



PROVINCE OF KWAZULU-NATAL

**ESTIMATES
OF
PROVINCIAL REVENUE AND
EXPENDITURE**

2023/24

**for the
financial year ending 31 March 2024**

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FOREWORD

The main focus of this government is to reduce poverty, inequality and unemployment, in pursuit of a better life for all. To achieve this, we are reliant on positive and sustainable economic growth as this leads to job creation and improved tax revenue streams.

There is no doubt that government must focus on ways to improve our economic growth. This is quite a difficult task at the moment, as various factors impede the growth that we are hoping to achieve, for instance, the floods we experienced earlier in the year had a negative impact on our economic growth, as well as the continued unreliable electricity supply, crime and corruption, the global economic slowdown, to name but a few.

Now more than ever, we need to step up our efforts to turn this situation around. More than ever before, attention must be paid to taking steps to address our high unemployment rate, while also ensuring adequate access to basic services. It is important to focus on policy issues that can help unlock the economy, such as investment in infrastructure. It is pleasing to note that this province will spend in excess of R55 billion over the next three years on infrastructure, thus contributing to economic growth and job creation.

South Africa has managed to stabilise its public finances over the last few years, and the aim of national government remains to attain a primary surplus over the 2023/24 MTEF. It is therefore pleasing to note that National Treasury did not deem it necessary to effect further fiscal consolidation budget cuts against government budgets across the three spheres of government. It should be noted, though, that the budget cuts made in previous budget processes remain in our baselines and we must therefore continue to ensure that we spend the funds we receive wisely, and that we make every Rand go an extra mile.

As a result of this stable fiscal space, National Treasury was able to provide additional funds to provinces, mainly for the carry-through costs of the 3 per cent cost of living adjustment, as well as additional funds for the budget pressures in the Departments of Education and Health. These two departments have found it difficult to remain within their budgets following the significant budget cuts made over the 2021/22 MTEF and, while these additional allocations do not completely offset the budget cuts made, they certainly help to ease some of the budget pressures. Ongoing engagements will be held with national forums to highlight these continued budget pressures, with the anticipation that further funds will be received in future budget processes.

There are reductions that needed to be effected against our baseline over the MTEF, but this is as a result of the annual data updates to the Provincial Equitable Share formula, and these unfortunately result in a reduction in funds allocated to the province by National Treasury. KwaZulu-Natal receives 20.36 per cent of the Provincial Equitable Share, a reduction of 0.16 per cent compared to the previous period. Similarly, we have had to make revisions to our Provincial Own Revenue, and this is mainly to account for lower projected revenue to be collected from health patient fees due to the difficulty in collecting this revenue from the Road Accident Fund. These reductions mean that we have to cut back our spending. In aggregate, the province has to cut back its spending by around R270 million, R584 million and R1 billion over the MTEF.

In this *Estimates of Provincial Revenue and Expenditure (EPRE)*, all 14 Votes provide significant detail of the projects and programmes they plan to roll-out over the MTEF.

It is my honour to present the 2023/24 MTEF *EPRE* which gives details of the provincial fiscal framework to the people of KwaZulu-Natal and beyond. These estimates provide an opportunity for the Provincial Legislature and citizens to hold the provincial departments and public entities accountable for the public funds they spend.



Ms N.P. Nkonyeni
MEC for Finance

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LIST OF ABBREVIATIONS

Abbreviation	Full description
ACTT	Anti-Corruption Task Team
ADA	Agri-business Development Agency
AEPRE	Adjustments Estimate of Provincial Revenue and Expenditure
AET	Adult Education and Training
AFS	Annual Financial Statements
AFU	Asset Forfeiture Unit
A-G	Auditor-General
AOP	Annual Oversight Plan
APP	Annual Performance Plan
AQMP	Air Quality Management Plan
ARRUP	African Renaissance Road Upgrading Programme
ART	Anti-retroviral Therapy
ARV	Anti-retroviral
ASEAN	Association of South East Asia Nations
ASP	Automotive Supplier Park
AU	African Union
AWGs	Action Work Groups
BAC	Bid Adjudication Committee
BACS	Biometric Access Control System
BAS	Basic Accounting System
B-BBEE	Broad-Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BEE	Black Economic Empowerment
BFI	Budget Facility for Infrastructure
BNG	Breaking New Ground
BSC	Bid Specification Committee
CAF	Confederation of African Football
CANE	Child Abuse, Neglect and Exploitation
CAPS	Curriculum Assessment Policy Statement
CAR	Capital Adequacy Ratio
CARA	Conservation of Agricultural Resources Act
CARC	Cluster Audit and Risk Committee
CASP	Comprehensive Agricultural Support Programme
CBOs	Community-Based Organisations
CCGs	Community Care-Givers
CCIFSA	Cultural and Creative Industries Federation of South Africa
CDC	Centre for Disease Control
CDW	Community Development Worker
CED	Civil Engineering Designer
CETA	Construction Education Training Authority
CFO	Chief Financial Officer
CHC	Community Health Centre
CHE	Council for Higher Education
CIA	Certified Internal Auditors
CiDP	Communities-in-Dialogue Programme
CMP	Contract Management Project
CNDC	Community Nutrition and Development Centre
COGTA	Co-operative Governance and Traditional Affairs
COHOD	Committee of Heads of Departments
COSAFA	Council of Southern Africa Football Associations
CPA	Commonwealth Parliamentary Association
CPF	Community Policing Forum
CPI	Consumer Price Index
CRSC	Community Road Safety Council
CRU	Community Residential Unit
CSC	Community Service Centre

List of Abbreviations

Abbreviation	Full description
CSD	Central Supplier Database
CSF	Community Safety Forum
CSIR	Council for Scientific and Industrial Research
CTO	Community-based Tourism Organisations
CWP	Community Work Programme
CYCC	Child and Youth Care Centres
DACT	Downstream Aluminium Centre of Technology
DALRRD	Department of Agriculture, Land Reform and Rural Development
DARD	Department of Agriculture and Rural Development
DBE	Department of Basic Education
DCSL	Department of Community Safety and Liaison
DDA	District Development Agency
DDG	Deputy Director-General
DDM	District Development Model
DEFF	Department of Environment, Forestry and Fisheries
DHET	Department of Higher Education and Training
DIRCO	Department of International Relations and Co-operation
DMRE	Department of Mineral Resources and Energy
DOE	Department of Education
DOH	Department of Health
DOHS	Department of Human Settlements
DOPW	Department of Public Works
DORA	Division of Revenue Act
DOT	Department of Transport
DPME	Department of Performance, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DPWI	Department of Public Works and Infrastructure
DSAC	Department of Sport, Arts and Culture
DSD	Department of Social Development
DTPC	Dube TradePort Corporation
DURA	Durban Aerotropolis
DUT	Durban University of Technology
DVA	Domestic Violence Act
DWS	Department of Water and Sanitation
EA	Euro Area
EADP	Elite Athlete Development Programme
EAMF	Electricity Asset Management Framework
EC	Eastern Cape
ECD	Early Childhood Development
ECE	Estimates of Capital Expenditure
ECM	Electronic Content Management
EDTEA	Economic Development, Tourism and Environmental Affairs
EEDBS	Enhanced Extended Discount Benefit Scheme
EGRI	Early Grade Reading Instruction
EIA	Environmental Impact Assessment
EIG	Education Infrastructure grant
EKZNW	Ezemvelo KZN Wildlife
e-LMS	electronic Liquor Management System
EMDE	Emerging Markets and Developing Economies
EMIS	Education Management Information System
EMP	Electricity Master Plan
EMS	Emergency Medical Services
EPRE	Estimates of Provincial Revenue and Expenditure
EPWP	Expanded Public Works Programme
ERP	Extension Recovery Plan
ESRI	Environmental System Research Institute
ETDP	Education, Training and Development Practices
EU	European Union
EXCO	Executive Council
FAL	First Additional Language
FBO	Faith-Based Organisations

Abbreviation	Full description
FDI	Foreign Direct Investment
FET	Further Education and Training
FIS	Focused Intervention Studies
FLISP	Finance Linked Individual Subsidy Programme
FMD	Foot and Mouth Disease
FMPPLA	Financial Management of Parliament and Provincial Legislatures Act
FPL	Food Poverty Line
FS	Free State
FTE	Full-time Equivalent
GBV	Gender-Based Violence
GBVF	Gender-Based Violence and Femicide
GDP	Gross Domestic Product
GDP-R	Regional Gross Domestic Product
GEPF	Government Employees Pension Fund
GHS	General Household Survey
GIAMA	Government Immoveable Asset Management Act
GIS	Geographical Information System
GP	Gauteng
GRAP	Generally Recognised Accounting Practice
GROP	Gaming Regulator Online Portal
GTAC	Government Technical Advisory Committee
GWEA	Government Wide Enterprise Architecture
HCBC	Home Community-Based Care
HDA	Housing Development Agency
HOD	Head of Department
HIP	Hluhluwe iMfolozi Park
HPCSA	Health Professions Council of South Africa
HPV	Human Papillomavirus
HR	Human Resources
HRM	Human Resource Management
HRM&D	Human Resource Management and Development
HSDG	Human Settlements Development grant
HWSETA	Health and Welfare Sector Education Training Authority
IALCH	Inkosi Albert Luthuli Central Hospital
IASP	Invasive Alien Species Programme
ICT	Information Communication Technology
IDFC	Ithala Development Finance Corporation
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plan
IDT	Independent Development Trust
IDZ	Industrial Development Zone
IEC	Independent Electoral Commission
IEID	Informal Economy Infrastructure Development
IES	Income and Expenditure Survey
IGCC	Inter-Governmental Cash Co-ordination
IGR	Inter-Governmental Relations
IGRFA	IGR Framework Act
IGULA	Inclusive Growth, Unity and Economic Liberation of Africans
IMEIA	Implementation of the Monitoring and Evaluation Impact Assessment
IPID	Independent Police Investigation Department
IPIP	Infrastructure Programme Implementation Plan
IPMP	Infrastructure Programme Management Plan
IPMU	Infrastructure Programme Management Unit
IRDP	Integrated Residential Development Programme
IRM	Infrastructure Reporting Model
ISU	Informal Settlements Upgrade
ISUPG	Informal Settlement Upgrading Partnership grant
ISWPA	iSimangaliso Wetland Park Authority
IT	Information Technology
ITCMS	Integrated Traffic Contravention Management Systems

List of Abbreviations

Abbreviation	Full description
IYM	In-Year Monitoring
KSIA	King Shaka International Airport
KUMISA	KwaZulu-Natal Music Cluster
KWANABUCO	KwaZulu-Natal Bus Council
KZN	KwaZulu-Natal
KZNCCPA	KwaZulu-Natal Community Crime Prevention Association
KZNCN	KZN College of Nursing
KZNFC	KwaZulu-Natal Film Commission
KZNGBB	KwaZulu-Natal Gaming and Betting Board
KZNGFT	KwaZulu-Natal Growth Fund Trust
KZN-IMP	KwaZulu-Natal Infrastructure Master Plan
KZNLA	KwaZulu-Natal Liquor Authority
KZNSB	KwaZulu-Natal Sharks Board
KZNTAVA	KwaZulu-Natal Tourism and Audio-Visual Agency
LA	Legislature Assembly
LBPL	Lower-Bound Poverty Line
LED	Local Economic Development
LOGIS	Local Government Information Systems
LP	Limpopo
LPID	Learners with Profound Intellectual Disabilities
LSEN	Learners with Special Education Needs
LSU	Legal Services Unit
LTSM	Learner Teacher Support Material
LURITS	Learner Unit Record Information and Tracking System
MBAT	Municipal Bid Appeals Tribunal
MCOE	Maritime Centre of Excellence
MDR	Multidrug-resistant
MEC	Member of Executive Council
MEI	Municipal Employment Initiative
MERSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MFMA	Municipal Finance Management Act
MinComBud	Ministers' Committee on the Budget
MISA	Municipal Infrastructure Support Agent
MISP	Municipal In-Service Programme
MKI	Moses Kotane Institute
MOA	Memorandum of Agreement
MPAC	Municipal Public Accounts Committee
MPLs	Members of Provincial Legislature
MPRA	Municipal Property Rates Act
MPSD	Mass Participation and Sport Development
MSIPs	Municipal Support and Intervention Plans
MSP	Municipal Support Programme
MST	Mathematics, Science and Technology
MTBPS	Medium-Term Budget Policy Statement
MTEC	Medium-Term Expenditure Committee
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MuniMEC	Municipalities and Members of the Executive Council
NC	Northern Cape
NCF	National Curriculum Framework
NCOP	National Council of Provinces
NDA	National Development Agency
NDOH	National Department of Health
NDOHS	National Department of Human Settlements
NDOT	National Department of Transport
NDP	National Development Plan
NDT	National Department of Tourism
NEMA	National Environmental Management Act
NERSA	National Energy Regulator of South Africa
NGO	Non-Government Organisation
NHBRC	National Home Builders Registration Council

