my sincere appreciation to the citizens of the Free State for their valuable contributions through the “**Tips for the Budget**” initiative, as well as for their continued support and engagement.

Lastly, I express my deepest appreciation to my family for their constant encouragement and unwavering support.

I hereby table the following documents before this august House for your consideration:

- 2026/27 Free State Provincial Budget Speech;
- 2026/27 Free State Provincial Appropriation Bill; and
- 2026/27 People’s Guide to the Budget.

**I THANK YOU**