

SECOND ADJUSTMENTS BUDGET SPEECH 2025/26



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PROVINCE OF KWAZULU-NATAL

Budget Address by Mr Francois Rodgers (MPL) MEC for Finance

On tabling the 2025/26 Second Adjustments Estimate in the

KwaZulu-Natal Provincial Legislature

10 March 2026

Honourable Speaker, Ms Nontembeko Boyce

Honourable Deputy Speaker, Ms Mmabatho Tembe

Honourable Premier, Mr Thamsanqa Ntuli

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Head of Department, Ms Carol Coetzee

All Heads of Departments and Senior Management

CEOs of Public Entities

People of KwaZulu-Natal

Members of the media

Business leaders

Distinguished guests

1. INTRODUCTION

It is my honour today, to table the Second Adjustments Appropriation Bill, 2026 in this House. I table this Bill in three languages, namely in English, isiZulu and Afrikaans. Together with the Bill, I table an Explanatory Memorandum which explains the further amendments being made to the 2025/26 budget. We also provide copies of the Government Gazettes issued by National Treasury.

This Second Adjustments Appropriation Bill is being tabled in line with Section 31 (a) of the Public Finance Management Act (PFMA) which provides for a province to table an adjustments budget in the event that funds have become available to the province.

Honourable Members will recall that we tabled an Adjustments Budget for 2025/26 in this House on 11 December 2025. There are further amendments that have been made since then that require formalisation by this House. These amendments relate to the 2025/26 financial year, and it is therefore imperative that this Bill be tabled, debated and voted on before the end of the financial year, that is, before 31 March 2026. We would like to express our gratitude that the Provincial Legislature made time in its very busy schedule to accommodate this very important tabling.

2. ADJUSTMENTS TO THE 2025/26 BUDGET

The Second Adjustments Budget provides for amendments as a result of National Treasury allocating funds to the province. The Province of KwaZulu-Natal is required, in terms of Government Notices, to table an adjusted Adjustments Appropriation Bill for 2025/26, referred to as the Second Adjustments Appropriation Bill, 2026.

2.1 Allocations by National Treasury

- The National Disaster Management Centre, through the National Department of Cooperative Governance and Traditional Affairs, released funds from the Provincial Disaster Response grant (PDRG). This response was necessitated by the damage that occurred following severe weather conditions experienced in the province in December 2025 and January 2026. As such, the Department of Education receives an allocation of R22 million of the PDRG towards addressing damage to infrastructure.
- As part of government's efforts to save costs on *Compensation of employees*, the province is allocated R143.410 million, to fund the incentivised Early Retirement Programme (ERP) (without pension penalties) and Voluntary Exit Programme (VEP) for employees in the public service, towards employee exits. Of this, the Department of Health is allocated R142.722 million and Provincial Treasury receives R688 000.
- Moreover, Provincial Treasury is suspending R30 million from their 2025/26 baseline budget for allocation back to the department in 2026/27 mainly towards various initiatives planned as part of the Provincial Financial Recovery Plan.

3. LEGAL BASIS OF THE 2025/26 SECOND ADJUSTMENTS BUDGET

As I mentioned earlier, Section 31 of the PFMA provides the legal basis for tabling a provincial Adjustments Budget. The Adjustments Estimate I am tabling today considers changes National Treasury is making to the provincial budget, as well as the surrendering of funds to be used in future.

I therefore table the Gazettes received from National Treasury, an explanatory memorandum, as well as the Second Adjustments Appropriation Bill, 2026 in English, isiZulu and Afrikaans.

5. CONCLUSION

In conclusion, the Second Adjustments Appropriation Bill, 2026 highlights the effects of all changes made in grey shading in the Schedule to the Bill. This Bill, once adopted, allows for these changes to be made to the budgets of the affected Votes.

We look forward to briefing the Finance Portfolio Committee and other Committees on these proposed amendments and, once again, would like to express our gratitude that we were able to table this important Bill before the end of the financial year.

I thank you.