Abbreviation	Full description
NHI	National Health Insurance
NHLS	National Health Laboratory Service
NMT	National Monitoring Tool
NNSSF	National Norms and Standards for School Funding
NPA	National Prosecuting Authority
NPC	National Planning Commission
NPOs	Non-Profit Organisations
NQF	National Qualifications Framework
NSC	National Senior Certificate
NSF	National Skills Fund
NSG	National School of Government
NSNP	National School Nutrition Programme
NYDA	National Youth Development Agency
ODA	Official Development Assistance
OPSCAP	Operations Capital
OSCA	Owen Sithole College of Agriculture
OSD	Occupational Specific Dispensation
OSS	Operation Sukuma Sakhe
OTP	Office of the Premier
OVCY	Orphans, Vulnerable Children and Youth
PARMED	Parliamentary Medical Aid
PDA	Planning and Development Act
PDALF	Preservation and Development of Agricultural Land Framework
PDMC	Provincial Disaster Management Centre
PDRG	Provincial Disaster Recovery grant
PEHG	Provincial Emergency Housing grant
PEP	Provincial Evaluation Plan
PES	Provincial Equitable Share
PESC	Provincial Evaluations Steering Committee
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PHC	Primary Health Care
PKISMH	Dr Pixley Ka Isaka Seme Memorial Hospital
PLA	Per Learner Allocation
PLC	Professional Learning Communities
PMG	Pay Master-General
PMO	Project Management Office
PMS	Performance Management System
PMT	Project Management Team
POPIA	Protection of Personal Information Act
PPA	Public Participation Associations
PPC	Provincial Planning Commission
PPE	Personal Protective Equipment
PPECB	Perishable Product Export Control Board
PPF	Political Parties' Fund
PPN	Personnel Provisioning Norm
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PPSD	Provincial Pharmaceutical Supply Depot
PRE	Provincial Regulatory Entity
PRF	Provincial Revenue Fund
PRIS	Postgraduate Research and Innovation Symposium
PRMG	Provincial Roads Maintenance grant
PSETA	Public Sector Education and Training Authority
PSRIP	Primary School Reading Improvement Programme
PTES	Public Transport Enforcement Services
PTOG	Public Transport Operations grant
PYEI	Presidential Youth Employment Initiative
QPR	Quarterly Performance Report
RAF	Road Accident Fund
RASET	Radical Agrarian Socio-Economic Transformation

List of Abbreviations

Abbreviation	Full description
RBIDZ	Richards Bay Industrial Development Zone
RFP	Requests for Proposals
RLED	Regional and Local Economic Development
RRT	Rapid Response Team
RTI	Road Traffic Inspectorate
RTMC	Road Traffic Management Corporation
SA	South Africa
SAA	South African Airways
SAAMBR	South African Association for Marine Biological Research
SABC	South African Broadcasting Corporation
SACE	South African Council for Educators
SADC	South African Development Community
SAFDA	South African Food and Development Agency
SAGAP	South African Good Agricultural Practices
SAICA	South African Institute of Chartered Accountants
SALGA	South African Local Government Association
SANAC	South African National AIDS Council
SANC	South African Nursing Council
SANDF	South African National Defence Force
SANRAL	South African National Roads Agency Limited
SANS	SysAdmin, Audit, Network and Security
SANTACO	South African National Taxi Council
SAP	System Applications and Products in Data Processing
SAPS	South African Police Service
SAQA	South African Qualifications Authority
SARB	South African Reserve Bank
SARS	South African Revenue Service
SASA	South African Schools Act
SA-SAMS	South African Schools Administration Management System
SASCOC	South African Sports Confederation and Olympic Committee
SASRI	South African Sugarcane Research Institute
SBC	Social and Behaviour Change
SCCU	Specialised Commercial Crime Unit
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SCOPA	Standing Committee on Public Accounts
SDF	Spatial Development Framework
SECO	State Secretariat of Economic Affairs
SEIAS	Socio-Economic Impact Assessment System
SERO	Socio-Economic Review and Outlook
SETA	Sector Education and Training Authority
SEZ	Special Economic Zone
SGB	School Governing Bodies
SIDA	Strategic Infrastructure Development Agency
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SITA	State Information Technology Agency
SLIMS	SITA Library Information Management System
SMME	Small, Medium and Micro Enterprise
SOC	State-Owned Company
SMT	School Management Team
SONA	State of the Nation Address
SOPA	State of the Province Address
SPLUMA	Spatial Planning and Land Use Management Act
SRC	Shark Repellent Cable
SRD	Social Relief of Distress
SSL	Secure Sockets Layer
SSG	Shark Safety Gear
STACOV	Standing Committee on Oversight
STI	Sexually Transmitted Infections
SUD	Substance Use Disorder
TA	Technical Advisor

Abbreviation	Full description
TACs	Traditional Administrative Centres
TAFTA	The Association for the Aged
TC	Traditional Council
TDRG	Title Deeds Restoration grant
TETA	Transport Education and Training Authority
TEUF	Thuthuka Education Upliftment Fund
the dtic	Department of Trade, Industry and Competition
THETA	Tourism, Hospitality, Education and Training Authority
TIK	Trade and Investment KwaZulu-Natal
TKZN	KwaZulu-Natal Tourism Authority
TLTP	Taking Legislature to the People
TRU	Temporary Residential Units
TVET	Technical and Vocational Education and Training
UAGYP	Unemployed Agricultural Graduates Youth Programme
UBPL	Upper-Bound Poverty Line
UHC	Universal Health Coverage
UIFW	Unauthorised, Irregular, Fruitless and Wasteful
UKZN	University of KwaZulu-Natal
UMEDA	uMgungundlovu Economic Development Agency
UPS	Uninterruptible Power Supply
VFFs	Victim Friendly Facilities
VSCPP	Volunteer Social Crime Prevention Programme
VRRM	Vukay’bambe Routine Road Maintenance
WC	Western Cape
WESP	Waste Economy Support Programme
WESSA	Wildlife and Environmental Society of South Africa
WIMS	Works Information Management System
WSA	Water Service Authority
WSDPs	Water Service Development Plan
WTO	World Trade Organisation
WTTC	World Travel and Tourism Council
ZRHT	Zulu Royal House Trust

Zulu words	English translation
Amakhosi (pl.)	Traditional leaders or Chiefs
Amazinyane	Zulu King’s children
I(zi)nduna (pl.)	Headmen
Imikhosi KaZulu	Zulu Ceremonies
Imizi Yezizwe	Houses for Chiefs
Inkosi	King
Izigodi	Region
Izimbizo	Meetings
Izizwe	Tribes
Ubukhosi	Royalty
Umkhosi KaNomkhubulwane	Festival in honour of the Zulu goddess
Umkhosi Wamaganu/Umthayi	Amarula Festival
Umkhosi WeLembe	King Shaka commemoration
Umkhosi Wesivivane	First Fruit ceremony
Umkhosi Womhlanga	Royal reed dance
Umkhosi Woselwa	Thanksgiving
Vulindlela	Open the way
Vukuzakhe	Wake up build yourself
Vukay’bambe	Wake up and catch it

Other words	English translation
Abakhwetha	Group of initiates
Lekgotla/ Makgotla	Executive Council Forum/s

**OVERVIEW
OF
PROVINCIAL REVENUE
AND
EXPENDITURE**

1. SOCIO-ECONOMIC OUTLOOK

1.1 Introduction

This section provides a review of the provincial socio-economic landscape. It also analyses the population dynamics of KwaZulu-Natal (KZN) and discusses the global, national and provincial economic outlook.

1.2 Provincial population dynamics

There are significant changes currently taking place in the dynamics of the world's population. These changes include, but are not limited to, continuous growth in size and major age restructuring linked with population ageing, coupled with spatial redistribution derived from migration and urbanisation. The impact of the Covid-19 pandemic and its high transmission and fatality rate also affected world population dynamics. Population trends affect consumption, employment, income distribution and social protection, thereby putting pressure on constrained resources and the government fiscus. Whether demographic changes can be harnessed for the success and sustainability of development strategies is determined by designing and implementing effective population policies that are rights-based, evidence-informed and gender-responsive. Thus, the demographic structure analysis is crucial for effectively allocating resources in all spheres of government.

1.2.1 Total population

Table 1.1 shows that the South African (SA) population is experiencing changes due to fertility levels, mortality rates and migration patterns, leading to a continuous and consistent increase in the population size from 52 million in 2011 to 60.6 million in 2022. Similarly, KZN's population size continued to increase over the years, however, its share of the total national population has been falling steadily. The provincial population size increased from about 10.6 million in 2011 to 11.5 million in 2022, while its proportion of the national population dropped slightly from 20.3 per cent in 2011 to 19 per cent in 2022.

Table 1.1 : South African population by province in 2006, 2011 and 2022

	2006		2011		2022	
	Population	% Share of national population	Population	% Share of national population	Population	% Share of national population
South Africa	48 143 223	100	52 002 949	100	60 604 992	100
Eastern Cape	6 463 495	13.4	6 693 446	12.9	6 676 691	11.0
Free State	2 720 351	5.7	2 784 540	5.4	2 921 611	4.8
Gauteng	10 463 451	21.7	12 016 895	23.1	16 098 571	26.6
KwaZulu-Natal	10 082 592	20.9	10 557 851	20.3	11 538 325	19.0
Limpopo	5 255 117	10.9	5 483 449	10.5	5 941 439	9.8
Mpumalanga	3 737 000	7.8	4 018 292	7.7	4 720 497	7.8
North West	3 252 781	6.8	3 550 805	6.8	4 186 984	6.9
Northern Cape	1 033 475	2.1	1 124 765	2.2	1 308 734	2.2
Western Cape	5 134 962	10.7	5 772 907	11.1	7 212 142	11.9

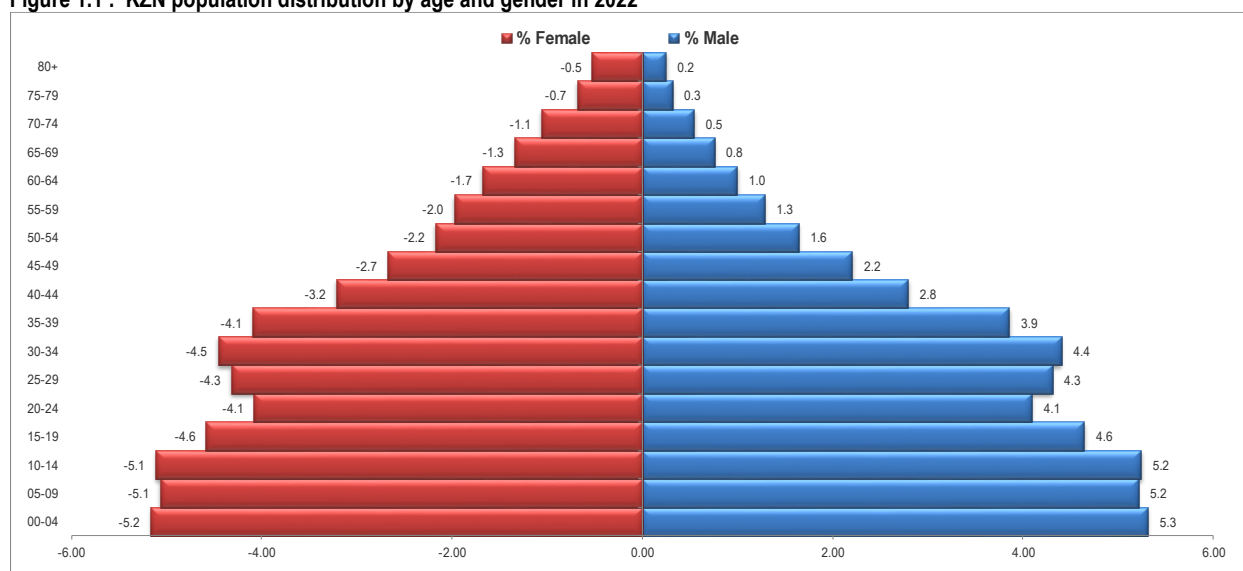
Despite the steady decline, KZN remains the second largest populous province, after Gauteng (GP), which has approximately 16.1 million people, constituting 26.6 per cent of the total national population in 2022. The increase in the population size in GP from 10.5 million in 2006 to 16.1 million in 2022 is primarily due to migration of people to GP for better employment opportunities. Notably, KZN and the Eastern Cape (EC) continue to decline in the percentage share of the total national population, while GP and Western Cape (WC) are gradually increasing, driven by migration for economic opportunities (Stats SA, 2022).

1.2.2 Population distribution by age and gender

Figure 1.1 shows the distribution of KZN's population by age and gender in 2022. Approximately 31.2 per cent of KZN's population are children between 00 and 14 years, and 34.9 per cent are youth between the ages of 15 and 34. Collectively, children and youth account for an estimated 66.1 per cent of the total provincial population.

The total provincial dependent population¹ is estimated at 4 219 231, while the economically active population is 7 319 094. A dependency ratio must be maintained lower than the global average, as it poses a threat to competitiveness internationally, thus leading to a decline in the number of productive workers and a more significant tax burden. The implication of these estimates shows a high dependency ratio² of 57.6 per cent. A high dependency ratio indicates that the economically active population and the overall economy face a greater burden to support and provide the social services needed by children and older persons, who are often economically dependent. Such a high ratio exerts pressure on government finances which could lead to higher tax rates for a declining working-age population. As a result, the government may be forced to increase indirect or wealth taxes to improve revenue generation.

Figure 1.1 : KZN population distribution by age and gender in 2022



Source: Stats SA, 2022

1.3 Global, national and provincial economic outlook

1.3.1 Global economic review and outlook

The global economic recovery path was disrupted by the geopolitical tension between Russia and Ukraine early in 2022. The invasion of Ukraine by Russia weighed on global growth through its effects on commodity markets, supply chains, inflation, and financial conditions. As a result, global prices soared, while energy markets experienced intense volatility. For instance, the international Brent crude oil prices spiked to around US\$130 per barrel in early March 2022. In addition, agricultural commodity prices also increased, thereby worsening food insecurity and extreme poverty in many emerging markets and developing economies (EMDEs).

The three major economies, the United States (US), the Euro Area (EA) and China, experienced a pronounced deterioration in economic activity. In addition, the decline in economic activity across these economies intensified other challenges faced by EMDEs, such as heavy indebtedness, which could weaken investment and trigger corporate defaults owing to tighter global financial conditions. This challenge is more common, especially in countries lacking policy space to protect the poor, due to the rising cost of living, intensified by the effects of the Russia-Ukraine war. Thus, rising food prices have negatively affected food security, poverty alleviation, social cohesion, and growth in many countries.

Global economic growth decelerated to an estimated 3.4 per cent in 2022, following a robust uptick of 6.2 per cent in 2021. Moreover, the world economic activity is projected to drop to 2.9 per cent in 2023,

¹ The dependent population is the number of people aged 15 and younger and 65 and older.

² Dependency Ratio = [(No. of people under 15 years) + (No. of people aged 65 and over) ÷ (No. of people between 15 and 64)] × 100 = (4 219 231 ÷ 7 319 094) × 100 = 57.6 per cent.

reflecting the effects of diverse challenges, including persistently rising inflation, tightening monetary policy, worsening financial conditions, the prolonged Russia-Ukraine war, and weakening confidence.

Global inflation accelerated sharply throughout 2022 amid rising food and energy prices, prompting radical implementation of tighter monetary policy stances by central banks worldwide, including advanced economies. The aggressive monetary policy tightening cycle resulted in worsening global financial conditions.

The world economy is expected to rise to 3.1 per cent in 2024 due to the expected gradual recovery from the effects of the Russia-Ukraine war and falling inflation (IMF³, 2023 and World Bank⁴, 2023). However, the global outlook is susceptible to various downside risks, such as possible escalation of the Russia-Ukraine war, persistently high inflation, and the intensification of geopolitical fragmentation.

Table 1.2 : Percentage change in global economic performance measured in GDP, 2019 to 2024

	GDP Estimates (per cent)				GDP Forecast (per cent)	
	2019	2020	2021	2022 e	2023 f	2024 f
World	2.8	-3.1	6.2	3.4	2.9	3.1
Advanced economies	1.6	-4.5	5.4	2.7	1.2	1.4
United States	2.2	-3.4	5.9	2.0	1.4	1.0
Euro area	1.3	-6.4	5.3	3.5	0.7	1.6
Japan	0.0	-4.5	2.1	1.4	1.8	0.9
United Kingdom	1.4	-9.4	7.6	4.1	-0.6	0.9
Emerging market and developing economies	3.7	-2.0	6.7	3.9	4.0	4.2
Russia	2.0	-2.7	4.7	-2.2	0.3	2.1
China	6.0	2.3	8.4	3.0	5.2	4.5
India	4.0	-7.3	8.7	6.8	6.1	6.8
Brazil	1.4	-3.9	5.0	3.1	1.2	1.5
Sub-Saharan Africa	3.2	-1.7	4.7	3.8	3.8	4.1
Nigeria	2.2	-1.8	3.6	3.0	3.2	2.9
South Africa	0.2	-6.4	4.9	2.6	1.2	1.3

Source: International Monetary Fund, 2023

1.3.2 South African economic review and outlook

Economic activity in SA expanded considerably by 4.9 per cent in 2021, following a substantial pandemic-induced recession of 6.4 per cent in 2020. However, the national economy maintained its sluggish and steady recovery trajectory in 2022 as the real gross domestic product (GDP) edged closer to its pre-pandemic levels. As a result, despite a marginal growth of 1.7 per cent in the first quarter, real GDP contracted by 0.7 per cent in the second quarter of 2022. This contraction was attributed to the uncertain global economic conditions amid Russia-Ukraine war, which had spillover effects on other regions through commodity markets. These unfavourable global conditions coincided with the devastating negative impact of flooding in KZN and the EC. In addition, the country continued to experience extensive load-shedding, which also weighed on economic activity, especially in the energy-intensive sectors.

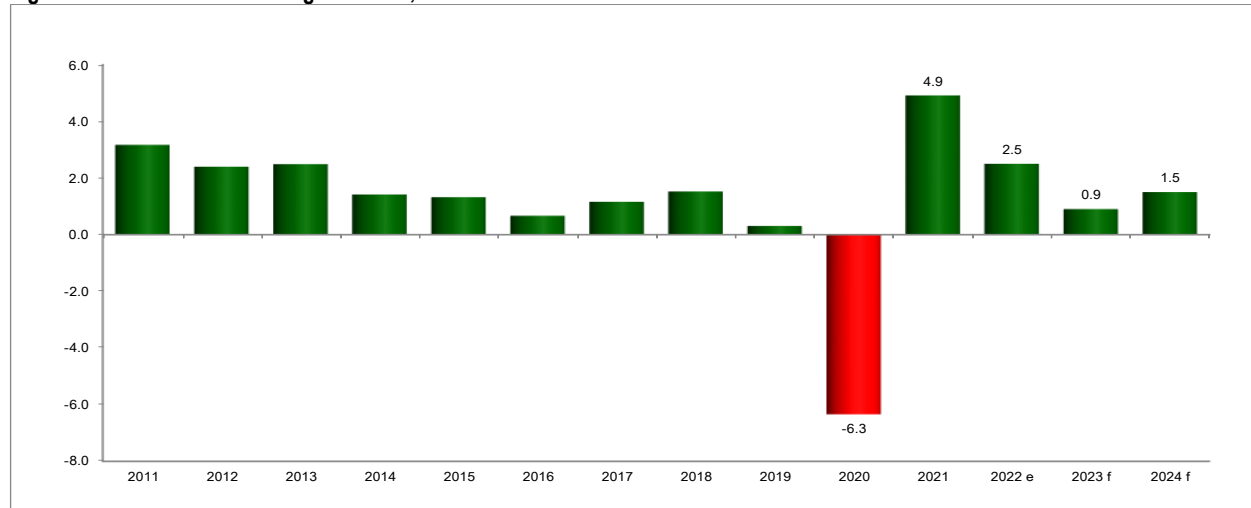
Encouragingly, economic activity recovered strongly from the contraction and expanded by 1.6 per cent in the third quarter of 2022. The expansion in the third quarter was driven mainly by the agricultural, forestry and fisheries industry, followed by transport, storage and communication services and the construction industries. The agricultural industry increased by 19.2 per cent in the third quarter, contributing 0.5 percentage points to the overall GDP growth. Increased economic activity was reported for field crops and horticulture products.

The transport industry recorded an expansion of 3.7 per cent, contributing 0.3 percentage points to the national overall GDP growth. The real output in the construction industry improved by 3.1 per cent in the third quarter of 2022 and contributed 0.1 percentage points to real GDP. The reported expansion in construction output was supported by higher civil construction, residential and non-residential building activity, among others.

³ IMF (2023): World Economic Outlook Update January 2023. Inflation peaking amid low growth. Available from <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>, [Accessed on 27 January 2023].

⁴ World Bank (2023): *Global economic prospects January 2023*. Available online <https://openknowledge.worldbank.org/bitstream/handle/10986/38030/GEP-January-2023.pdf> [Accessed on 21 January 2023].

Figure 1.2 : South African GDP growth rate, 2011 to 2024



Source: International Monetary Fund, 2023

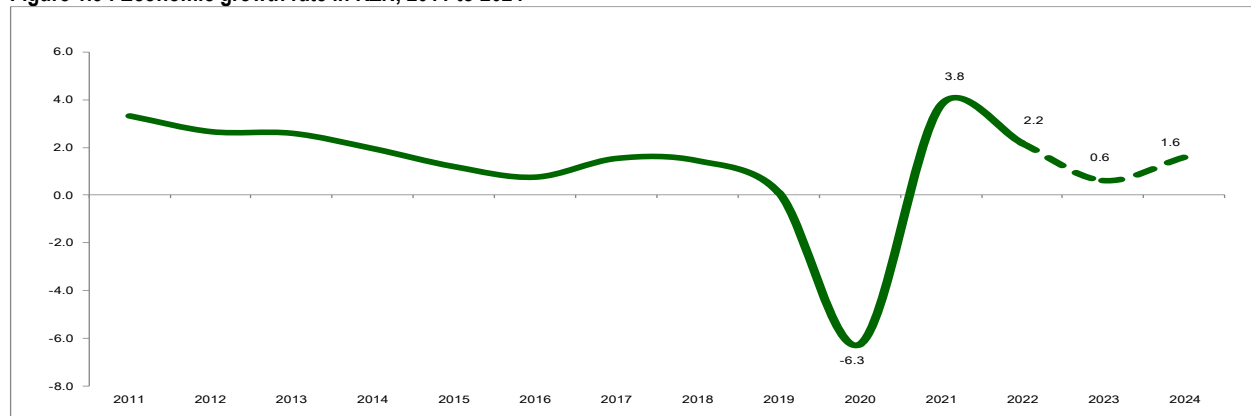
Note: e represents Estimate, and f represents Forecast

Internal structural economic constraints continue to hamper much-needed national economic growth. The unreliable electricity supply, high levels of market concentration, inefficiencies in network industries and a high cost of doing business are some of the structural factors affecting the country's economy. According to the South African Reserve Bank (SARB), the national economy expanded by an estimated 2.5 per cent in 2022. Real output is expected to deteriorate significantly to 0.9 per cent in 2023, before increasing slightly to 1.5 per cent in 2024. The predicted slowdown in real output reflects the impact of load-shedding, which is expected to severely affect growth in 2023. In addition, weak activity in major trading partners (China, Euro block, the United Kingdom, and the US), tight global financial conditions, political and policy uncertainty are expected to constrain growth and widen external vulnerabilities.

1.3.3 KZN economic review and outlook

KZN's economy strengthened significantly by 3.8 per cent in 2021, following a substantial recession caused by the Covid-19 pandemic. KZN's economy recovered strongly in 2021 despite a significant shock from the social unrest in July. Despite a strong start in 2022, real regional GDP (GDP-R) has been volatile amid heightened uncertainty, both nationally and globally. As indicated, the global environment was destabilised by the Russia-Ukraine war, which triggered volatility in financial and commodity markets. In addition, local economic shocks such as electricity load-shedding and flooding weighed down activity in the province. The flooding caused extensive damage to public infrastructure, including schools, health facilities, etc. Economic activity was also affected by the destruction of economic infrastructure, such as roads, water infrastructure, and the port of Durban. Following the global and national dynamics, the provincial economy is estimated to have moderated significantly to 2.2 per cent in 2022. The real GDP-R growth rate is projected to decline to 0.6 per cent in 2023 and to 1.6 per cent in 2024.

Figure 1.3 : Economic growth rate in KZN, 2011 to 2024



Source: IHS Markit, 2023

Note: Dotted lines represent Estimate and Forecast

Sector analysis

The notable expansion in KZN's GDP-R in the third quarter of 2022 was driven primarily by increased economic activity in seven sectors. The largest improvement in economic activity was recorded in the agricultural, forestry and fisheries, transport, storage and communication services, construction and manufacturing sectors. Following a contraction of 7.9 per cent in the second quarter, economic activity in the agricultural industry increased substantially by 19.1 per cent in the third quarter of 2022, contributing a percentage point to the overall real GDP-R.

Similar to SA, KZN's increase in agricultural output in the third quarter was attributed to higher production of field crops and horticultural products. The subdued economic activity in agriculture, especially in the previous quarters, emanated from numerous constraints such as foot and mouth disease, sharply rising input costs and supply chain disruptions related to geopolitical risks. As a result, the average real agricultural output level in the first three quarters of 2022 was still 5.8 per cent lower than in the same period of 2021.

Economic activity in the transport, storage and communication services sector increased further by 3.7 per cent in the third quarter of 2022 and contributed 0.4 percentage points to real GDP-R after an expansion of 2.3 per cent in the second quarter. The continuous rise in real output reflected higher economic activity in road transportation, transport support and communication services. In contrast, activity in rail transportation continued to decrease as theft, vandalism, and inadequate maintenance continued to reduce the efficiency of SA's rail network. Nevertheless, the average level of real output in the transport sector during the first three quarters of 2022 was 8.2 per cent higher compared to the corresponding period of 2021.

Following five consecutive quarterly contractions, real output in the construction sector increased by 3.1 per cent in the third quarter of 2022 and contributed 0.1 percentage points to real GDP-R. The expansion in the construction output was from increased civil construction, residential and non-residential building activity, etc. However, despite a marginal increase, the average real output in the construction sector in the first three quarters of 2022 was still 5.3 per cent lower than in the same period of 2021.

The manufacturing sector's gross value added increased by 1.4 per cent in the third quarter of 2022 after contracting by 6 per cent in the second quarter. The improvement in manufacturing reflected higher production in seven subsectors, particularly in sectors supplying motor vehicles, parts and accessories and other transport equipment, food and beverages, basic iron and steel, nonferrous metal products, metal products and machinery, as well as wood and wood products, paper, publishing and printing. The increased activity in the motor vehicles, parts and accessories and other transport equipment subsector partly reflected the normalisation of operations at a major vehicle manufacturing plant in KZN following the severe flooding. Unfortunately, the closure of domestic oil refineries continued to weigh on petroleum production. The average level of manufacturing output was 0.1 per cent higher in the first three quarters of 2022 than in the corresponding period of 2021.

Travel and tourism in KZN

The onset of the Covid-19 pandemic resulted in tourism businesses being among the first to be closed in order to contain the virus. The effect of the pandemic was felt across the entire travel and tourism ecosystem, and 2021 saw the beginning of the recovery for the sector. Prior to the pandemic, travel and tourism (direct, indirect, and induced impacts) was one of the world's largest sectors, accounting for 25 per cent of all new jobs created in the world, 10.3 per cent of all jobs (333 million), and 10.3 per cent of global GDP (US\$9.6 trillion). Meanwhile, international visitor spending amounted to US\$1.8 trillion, accounting for 6.8 per cent of total exports in 2019 (WTTC, 2022).

Travel and tourism is one of the most vital sectors contributing to the SA economy. According to Stats SA (2021), travel and tourism directly contributed R363.2 billion, translating to 6.9 per cent of the national GDP in 2019. However, the sector was severely affected by the effects of the Covid-19 pandemic in 2020. As a result, the Department of Tourism (2022) and Statista (2022) indicate that the contribution by this sector fell to 3.1 per cent, and the number of jobs dropped sharply by approximately 32.4 per cent to an estimated 987 400 in 2020. Nevertheless, the sector reported a moderate recovery and contributed nearly 3.2 per cent to the country's GDP in 2021.

KZN was no exception to the effect of the pandemic. The tourism sector in the province was also severely affected, and this resulted in a sharp decline of 2.4 per cent in tourist spending as a percentage of GDP-R in 2020. Nevertheless, similar to the global and national trends, the travel and tourism sector recovery in KZN started to gain momentum and reported a significant 5 per cent increase in tourist spending as a percentage of GDP-R in 2021.

1.4 Provincial labour market

According to the International Labour Organisation, the modest and uneven global labour market recovery lost momentum during the second half of 2021. While the SA economy emerged strongly from the pandemic-induced substantial contraction, employment levels continued to recover at a much slower pace. On the other hand, the structural unemployment rate has accelerated to historical highs, with little or no significant decline. Notably, the country's youth population remains most affected by unemployment. It is within this context of rising youth unemployment that programmes, such as the KZN Youth Empowerment Fund and the Presidential Youth Employment Initiative (PYEI), were established to create employment opportunities targeting the youth.

In SA, the number of people employed increased by 1.3 per cent, from 15.56 million in the second quarter to 15.76 million in the third quarter of 2022. Encouragingly, employment levels increased by 10.4 per cent in the third quarter of 2022 compared to the same period in 2021. The improvement in employment during the third quarter emanated mainly from the formal and informal sectors, with about 235 000 and 6 000 people employed, respectively. Employment gains were reported in six industries, with the largest increase in employment recorded in manufacturing (123 000), followed by trade (82 000), and construction (46 000). In contrast, the largest employment losses were recorded in the finance (80 000) and private household (36 000) industries.

Similarly, KZN's employment level increased by 2.3 per cent, from 2.48 million in the second quarter to 2.54 million in the third quarter of 2022. The number of people employed improved by 10.5 per cent in the third quarter of 2022 compared to the same period in 2021. The provincial employment was driven mainly by the agricultural industry with about 28 000 employment gains, followed by community and social services (20 000) as well as construction (18 000) industries.

The Quarterly Labour Force Survey⁵ shows that the official unemployment rate decelerated for SA by a percentage point, from 33.9 per cent in the second quarter to 32.9 per cent in the third quarter of 2022. Approximately 7.72 million people were out of employment during the third quarter of 2022. Based on the expanded definition, which includes discouraged work-seekers, the unemployment rate was 43.1 per cent in the third quarter of 2022, implying that about 11.93 million people were unemployed.

In KZN, the official unemployment rate decreased by 2.1 percentage points, from 32.7 per cent in the second quarter to 30.6 per cent in the third quarter of 2022. The number of people without employment in the province was 1.12 million during the third quarter. The expanded unemployment rate in KZN remains high at 46.4 per cent in the third quarter of 2022, which translates to around 2.20 million people unemployed.

1.5 Development Indicators

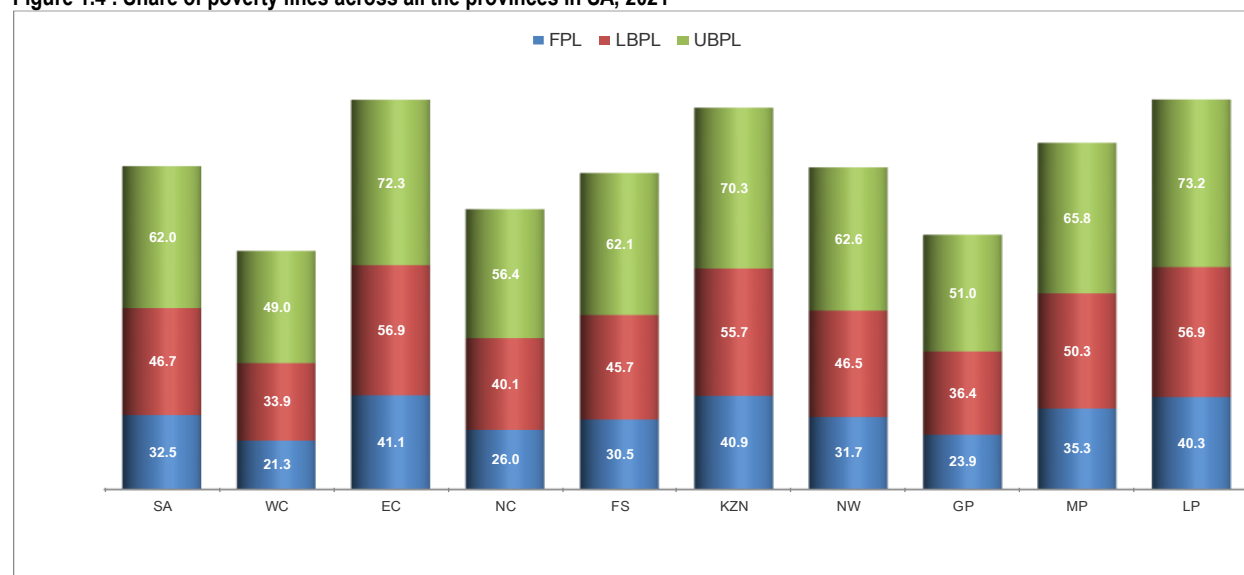
1.5.1 Poverty and human development

SA uses three measures to define poverty, these being the food poverty line (FPL), the lower-bound poverty line (LBPL), and the upper-bound poverty line (UBPL) for statistical reporting. In addition, the national poverty lines were constructed using the cost-of-basic-needs approach, linking welfare to goods and services. The poverty lines contain both food and non-food components of household consumption expenditure (Stats SA, 2022).

⁵ Stats SA (2022): *Quarterly Labour Force Survey*, Quarter Three: 2022, Statistical release P0211. Available online: <https://www.statssa.gov.za/publications/P0211/P02113rdQuarter2022.pdf> [Accessed on 20 January 2023].

As defined by Stats SA (2022), the FPL⁶ shows the level of consumption below which individuals cannot purchase sufficient food to provide them with an adequate diet. Those living below this line are consuming insufficient calories for their nourishment. The LBPL⁷ denotes food and non-food items required by households. However, those living below this line must sacrifice some food to get these non-food items, such as transport and airtime. Finally, individuals living below the UBPL⁸ are those who can consume both food and non-food items, but cannot meet other necessities such as shelter, education, security and healthcare.

Figure 1.4 : Share of poverty lines across all the provinces in SA, 2021



Source: IHS Markit, 2022

Figure 1.4 shows the share of people living below the FPL, the LBPL, and the provinces' UBPL in 2021. The WC (21.3 per cent) had the lowest share of people living below the FPL, followed by GP (23.9 per cent), Northern Cape (NC) (26 per cent), and Free State (FS) (30.5 per cent). Approximately 40.9 per cent of KZN's population was living below the FPL in 2021. This estimation was the second-highest in the country after EC at 41.1 per cent.

Regarding the share of people living below the LBPL, KZN had the third-highest proportion of people living within this bracket (55.7 per cent), after Limpopo (LP) and EC, both at (56.9 per cent). As a result, the share of persons in KZN living below the UBPL in 2021 stood at 70.3 per cent, 0.2 percentage points up from the level in 2020. The province is the third highest in the country. Currently, the government provides several social grants (Old-age grant, Disability grant, Grant-in-aid, Care dependency, Foster Care, and Child support grant), all of which are aimed at reducing poverty.

1.5.2 Household income and income inequality

Table 1.3 shows that the proportion of KZN households categorised as lower income earners (between R0 and R54 000 per annum) dropped sharply by 6.8 percentage points, from 35.2 per cent recorded in 2020 to 28.4 per cent in 2021. Over the same period, approximately 21.9 per cent were categorised as low emerging middle income earners (between R54 000 and R96 000 per annum). An estimated 32.4 per cent were emerging middle class, earning between R96 000 and R360 000 per annum. Approximately 8.1 per cent of households in the province were categorised as realised middle class earners (R360 000 to

⁶ Food poverty line – R585 (in April 2020 prices) per person per month. This refers to the amount of money that an individual needs to afford the minimum required daily energy intake. It is also commonly referred to as the "extreme" poverty line.

⁷ Lower-bound poverty line – R890 (in April 2021 prices) per person per month. It refers to the food poverty line plus the average amount derived from non-food items of households whose total expenditure is equal to the food poverty line.

⁸ Upper-bound poverty line – R1 335 (in April 2021 prices) per person per month. It refers to the food poverty line plus the average amount derived from non-food items of households whose food expenditure is equal to the food poverty line.

R600 000), 6.1 per cent were upper middle class (R600 000 to R1 200 000), and a minimal 3.3 per cent of KZN households were considered as affluent, earning over R1.200 million per annum.

Table 1.3 : Income distribution by the proportion of households in KZN, 2021

Income category	Income level (R'000)	African	White	Coloured	Asian	Grand total
Lower income	0 - 54	33.7%	1.9%	11.3%	2.4%	28.4%
Low emerging middle income	54 - 96	25.3%	2.1%	14.2%	6.8%	21.9%
Emerging middle class	96 - 360	31.3%	26.6%	43.7%	45.0%	32.4%
Realised middle class	360 - 600	5.5%	22.5%	14.9%	19.9%	8.1%
Upper middle class	600 - 1 200	3.1%	27.5%	10.9%	16.4%	6.1%
Affluent	1 200 +	1%	19%	5%	9.5%	3.3%
Grand total		100%	100%	100%	100.0%	100.0%

Source: IHS Markit, 2022

In KZN, 33.7 per cent of Africans were categorised as lower income earners compared to their white counterparts at 1.9 per cent in 2021. This proportion was part of the primary motivations for government to implement various policies such as affirmative action and Broad-Based Black Economic Empowerment (B-BBEE), among others. On the other hand, 25.3 per cent, 31.3 per cent, 5.5 per cent, 3.1 per cent and 1 per cent of Africans were categorised as low emerging, emerging middle class, realised middle class, upper middle class, and affluent income earners, respectively. Contrarily, about 2.1 per cent of white households were classified as low emerging income earners, while 26.6 per cent, 22.5 per cent, 27.5 per cent, and 19 per cent were classified between emerging middle class to affluent income earners. These disparities show that significant income disparities still exist among the four population groups in the country, with Africans remaining the least favoured by the current conditions.

1.5.3 Grant beneficiaries

In a country such as SA, where inequality levels are high combined with low levels of labour market participation, social grants have played an essential role in supporting households to attain some minimum standard of living. Grants have also assisted in achieving human developmental goals, including improved education and health outcomes while also reducing poverty level. The General Household Survey (2022) shows that the percentage of grant beneficiaries steadily increased from 12.8 per cent in 2003 to approximately 31 per cent between 2017 and 2019, before rising sharply to 35.7 per cent in 2021.

Table 1.4 : Number and proportion of grant beneficiaries as at the end of December 2021

	Old Age		War Veterans*		Disability		Grant-in-aid		Care Dependency		Foster Child		Child Support		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Eastern Cape	591 828	15.9	6	22.2	175 532	16.6	34 932	12.8	23 157	15.6	58 096	17.0	1 968 732	15.2	2 852 283	15.4
Free State	213 009	5.7	-	-	77 472	7.3	11 254	4.1	8 894	6.0	17 584	5.1	713 804	5.5	1 042 017	5.6
Gauteng	690 890	18.6	7	25.9	121 944	11.6	11 045	4.1	21 291	14.4	33 998	9.9	2 006 813	15.5	2 885 988	15.5
KwaZulu-Natal	733 580	19.8	4	14.8	224 180	21.3	80 655	29.6	38 938	26.3	48 680	14.2	2 963 453	23.0	4 089 490	22.0
Limpopo	488 994	13.2	1	3.7	97 855	9.3	55 504	20.4	16 822	11.3	30 017	8.8	1 977 341	15.3	2 666 534	14.4
Mpumalanga	267 853	7.2	-	-	78 029	7.4	23 802	8.7	11 566	7.8	17 268	5.0	1 179 869	9.1	1 578 387	8.5
Northern Cape	92 834	2.5	1	3.7	50 001	4.7	20 132	7.4	5 795	3.9	8 359	2.4	329 492	2.6	506 614	2.7
North West	277 808	7.5	1	3.7	63 118	6.0	17 543	6.4	9 721	6.6	20 379	6.0	906 778	7.0	1 295 348	7.0
Western Cape	380 484	10.3	7	25.9	154 725	14.7	24 106	8.8	16 447	11.1	29 636	8.7	1 050 129	8.1	1 655 534	8.9
South Africa	3 711 169	100.0	27	100.0	1 054 288	100.0	272 637	100.0	148 295	100.0	342 318	100.0	12 910 451	100.0	18 572 195	100.0

Source: SASSA, 2022

Table 1.4 shows that, compared with other provinces, KZN had the highest number of social grant beneficiaries at the end of December 2021, with 4 089 490 recipients (22 per cent of the national total grant beneficiaries). KZN also had the highest share in all categories of social grants, except for the Foster Child Grant and War Veterans' grant. The number of Old Age grant beneficiaries in December 2021 was 733 580, which is 19.8 per cent of the total Old Age grant in the country. KZN also issued the highest proportion of Disability grants at 21.3 per cent compared to 16.6 per cent recorded in the EC. KZN had the highest proportion of the Grant-in-aid, Care Dependency grant and Child Support grant when compared to the other eight provinces, at 80 655 or 29.6 per cent, 38 938 or 26.3 per cent and 2 963 453 or 23 per cent, respectively.

2. BUDGET STRATEGY AND AGGREGATES

2.1 Introduction: Budget strategy – An overview

The country's economy continues to under-perform as it has done for many years. Long-standing structural impediments continue to hamper growth, such as unreliable electricity supply, crime and corruption, etc. The structural impediments were exacerbated by high energy and food prices as a result of the Russia-Ukraine war and natural disasters. Therefore, when the Minister of Finance tabled the Medium-Term Budget Policy Statement (MTBPS) in Parliament on 26 October 2022, he emphasised government's commitment to ensure fiscal stability, enabling long-term growth by narrowing the budget deficit and stabilising debt. Thus, the fiscal consolidation budget cuts effected over the 2021/22 MTEF were not reversed and remain within the baseline. These budget cuts continue to exert severe pressure, especially on the social sector.

National Treasury issued allocation letters to the province, indicating amendments made to the Provincial Equitable Share (PES) allocation, partly due to the updates of the data of the PES formula, allocations made for pressures in Education and Health, an allocation to settle the backpay relating to the payment of *Izinduna*, as well as an allocation made for the carry-through costs of the 3 per cent wage increment.

When the PES formula was updated by National Treasury, it was noted that the province had a decline in learner numbers in the cohort of age 5-17 learners, as well as in school enrolments. The Health component had a marginal decline in the numbers used to inform this component, there was also a reduction in the Basic and Poverty components, while the Economic component remained unchanged. In monetary terms, KZN's share of the PES reduces by R235.689 million, R548.343 million and R979.007 million over the MTEF.

National Treasury allocated, R2.076 billion, R2.100 billion and R2.124 billion over the MTEF for the carry-through costs of the 3 per cent wage increment. Education receives R1.159 billion, R1.347 billion and R1.534 billion over the MTEF, while Health receives R1.532 billion, R1.587 billion and R1.636 billion over the MTEF to partially offset the budget cuts that were made over the 2021/22 MTEF with carry-through. The province also receives R631.083 million specifically and exclusively allocated to settle the backpay relating to the payment of *Izinduna*.

In total, the province receives a net increase against the PES of R5.162 billion in 2023/24.

2.2 Aligning provincial budgets to achieve government's prescribed outcomes

In preparing the 2023/24 budget, departments were requested to focus on aligning and integrating their plans to the national outcomes, as contained in the MTSF implementation plan, national sector plans and the PGDS. Table 2.1 shows some of the provincial initiatives funded in this budget, mainly from reprioritisation.

Table 2.1 : Alignment of the Provincial Growth and Development Strategy to the 2023/24 budget

No.	PGDS Priority No.	Department	Priority Projects	Budget
1.	Priority 1 A capable and ethical state	1. Office of the Premier (OTP)	• Workshops on anti-corruption strategy	R2 million
			• M&E function for KZN - implementation of MTSF and PGDS	R17.914 million
			• Progression in building a professional public sector	R24.632 million
			• Implementation of framework for the rights of women, youth and persons with disabilities	R17.914 million
		2. Department of Agriculture and Rural Development (DARD)	• Sound financial and administrative management towards maintaining a clean audit	R610.475 million
		3. Department of Sport, Arts and Culture (DSAC)	• Effective and efficient SCM processes that are fair, transparent and pro B-BBEE	R22.270 million
			• Strengthen internal controls and risk management units by 31 March 2024	R12 million
			• Records management training courses presented to govt. bodies	R1.200 million
		4. Co-operative Governance and Traditional Affairs (COGTA)	• Supporting municipalities to maintain functional Disaster Management Centres	R9 million
			• Supporting municipalities to achieve unqualified audit outcomes	R1. 983 million

Table 2.1 : Alignment of the Provincial Growth and Development Strategy to the 2023/24 budget

No.	PGDS Priority No.	Department	Priority Projects	Budget
		5. Public Works (DOPW)	<ul style="list-style-type: none"> Total budget spent on approved property rates invoices from municipalities 	R715.826 million
		6. Provincial Treasury	<ul style="list-style-type: none"> Operation Clean Audit executed (including integrated asset management system by Treasury) 	R4.539 million
			<ul style="list-style-type: none"> Credible funded and managed budgets. Identification of possible new sources of provincial own revenue and the identification of revenue enhancement projects 	R18.612 million
			<ul style="list-style-type: none"> Conducting economic research 	
			<ul style="list-style-type: none"> 20% improvement in municipal audit outcomes - Improve municipal capacity and audit outcomes, including improved Back to Basics Programme 	R5.070 million
			<ul style="list-style-type: none"> Municipal Support Programme Projects 	R7.228 million
			<ul style="list-style-type: none"> Strengthen internal controls and risk management units by 31 March 2024 	R12 million
2.	Priority 2 Economic growth and job creation	1. DARD	<ul style="list-style-type: none"> Develop and support for commercial, smallholder and subsistence farmers through establishment of irrigation schemes; communal diptanks, boreholes and fencing; breeding stock, production inputs, animal handling facilities, etc. 	R459.077 million
			<ul style="list-style-type: none"> Mechanisation services 	R56.785 million
			<ul style="list-style-type: none"> Extension and advisory services 	R644.789 million
		2. Economic Development, Tourism and Environmental Affairs (EDTEA)	<ul style="list-style-type: none"> Special Economic Zone SMME Park project management unit – eZakheni industrial estate 	R10 million
			<ul style="list-style-type: none"> Clothing and textile incubation centre 	R12.224 million
			<ul style="list-style-type: none"> KZN digital animation and gaming programme 	R5 million
			<ul style="list-style-type: none"> Edendale auto service hub 	R1 million
			<ul style="list-style-type: none"> Pietermaritzburg airport infrastructure upgrade 	R2 million
			<ul style="list-style-type: none"> Mkhuze airport 	R500 000
			<ul style="list-style-type: none"> Prince Mangosuthu Buthelezi airport 	R1.500 million
			<ul style="list-style-type: none"> Development of Aerotropolis Institute Africa 	R1 million
			<ul style="list-style-type: none"> Aeronautical engineering bursaries/learnerships 	R2 million
		3. Human Settlements (DOHS)	<ul style="list-style-type: none"> Eradicate title deeds backlog and issuing of title deeds 	R13.987 million
		4. COGTA	<ul style="list-style-type: none"> Support municipalities with the implementation of the Electricity Master Plan 	R16.332 million
			<ul style="list-style-type: none"> Creation of EPWP work opportunities 	R19.460 million
		5. Transport (DOT)	<ul style="list-style-type: none"> Jobs created through Zibambele project (infrastructure maintenance) 	R397.998 million
			<ul style="list-style-type: none"> No. of youth absorbed in Vukuyibambe Routine Road Maintenance Programme 	R40 million
			<ul style="list-style-type: none"> Roads upgraded, refurbished and maintained 	R4.391 billion
			<ul style="list-style-type: none"> Maintenance of roads 	R3.975 billion
		6. DSAC	<ul style="list-style-type: none"> Job opportunities created 	R10.726 million
			<ul style="list-style-type: none"> Hubs provided with equipment/attire 	R3.084 million
		7. Provincial Treasury	<ul style="list-style-type: none"> Enhance planning, implementation, and management of infrastructure by departments, including the facilitation and monitoring of infrastructure delivery 	R33.232 million
3.	Priority 3 Education, skills and health	1. Education (DOE)	<ul style="list-style-type: none"> Develop and operationalise an ECD planning, funding, registration and information system 	R200 million
			<ul style="list-style-type: none"> Provide sanitary towels to indigent girls and women in schools (quintile 1, 2 and 3; farm schools and special schools) 	R55.116 million
			<ul style="list-style-type: none"> All schools implement Early Grade Reading Assessment to support reading at required level by Grade 3 	R10 million
			<ul style="list-style-type: none"> No. of learners with disabilities enrolled in formal education programmes. 	R1.560 billion
			<ul style="list-style-type: none"> No. of learners provided with hot meals during school hours 	R2.089 billion
			<ul style="list-style-type: none"> No. of learners benefitting from the learner transport programme 	R6.880 million
			<ul style="list-style-type: none"> No. of schools that are provided with appropriate sanitation facilities through Sanitation Appropriate for Education Initiative 	R382.191 million
		2. DARD	<ul style="list-style-type: none"> Structured agricultural education and training 	R98.023 million
			<ul style="list-style-type: none"> Research and technology development services 	R177.950 million
		3. DSAC	<ul style="list-style-type: none"> New libraries built 	R70 million
		4. Health (DOH)	<ul style="list-style-type: none"> Expansion of Universal Health Coverage in all districts and the Metro 	R126.332 million
			<ul style="list-style-type: none"> Ward based and school outreach teams 	R300.818 million
			<ul style="list-style-type: none"> No. of clinics attaining ideal clinic status 	R5.326 billion
			<ul style="list-style-type: none"> Expansion and maintenance of health infrastructure 	R1.070 billion
			<ul style="list-style-type: none"> Roll-out of TB treatment 	R115.839 million
			<ul style="list-style-type: none"> Roll-out of HIV and AIDS treatment 	R6.332 billion
			<ul style="list-style-type: none"> Roll-out of eHealth to hospitals 	R55 million

Table 2.1 : Alignment of the Provincial Growth and Development Strategy to the 2023/24 budget

No.	PGDS Priority No.	Department	Priority Projects	Budget
4.	Priority 4 Consolidating the social wage through reliable and quality basic services	1. Social Development (DSD)	• Expand the number of social services professionals	R779.126 million
			• Community-based care and support services are available to persons with disabilities who need such services	R173.768 million
			• Residential facilities and services are available to persons with disabilities who need 24-hour care	
			• Increase the number of people accessing substance abuse prevention programmes • Establishment of two new treatment centres for substance abuse • Provision of re-integration and after care services for people who received substance abuse treatment	R108.830 million
5.	Priority 5 Spatial integration, human settlements and local government	1. DOHS	• Integrated Anti-GBV and Femicide Campaign Implemented and monitored and linked to men's forum, dedicated boys to men programmes and awareness among girls and women	R85.198 million
			• Adequate housing and improved quality living environments: o Deliver housing units through subsidy mechanism o Approve subsidy applications to enable the purchase units via the Finance Linked Individual Subsidy Programme (FLISP) ▪ Deliver serviced sites ▪ Deliver social housing/ rental housing units in PDAs ▪ Deliver community residential units (CRU)/ rental housing units in PDAs ▪ Upgrade informal settlements to Phase 3	R3.908 billion
			• Supporting municipalities with the implementation of the national electrification plan for both on- and off-grid connections to households	R33.023 million
			• Supporting key economic nodes to implement programmes on basic service delivery	R73.217 million
		2. COGTA	• Planning of coastal cities	R2.720 million
6.	Priority 6 Social cohesion and safe communities	1. Community Safety and Liaison (DCSL)	• Monitored police stations on school safety enforcement • Strengthening M&E of police stations and services • Monitor police visibility during major events/service delivery protests/community conflicts	R17.378 million
			• No. of crime prevention volunteers deployed along the borderline • Implementation of the crime prevention volunteer programme • Youth and other vulnerable groups crime prevention programmes implemented • Rural safety crime prevention programme implemented	R65.529 million
		2. DSAC	• Events where people actively participate in organised sport and active recreation events	R6.168 million
			• Sport and recreation promotion campaigns and events implemented	R5.899 million
			• Sport programmes against GBV supported	R1.320 million
			• Sport and recreation equity programmes implemented	R2.860 million
			• Schools provided with equipment and/or attire	R6.965 million
		3. DOE	• Implementation of school safety programme	R256.100 million
7.	Priority 7 A better South Africa and world	No information submitted by departments		

2.3 Summary of budget aggregates

Table 2.2 provides an analysis of the overall provincial budget performance by comparing total receipts against total payments, resulting in a surplus or deficit before financing over the seven-year period. The table also provides the details on financing to provide the net position after financing for each year.

In aggregate, KZN recorded a surplus after financing in 2019/20, 2020/21, and 2021/22. Careful cash and budget management has meant that the province has spent very close to a balanced budget for the past few years, and has remained cash positive in terms of the provincial bank balance.

The 2022/23 Revised Estimate in Table 2.2, which is based on the December 2022 IYM, indicates that the province will end the year with a deficit. This projected over-spending is mainly by the social sector departments, as well as DOPW, mainly due to budget cuts.

Table 2.2 : Provincial budget summary

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
Provincial receipts									
Transfer receipts from national	127 607 051	129 240 173	134 622 611	139 550 610	142 748 859	142 748 859	142 267 444	143 752 886	149 852 322
Equitable share	106 014 289	107 307 567	111 551 514	114 509 371	116 697 493	116 697 493	115 947 671	118 858 268	123 812 221
Conditional grants	21 592 762	21 932 606	23 071 097	25 041 239	26 051 366	26 051 366	26 319 773	24 894 618	26 040 101
Provincial own receipts	3 847 536	3 376 188	3 646 230	3 761 099	3 761 099	3 884 226	3 885 359	4 038 583	4 220 123
Total provincial receipts	131 454 587	132 616 361	138 268 841	143 311 709	146 509 958	146 633 085	146 152 803	147 791 469	154 072 445
Provincial payments*									
Current payments	109 437 649	112 411 201	118 530 976	118 575 811	124 763 808	126 038 578	122 424 751	124 450 643	129 628 160
Transfers and subsidies	13 731 625	13 307 768	13 869 119	12 527 657	13 791 077	14 608 766	13 856 570	13 937 507	14 555 520
Payments for capital assets	6 928 281	8 108 720	8 731 717	9 271 280	7 967 658	8 056 751	9 759 643	9 287 596	9 750 372
Payments for financial assets	20 390	156 241	19 536	-	6 540	7 696	-	-	-
Total provincial payments	130 117 945	133 983 930	141 151 348	140 374 748	146 529 083	148 711 791	146 040 964	147 675 746	153 934 052
Surplus/(deficit) before financing	1 336 642	(1 367 569)	(2 882 507)	2 936 961	(19 125)	(2 078 706)	111 839	115 723	138 393
Financing	1 278 321	4 269 398	2 905 903	21 573	33 725	33 725	14 927	-	-
Provincial roll-overs	344 166	263 258	356 889	-	113 704	113 704	-	-	-
Provincial cash resources	899 125	4 137 763	2 280 352	5 642	(95 910)	(95 910)	327	-	-
Surplus Own Revenue surrendered	(2 166)	(4 662)	-	-	-	-	-	-	-
Surplus Own Revenue from prior year	812	2 166	4 662	-	-	-	-	-	-
Suspension to ensuing years	36 384	257 068	264 000	15 931	15 931	15 931	14 600	-	-
Allocations from the Contingency Reserve	-	(386 195)	-	-	-	-	-	-	-
Surplus/(deficit) after financing	2 614 963	2 901 829	23 396	2 958 534	14 600	(2 044 981)	126 766	115 723	138 393

* Estimated actual expenditure for 2022/23 as at 31 December 2022

2.4 Financing

Contingency Reserve

The total provincial receipts exceed total provincial payments over the MTEF, thereby reflecting a surplus budget. This indicates that not all funds available to the province have been allocated to the 14 Votes.

Implementation of Section 34(2) of the PFMA (First charge rule)

The first charge rule (in terms of Section 34(2) of the PFMA) means that the affected departments will see a reduction in their budgets available for spending, in order to pay back over-expenditure incurred in prior years. These amounts are not removed from their budgets, but are allocated to *Payments for financial assets* to allow for the necessary accounting treatment thereof.

Sources of financing

The paragraphs below aim to provide an explanation for some of the terms contained in Table 2.2. The province has three sources of financing available, over and above the funds received from National Treasury and the provincial own revenue, namely provincial roll-overs, provincial cash resources, and suspensions to the ensuing financial year.

Provincial roll-overs refer to funds that were appropriated and committed but not spent in that financial year. These unspent funds are then re-allocated to the relevant department during the Adjustments Estimate in the following year.

Provincial cash resources refer to surplus funds in the provincial revenue fund, after taking into account all commitments and roll-overs. This includes unspent appropriated funds in departments that were not rolled over to the ensuing financial year, as well as surplus provincial own revenue that was collected in a prior financial year. This source of financing also relates to any internal provincial reprioritisation that is undertaken to finance provincial commitments.

Suspension to ensuing years is when a department requests that funds be stopped from their budget in one year, but allocated back in the next or ensuing years when the project for which the funds was stopped is ready to continue. It also relates to the Provincial Legislature and occurs when the Legislature, in terms of S22(1) of the PFMA, as well as the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA), retains its own revenue.

2.5 Cost-cutting measures

The National Treasury Instruction Note related to the cost-cutting measures, and the National Travel Policy Framework are both available on the National Treasury website (www.treasury.gov.za). The provincial cost-cutting measures are in the process of being converted from a Treasury Circular to a provincial Instruction Note. Once this process has been finalised, the Instruction Note relating to the cost-cutting measures will be available on the Provincial Treasury website (www.kzntreasury.gov.za).

3. BUDGET PROCESS AND MEDIUM-TERM EXPENDITURE FRAMEWORK (MTEF)

3.1 The 2023/24 MTEF budget process in brief

3.1.1 Treasury Guidelines

The 2023/24 MTEF budget process started, as usual, with Provincial Treasury holding a Treasury Guidelines workshop with all departments and public entities. This workshop was held virtually thus increasing the reach to a greater number of officials. KZN's budget was not cut because of fiscal consolidation budget cuts over the 2023/24 MTEF, though there were some reductions as a result of the annual data updates of the PES formula. There were some additions to the PES, mainly due to additions made by National Treasury for the carry-through of the 2022 cost of living adjustment, as well as to assist with budget pressures in Education and Health brought about by the budget cuts made in previous budget processes. The province will continue to budget for a Contingency Reserve, but at a lower level when compared to previous years.

3.1.2 Additional funding requests

Unlike previous years, and as a result of no additions made to the provincial baseline except for specific purposes, departments and public entities were not requested to submit requests for additional funding but to rather indicate one service delivery area that was negatively impacted by the carry-through impact of the budget cuts made over the 2021/22 MTEF. In the event that the data updates of the PES formula had shown a favourable increase, these funds would have been used towards supporting these service delivery areas. However, as the PES data updates resulted in a decline in the provincial allocation, no additional funding could be allocated. There were three provincial priorities identified by the Provincial Executive Council as being in critical need for additional funds, and these were funded by lowering the Contingency Reserve. The three areas receiving additional funds are the KZN Youth Empowerment Fund, funding for political parties, as well as the Community Safety Intervention Unit to provide protection to our traditional leaders. These funds are allocated to OTP, Provincial Legislature and DCSL, respectively. More detail is provided in each Vote's chapter.

3.1.3 Allocation process

National Treasury added funds to the provincial fiscus toward the carry-through of the 2022 cost of living adjustment. These funds were distributed proportionately to all Votes, except in 2023/24 where it was distributed proportionately to all Votes except for three (Provincial Treasury, COGTA and DOT) as these had shown significant savings from vacant posts. Other additions to the provincial fiscus are for budget pressures in Education and Health, as well as funding for the long outstanding backpay for *Izinduna*. The data updates of the PES formula resulted in 2023/24 being cut by R235.689 million, R548.343 million in 2024/25 and R979.007 million in 2025/26. All of these amendments meant that the PES showed a net increase of R5.162 billion, R4.486 billion and R4.316 billion over the MTEF.

3.2 Provincial fiscal framework

Table 3.1 summarises the provincial fiscal framework for the 2023/24 MTEF. The PES formula was updated with new data as described in Chapter 4. The impact of this is that KZN's share of the PES reduces by 0.16 per cent and the impact of this reduction was explained above. There were also additions made to the PES, as explained.

Amendments are also made to the province's conditional grant allocation. Some amendments provide for inflationary growth in the outer year, but there are also other additions made. In total, KZN's grants increase by R1.604 billion, R269.407 million and R1.415 billion over the MTEF.

Table 3.1 : Summary of provincial fiscal framework

R thousand	2023/24	2024/25	2025/26
1. Receipts			
Baseline allocation	139 421 620	143 071 701	148 757 133
Transfer receipts from national	135 501 322	138 997 771	144 487 654
Equitable share	110 785 551	114 372 560	119 862 443
Conditional grants	24 715 771	24 625 211	24 625 211
Provincial own receipts	3 920 298	4 073 930	4 269 479
Increase / (Decrease) in allocation	6 731 183	4 719 768	5 315 312
Transfer receipts from national	6 766 122	4 755 115	5 364 668
Equitable share	5 162 120	4 485 708	3 949 778
Conditional grants	1 604 002	269 407	1 414 890
Provincial own receipts	(34 939)	(35 347)	(49 356)
Revised allocation	146 167 730	147 791 469	154 072 445
Transfer receipts from national	142 267 444	143 752 886	149 852 322
Equitable share (after update of formula data and additions)	115 947 671	118 858 268	123 812 221
Conditional grants	26 319 773	24 894 618	26 040 101
Provincial own receipts	3 885 359	4 038 583	4 220 123
Provincial cash resources	14 927	-	-
2. Planned spending by departments	146 040 964	147 675 746	153 934 052
3. Contingency Reserve	126 766	115 723	138 393

The following conditional grants show significant increases:

The **Comprehensive Agricultural Support Programme (CASP) grant** receives an addition of R8.400 million, R86.400 million and R58.200 million as the department had applied for funding through the Budget Facility for Infrastructure (BFI) process facilitated by National Treasury. The department was successful in securing funds for the construction of agri-hubs.

The **Education Infrastructure grant (EIG)** shows an increase of R378.984 million in 2023/24, no change in 2024/25, while showing an inflationary increase of R104.394 million in 2025/26. This grant is incentive based and the increase in 2023/24 is partly due to the incentive allocation where the department scored 80 per cent and thus received an incentive allocation of R109 million. The increase also relates to the carry-through costs associated with the repairs and rehabilitation of schools damaged by the April 2022 floods, and R269.313 million is allocated in this regard.

The **National School Nutrition Programme (NSNP) grant** receives an increase of R120.917 million, R112.574 million and R226.565 million over the MTEF to continue to provide nutritious meals.

The **Early Childhood Development (ECD) grant** increases by R14.822 million, R45.547 million and R100.950 million over the MTEF for top-up to the subsidy amount, increasing access to the ECD subsidy, pre-registration support packages, and nutrition support and the results-based finance initiative.

The **Health Facility Revitalisation grant** increases by R78.192 million in 2023/24 and shows inflationary growth of R63.934 million in 2025/26. The addition in 2023/24 is because this grant is incentive based and because the department scored 94 per cent in terms of the various planning processes.

The **National Health Insurance (NHI) grant** was increased by R42.570 million, R20.345 million and R25.097 million over the MTEF. This brings the grant total in 2023/24 to R126.332 million.

The **Provincial Roads Maintenance grant (PRMG)** sees a significant increase of R760.101 million in 2023/24 and inflationary growth in the outer year of R110.229 million. The increase in 2023/24 includes R185 million being funds for the carry-through costs associated with repairs of provincial roads that were damaged by the April 2022 floods. The balance of the additional funds is to address the backlog in the refurbishment of provincial roads. Funds are also added for the building of modular steel bridges (rural bridges) under the Welisizwe Rural Programme.

There is a downward revision in the provincial own revenue budget over the 2023/24 MTEF. In aggregate, the province anticipates to collect R34.939 million, R36.580 million and R50.644 million less than when the 2022/23 MTEF budget was set. The largest reduction is by DOH as a result of the difficulty in collecting funds from the Road Accident Fund.

The Contingency Reserve is set at R126.766 million, R115.723 million and R138.393 million over the 2023/24 MTEF, but it was agreed that Provincial Treasury will carefully review any requests for surplus funds that public entities wish to retain at the end of 2022/23. Where possible, if the entity is able to

manage their responsibilities adequately without retaining such surpluses, Provincial Treasury will prepare a proposal for these funds to rather be paid back to the Provincial Revenue Fund to increase the Contingency Reserve, and/ or to help deal with provincial spending pressures. This is the lowest that the Contingency Reserve has been set at, and this is influenced by the fact that additional funds were allocated to various provincial priorities, as explained. The amounts allocated are shown in Table 3.3.

Table 3.1.1 provides the detail in terms of the provincial cash resources contained in Table 3.1.

Table 3.1.1 : Provincial priorities funded using provincial cash resources

Description	2023/24	2024/25	2025/26
1. V10: KZN Sport Awards Sponsorship	327	-	-
2. V6: Funds suspended from 2022/23	14 600	-	-
Total	14 927	-	-

Line 1 indicates relates to funds collected by DSAC from sponsorships towards the annual KZN Sport Awards and these funds are allocated to the department for this purpose. Line 2 shows the funds suspended from Provincial Treasury in the 2022/23 Adjustments Estimate, and allocated back to the department in 2023/24 in line with their request. Details of allocations over the 2023/24 MTEF, per department, are provided in Table 3.3 in Section 3.3.2.

3.3 Summary of additional allocations for the 2023/24 MTEF

3.3.1 Existing growth in the 2022/23 MTEF baseline allocation

Table 3.2 shows the baseline budgets for the 2022/23 MTEF before any changes were made as part of the 2023/24 budget process. Most departments' baselines for the MTEF showed positive rates of growth, although the growth is very low, mainly due to the significant budget cuts implemented against the province over the 2021/22 MTEF with carry-through.

Table 3.2 : Existing growth rates in 2022/23 MTEF baseline budgets

R thousand	Main Appropriation 2022/23	Medium-term baseline budgets			Ann. % growth 22/23-25/26
		2023/24	2024/25	2025/26	
1. Office of the Premier	767 551	775 511	810 331	849 227	3.4
2. Provincial Legislature	644 322	649 429	678 650	711 225	3.3
3. Agriculture and Rural Development	2 490 556	2 506 054	2 619 019	2 744 732	3.3
4. Economic Development, Tourism and Enviro. Affairs	3 412 995	3 434 711	3 588 930	3 761 199	3.3
5. Education	57 480 788	57 794 640	58 502 212	61 310 318	2.2
6. Provincial Treasury	684 109	672 819	703 102	736 851	2.5
7. Health	49 609 770	48 164 424	50 496 965	52 920 819	2.2
8. Human Settlements	4 123 328	4 335 277	4 033 291	4 226 889	0.8
9. Community Safety and Liaison	236 867	235 819	246 429	258 258	2.9
10. Sport, Arts and Culture	1 489 055	1 492 763	1 571 310	1 646 733	3.4
11. Co-operative Governance and Traditional Affairs	1 820 033	1 833 154	1 915 649	2 007 600	3.3
12. Transport	12 474 796	12 241 055	12 499 111	13 099 068	1.6
13. Social Development	3 198 281	3 203 619	3 369 878	3 531 632	3.4
14. Public Works	1 942 297	1 744 027	1 822 334	1 909 806	(0.6)
Total	140 374 748	139 083 302	142 857 211	149 714 357	2.2

3.3.2 Summary of changes to baselines

The additional PES allocations to departments are summarised in Table 3.3. The detail can be found under each Vote's chapter in the *EPRE*.

Table 3.3 : Summary of equitable share changes to allocations, 2023/24 MTEF

	2023/24	2024/25	2025/26	2023/24	2024/25	2025/26
	R thousand			Percentage share		
Vote 1 : Office of the Premier	96 546	3 321	390	1.8	0.1	0.0
Cost of living adjustment carry-through (3%)	6 354	7 287	7 372	0.1	0.2	0.2
PES data update and provincial own revenue reductions	(9 808)	(3 966)	(6 982)	(0.2)	(0.1)	(0.2)
KZN Youth Empowerment Fund	100 000	-	-	1.9	-	-
Vote 2 : Provincial Legislature	98 608	103 465	101 017	1.8	2.3	2.3
Cost of living adjustment carry-through (3%)	6 821	6 786	6 864	0.1	0.1	0.2
PES data update and provincial own revenue reductions	(8 213)	(3 321)	(5 847)	(0.2)	(0.1)	(0.1)
Funding for political parties	100 000	100 000	100 000	1.9	2.2	2.3
Vote 3 : Agriculture and Rural Development	(3 937)	12 468	4 209	(0.1)	0.3	0.1
Cost of living adjustment carry-through (3%)	23 809	23 688	23 961	0.4	0.5	0.5
PES data update and provincial own revenue reductions	(27 746)	(11 220)	(19 752)	(0.5)	(0.2)	(0.5)

Table 3.3 : Summary of equitable share changes to allocations, 2023/24 MTEF

	2023/24	2024/25	2025/26	2023/24	2024/25	2025/26
	R thousand			Percentage share		
Vote 4 : Economic Development, Tourism & Enviro. Affairs	(35 090)	(7 328)	(20 567)	(0.7)	(0.2)	(0.5)
Cost of living adjustment carry-through (3%)	8 349	10 238	10 356	0.2	0.2	0.2
PES data update and provincial own revenue reductions	(43 439)	(17 566)	(30 923)	(0.8)	(0.4)	(0.7)
Vote 5 : Education	2 294 142	2 164 105	2 158 039	42.9	47.4	49.4
Cost of living adjustment carry-through (3%)	1 135 469	1 087 589	1 100 126	21.2	23.8	25.2
PES data update and provincial own revenue reductions	-	(270 661)	(476 451)	-	(5.9)	(10.9)
Additions from National Treasury for existing budget pressures	1 158 673	1 347 177	1 534 364	21.6	29.5	35.2
Vote 6 : Provincial Treasury	6 091	3 119	578	0.1	0.1	0.0
Cost of living adjustment carry-through (3%)	-	6 560	6 636	-	0.1	0.2
PES data update and provincial own revenue reductions	(8 509)	(3 441)	(6 058)	(0.2)	(0.1)	(0.1)
Funds suspended from 2022/23 for re-allocation in 2023/24	14 600	-	-	0.3	-	-
Vote 7 : Health	2 372 605	2 265 005	2 181 053	44.3	49.6	50.0
Cost of living adjustment carry-through (3%)	840 784	866 758	876 750	15.7	19.0	20.1
PES data update and provincial own revenue reductions	-	(188 436)	(331 708)	-	(4.1)	(7.6)
Additions from National Treasury for existing budget pressures	1 531 821	1 586 683	1 636 011	28.6	34.7	37.5
Vote 8 : Human Settlements	51	3 134	1 589	0.0	0.1	0.0
Cost of living adjustment carry-through (3%)	5 272	5 245	5 305	0.1	0.1	0.1
PES data update and provincial own revenue reductions	(5 221)	(2 111)	(3 716)	(0.1)	(0.0)	(0.1)
Vote 9 : Community Safety and Liaison	10 942	1 639	755	0.2	0.0	0.0
Cost of living adjustment carry-through (3%)	2 374	2 845	2 878	0.0	0.1	0.1
PES data update and provincial own revenue reductions	(2 982)	(1 206)	(2 123)	(0.1)	(0.0)	(0.0)
Instability intervention unit (protection of traditional leaders)	11 550	-	-	0.2	-	-
Vote 10 : Sport, Arts and Culture	(8 812)	1 851	(2 749)	(0.2)	0.0	(0.1)
KZN Sport Awards (allocation of sponsorships received)	327	-	-	0.0	-	-
Cost of living adjustment carry-through (3%)	6 123	8 023	8 115	0.1	0.2	0.2
PES data update and provincial own revenue reductions	(15 262)	(6 172)	(10 864)	(0.3)	(0.1)	(0.2)
Vote 11 : Co-operative Governance and Traditional Affairs	607 899	1 939	(5 060)	11.4	0.0	(0.1)
Cost of living adjustment carry-through (3%)	-	11 314	11 444	-	0.2	0.3
PES data update and provincial own revenue reductions	(23 184)	(9 375)	(16 504)	(0.4)	(0.2)	(0.4)
Izinduna backpay allocation	631 083	-	-	11.8	-	-
Vote 12 : Transport	(104 206)	-	(50 724)	(1.9)	-	(1.2)
Cost of living adjustment carry-through (3%)	-	23 188	23 456	-	0.5	0.5
PES data update and provincial own revenue reductions	(104 206)	(42 143)	(74 180)	(1.9)	(0.9)	(1.7)
Vote 13 : Social Development	27 790	11 263	(875)	0.5	0.2	(0.0)
Cost of living adjustment carry-through (3%)	27 790	27 648	27 967	0.5	0.6	0.6
PES data update and provincial own revenue reductions	-	(16 385)	(28 842)	-	(0.4)	(0.7)
Vote 14 : Public Works	(8 969)	4 102	(2 529)	(0.2)	0.1	(0.1)
Cost of living adjustment carry-through (3%)	13 088	13 022	13 172	0.2	0.3	0.3
PES data update and provincial own revenue reductions	(22 057)	(8 920)	(15 701)	(0.4)	(0.2)	(0.4)
Total	5 353 660	4 568 083	4 365 126	100.0	100.0	100.0

Table 3.4 shows the revised budgets of departments for the 2023/24 MTEF, after taking into account all adjustments made. KZN's budget increases by 3.2 per cent in aggregate in 2023/24. Some Votes show negative growth in 2023/24, and this is because the budget cuts were higher in that year when the 2021/22 MTEF budget cuts were made, but also because the base year included once-off allocations which do not carry-through into the outer years.

Table 3.4 : Summary of revised budgets by Vote, 2023/24 MTEF

R thousand/ percentage	Main Appropriation	Medium-term Estimates			Annual Percentage Growth		
	2022/23	2023/24	2024/25	2025/26	2023/24	2024/25	2025/26
1. Office of the Premier	767 551	872 057	813 652	847 024	13.6	(6.7)	4.1
2. Provincial Legislature	644 322	748 037	782 115	810 071	16.1	4.6	3.6
3. Agriculture and Rural Development	2 490 556	2 515 153	2 717 887	2 798 760	1.0	8.1	3.0
4. Economic Development, Tourism and Environmental Affairs	3 412 995	3 406 530	3 581 602	3 729 147	(0.2)	5.1	4.1
5. Education	57 480 788	60 637 286	60 824 438	63 507 657	5.5	0.3	4.4
6. Provincial Treasury	684 109	678 910	706 221	735 179	(0.8)	4.0	4.1
7. Health	49 609 770	50 687 512	52 782 315	54 961 538	2.2	4.1	4.1
8. Human Settlements	4 123 328	4 342 997	4 036 425	4 215 571	5.3	(7.1)	4.4
9. Community Safety and Liaison	236 867	250 608	248 068	258 224	5.8	(1.0)	4.1
10. Sport, Arts and Culture	1 489 055	1 492 804	1 577 702	1 644 704	0.3	5.7	4.2
11. Co-operative Governance and Traditional Affairs	1 820 033	2 443 013	1 917 588	1 996 410	34.2	(21.5)	4.1
12. Transport	12 474 796	12 966 847	12 480 156	13 008 347	3.9	(3.8)	4.2
13. Social Development	3 198 281	3 260 255	3 381 141	3 519 974	1.9	3.7	4.1
14. Public Works	1 942 297	1 738 955	1 826 436	1 901 446	(10.5)	5.0	4.1
Total	140 374 748	146 040 964	147 675 746	153 934 052	4.0	1.1	4.2

4. RECEIPTS

4.1 National Fiscal Framework and Division of Revenue for the 2023/24 MTEF

4.1.1 Background

The Division of Revenue Bill provides for the division of revenue between and among the three spheres of government as per sections 214(1)(a) to (c) of the Constitution. In terms of section 10(1) of the Intergovernmental Fiscal Relations (IGFR) Act (Act 97 of 1997), this Bill must be tabled when the budget is tabled in the National Assembly. The IGFR Act also sets out the process to determine the equitable allocation of nationally raised revenue and the consultation process to be followed to ensure the creation and maintenance of an effective, equitable and sustainable system of intergovernmental relations in South Africa. The process towards tabling the 2023/24 budget included, among others, consultation on the recommendations made by the Financial and Fiscal Commission (FFC) on the annual division of revenue.

4.1.2 Division of revenue and fiscal framework

4.1.2.1 Fiscal policy and trends

The medium-term fiscal strategy prioritises achieving fiscal sustainability by narrowing the budget deficit and stabilising the debt-to-GDP ratio. Over the MTEF, restoring fiscal sustainability requires continued restraint in expenditure growth, as well as reforms to grow the economy. In a volatile global environment, the fiscal strategy reduces fiscal and economic risks through targeted support to key public entities and building fiscal buffers for future shocks. Tax revenues are projected to increase, based on expected improvements in efficiencies at the South African Revenue Service. A portion of this revenue is set aside to narrow the budget deficit and to mitigate against the impact of higher interest rates on debt-service cost. Furthermore, additional allocations are used to increase spending on policy priorities such as health, education, local government free basic services, as well as safety and security. Economic growth is supported through a range of reforms, including the infrastructure-build programme, financed through innovative funding mechanisms and supported by improved technical capabilities.

4.1.2.2 Division of revenue

Table 4.1 sets out the division of nationally raised revenue between the three spheres of government.

Table 4.1 : Division of revenue between spheres of government, 2019/20 – 2025/26

R million	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
National departments	749 797	790 545	822 956	854 446	828 572	835 665	877 920
Of which:							
Indirect transfers to provinces	2 927	2 886	3 670	4 612	4 178	4 447	4 763
Indirect transfers to local government	5 565	4 100	5 702	7 172	8 481	8 862	9 259
Provinces	613 450	628 777	660 799	694 598	695 072	720 463	754 672
Equitable share	505 554	520 717	544 835	570 868	567 528	587 500	614 271
Conditional grants	107 896	108 060	115 964	123 730	127 544	132 963	140 402
Local government	122 986	137 098	135 625	147 786	163 972	174 382	183 330
Equitable share	65 627	83 102	76 169	83 711	96 546	103 772	109 368
Conditional grants	44 191	39 969	44 839	48 740	51 992	54 484	57 113
General fuel levy sharing with metros	13 167	14 027	14 617	15 335	15 433	16 127	16 849
Provisional allocation not assigned to Votes ¹	-	-	-	-	1 505	3 901	3 977
Non-interest allocations	1 486 233	1 556 420	1 619 380	1 696 829	1 689 120	1 734 411	1 819 899
Percentage increase	12.2%	4.7%	4.0%	4.8%	-0.5%	2.7%	4.9%
Debt-service costs	204 769	232 596	268 072	307 157	340 460	362 840	397 074
Contingency reserves	-	-	-	-	5 000	5 000	5 000
Unallocated reserves	-	-	-	-	-	35 693	44 533
Main budget expenditure	1 691 002	1 789 016	1 887 451	2 003 986	2 034 580	2 137 945	2 266 506
Percentage increase	12.2%	5.8%	5.5%	6.2%	1.5%	5.1%	6.0%
Percentage shares							
National departments	50.4%	50.8%	50.8%	50.4%	49.1%	48.3%	48.3%
Provinces	41.3%	40.4%	40.8%	40.9%	41.2%	41.6%	41.6%
Local government	8.3%	8.8%	8.4%	8.7%	9.7%	10.1%	10.1%

Source: National Treasury

¹ Infrastructure fund and other provisional allocations

The budget was reprioritised to meet government's policy goals, while protecting the most important public spending programmes that help poor South Africans. The aim was also to contribute to economic growth and to create jobs. Excluding debt-service costs and the national Contingency Reserve, the amount budgeted for expenditure across the three spheres of government totals R1.689 trillion in 2023/24, R1.734 trillion in 2024/25 and R1.820 trillion in 2025/26.

The division of the funds between the national, provincial and local government spheres takes into account government's fiscal policy priorities, each sphere's revenue-raising capacity, debt and financing considerations, expenditure plans and responsibilities, and also considers the input from various intergovernmental forums and the FFC, among others. In 2023/24, national departments receive 49.1 per cent, provinces 41.2 per cent and local government 9.7 per cent of the budget. Of the total transfer to provinces in 2023/24, R567.528 billion is allocated to the PES and R127.544 billion is allocated to conditional grants.

Table 4.2 shows how the changes to the baselines are distributed across the three spheres of government. The new focus areas are accommodated by small increases in non-interest spending.

Table 4.2 : Changes to baselines, 2023/24 – 2024/25

R million	2023/24	2024/25	Total	% Share
National departments	57 662	30 003	87 665	57.1
Provinces	27 762	30 306	58 068	37.8
Local government	3 458	4 235	7 693	5.0
Increases/ (Decreases)	88 882	64 544	153 426	100.0

The combined baseline increases by R88.882 billion in 2023/24 and by R64.544 billion in 2024/25 compared to indicative figures published in the 2022 MTBPS. The provincial baseline increases by R27.762 billion and R30.306 billion in 2023/24 and 2024/25, respectively.

4.1.3 Provincial Equitable Share

Provincial revenue consists of the PES, conditional grants and Provincial Own Revenue. The PES is the main source of revenue for provinces and is allocated *via* a formula using objective data. The formula is largely population-driven, designed to ensure fair, stable and predictable revenue shares, and to address economic and fiscal disparities. Although the division is based on the equitable shares as outlined in Table 4.3, provinces have the discretion to allocate funds in line with their specific provincial priorities.

The formula has six components (education, health, basic, institutional, poverty and economic activity). To ensure fair funding allocations to each province, the PES formula is updated annually to reflect demographic changes and to address the relative demand for services based on need. The periodic review of the PES formula, to assess its continued appropriateness and equity, started in 2016 and is ongoing.

Table 4.3 : Equitable share components and weighting, 2023/24 MTEF

Component	Share (weighting) %
Education share - based on the size of the school-age population (ages 5 - 17) and the no. of learners (Grade R to 12) enrolled in public ordinary schools	48
Health share - based on each province's risk profile and health system caseload	27
Basic share - derived from each province's share of the total population of the country	16
Institutional component - divided equally among the provinces	5
Poverty component - based on income data and used to reinforce the redistributive bias of the formula	3
Economic activity component - based on the final GDP by Region (province) data	1

The PES formula accounts for data updates made to the components of the formula, and any policy changes made to the structure of the formula resulting from the review of the PES formula. For the 2023/24 MTEF, there are no changes to any of the components of the formula, whereas there are data updates made to the existing components. For the 2022/23 MTEF, Budget Council approved that a new risk-adjusted index be introduced in the health component, and the resulting changes will continue to be phased in over the 2023/24 MTEF.

In addition, the PES formula was updated with data on the school-age population from the 2022 Mid-Year Population Estimates (MYPE) from Stats SA, the 2022 school enrolment data from the Learner Unit Record Information and Tracking System (LURITS) from the Department of Basic Education (DBE), the health workload data from the 2020/21 and 2021/22 District Health Information Services (DHIS) from

DOH, the 2010 Income and Expenditure Survey (IES), and the 2019 regional GDP data (GDP-R 2019), among others. At the time of updating the formula, the 2020 regional GDP data was not available. The new shares across provinces are phased in over three years from 2023/24 to 2025/26, to ensure some stability in the revenue stream to allow for sound planning.

The impact of the changes to components and data updates on KZN over the MTEF is as follows:

Education component (48 per cent)

The education component has two sub-components, accounting for school-age population (5 to 17 years) and enrolment data. Each element is assigned a weight of 50 per cent. The component uses Stats SA's 2022 MYPE for the 5 to 17 age cohort, as well as the 2022 LURITS data from public ordinary schools. The school enrolment in KZN decreased by 11 000 from 2021 to 2022, and hence the weighted average was revised downward by 0.23 per cent, to 21.2 per cent.

Health (27 per cent)

The health component is based on each province's risk profile and health system caseload. The risk-adjusted capitation sub-component includes factors that consider the relative cost of health care needs by age and sex, the total fertility rate of the female population, the burden of disease through premature mortality, a deprivation index to account for the impact of socio-economic factors and sparsity to account for costs of delivering health care needs. The risk-adjusted sub-component was updated with population without medical aid, using the 2018 General Household Survey (GHS) and the 2022 MYPE, as well as data from the Council for Medical Schemes. The rest of the data that informs the variables was updated as part of the technical updates to the health component. The total fertility rate was updated using the average total fertility rate published in the MYPE. The premature mortality was updated using the mortality and causes of death report published by Stats SA. The caseload component looks at primary health care visits and hospital workload patient-day equivalents and was updated with the 2020/21 and 2021/22 DHIS patient load data.

The composite result of data updates applied to the health component resulted in no change, and the weighted share remains at 20.7 per cent in 2023/24.

Basic component (16 per cent)

The basic component is derived from the province's proportion of the national population. The updated data from the 2022 MYPE shows that KZN's population decreased by 105 000, to 11.538 million and, consequently, the basic component share decreases by 0.27 per cent, to 19 per cent.

Institutional component (5 per cent)

The institutional component recognises that some costs associated with running a provincial government and providing services are not directly related to the size of the population. The institutional component is distributed equally between the nine provinces, with each province receiving 11.1 per cent.

Poverty component (3 per cent)

The poverty component introduces a redistributive element to the formula and is assigned a weight of 3 per cent. The estimated size of the poor population in each province is calculated by multiplying the proportion that fall into the poorest 40 per cent of households as per the 2010 IES by the population for the province from the 2022 MYPE. The proportion of poor households in KZN is 45.3 per cent. The poor population in KZN represents a weighted share of 21.7 per cent, 0.3 per cent lower than the weighted share in 2022/23.

Economic activity component (1 per cent)

The economic activity component is a proxy for provincial tax capacity and expenditure assignments and, for the 2023/24 MTEF, 2019 GDP-R data is used. KZN's weighted share of the economic activity component remains unchanged at 15.9 per cent.

Phasing in of changes to the data updates

Table 4.4 shows the full impact of the data updates on the PES per province. It compares the shares for the 2022/23 and 2023/24 MTEF. KZN's weighted average share remains unchanged at 20.4 per cent. However, if the decimal places are expanded, KZN's share declines by 0.16 per cent to 20.36 per cent. This results in PES budget reductions for KZN, as explained in the previous chapter.

Table 4.4 : Full impact of data updates on the equitable share

	2022/23 MTEF weighted average	2023/24 MTEF weighted average	Difference
Percentage			
Eastern Cape	12.9%	12.9%	0.0%
Free State	5.5%	5.5%	0.0%
Gauteng	21.4%	21.3%	-0.1%
KwaZulu-Natal	20.4%	20.4%	0.0%
Limpopo	11.4%	11.5%	0.1%
Mpumalanga	8.2%	8.2%	0.0%
Northern Cape	2.7%	2.7%	0.0%
North West	7.1%	7.1%	0.0%
Western Cape	10.4%	10.4%	0.0%
Total	100.0%	100.0%	0.0%

To mitigate the impact of annual data updates, the new shares are phased in over the 2023/24 MTEF. Table 4.5 shows that KZN receives 20.4 per cent of the PES in 2023/24, on the face of it unchanged from the indicative weighted shares from the 2022/23 MTEF. However, the updates are fully implemented in the indicative allocations for 2025/26, at 20.2 per cent, showing the decline in share explained above.

Table 4.5 : Implementation of the equitable share weights, 2023/24 – 2025/26

	2023/24 Indicative weighted shares from 2022/23 MTEF	2023/24 2023/24 MTEF weighted shares 3-year phasing	2024/25	2025/26
Percentage				
Eastern Cape	12.8%	12.9%	12.9%	13.0%
Free State	5.5%	5.5%	5.5%	5.5%
Gauteng	21.4%	21.3%	21.4%	21.3%
KwaZulu-Natal	20.4%	20.4%	20.2%	20.2%
Limpopo	11.4%	11.5%	11.6%	11.6%
Mpumalanga	8.2%	8.2%	8.2%	8.3%
Northern Cape	2.7%	2.7%	2.7%	2.7%
North West	7.1%	7.1%	7.1%	7.1%
Western Cape	10.5%	10.4%	10.4%	10.3%
Total	100.0%	100.0%	100.0%	100.0%

Table 4.6 shows the weighted share distribution of each of the PES formula's components, given the weighted average share of 20.2 per cent for KZN when the data updates are fully implemented over the MTEF. The phase-in mechanism provides a smooth path to achieving these new weighted shares by the third year of the MTEF.

Table 4.6 : Distributing the equitable shares by province, 2023/24 MTEF

	Education	Health	Basic share	Poverty	Economic activity	Institutional	Weighted average
Percentage	48.0%	27.0%	16.0%	3.0%	1.0%	5.0%	100%
Eastern Cape	13.3%	13.4%	11.0%	14.4%	7.6%	11.1%	12.8%
Free State	5.2%	5.5%	4.8%	5.0%	5.0%	11.1%	5.5%
Gauteng	20.7%	21.2%	26.6%	19.3%	34.5%	11.1%	21.4%
KwaZulu-Natal	21.2%	20.7%	19.0%	21.7%	15.9%	11.1%	20.2%
Limpopo	12.6%	11.2%	9.8%	13.1%	7.4%	11.1%	11.7%
Mpumalanga	8.2%	8.0%	7.8%	9.3%	7.5%	11.1%	8.3%
Northern Cape	2.2%	2.3%	2.2%	2.2%	2.0%	11.1%	2.7%
North West	6.8%	7.1%	6.9%	8.3%	6.5%	11.1%	7.1%
Western Cape	9.7%	10.6%	11.9%	6.6%	13.6%	11.1%	10.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 4.7 depicts the revisions to KZN's PES for the 2023/24 MTEF.

Table 4.7 : Revisions to the KZN PES – 2023/24 MTEF¹

	2023/24 MTEF			Total Revisions
R thousand	2023/24	2024/25	2025/26	
PES as per 2022/23 MTEF allocation letter	110 785 551	114 372 560	119 496 451	344 654 562
Adjustments to baseline due to data updates in PES formula (phased-in from 2023/24 of the 2022/23 MTEF)	(235 689)	(548 343)	(979 007)	(1 763 039)
Total: Technically adjusted PES before adjustments to baselines	110 549 862	113 824 217	118 517 444	342 891 523
Adjustments to baseline	5 397 809	5 034 051	5 294 777	15 095 554
Plus: Additional allocation: Pressures in Health (COE, medicines, etc.)	1 531 821	1 586 683	1 636 011	4 754 515
Plus: Additional allocation: Pressures in Education (COE)	1 158 673	1 347 177	1 534 364	4 040 214
Plus: Cost of living adjustments	2 076 232	2 100 191	2 124 402	6 300 825
Plus: Izinduna backpay	631 083	-	-	-
Total PES for 2023/24 MTEF²	115 947 671	118 858 268	123 812 221	357 987 077
Variance 2022/23 MTEF vs 2023/24 MTEF	5 162 120	4 485 708	4 315 770	13 332 515

¹ The population estimates were informed by the data set that StatsSA provides wrt estimated population for 2022, from the 2021 MYPE

² Included are funds for Food Relief shift, HIV Prevention programmes, Infrastructure Dev. Improvement Prog. shift, Municipal Interventions, Sanitary Dignity project, Social Worker conditional grant shift, Social Worker addition, Education: Presidential Youth Employment Initiative and Izinduna

The PES is revised upward by a total of R5.162 billion in 2023/24, compared to the 2022/23 MTEF, largely because of additional allocations to Health and Education, the cost of living adjustment, and to settle the backpay owed to *Izinduna*. This is offset by a decrease in the PES due to data updates.

Adjustment to baseline due to impact of data updates in the PES formula (R1.763 billion)

The PES formula was updated with new data, as detailed above. The changes are phased in over three years from 2023/24, and see KZN losing R235.689 million in 2023/24, R548.343 million in 2024/25 and R979.007 million in 2025/26.

Adjustment for Health – R4.755 billion

Additions of R1.532 billion, R1.587 billion and R1.636 billion are allocated to address budget pressures in respect of Anti-Retroviral Therapy and Tuberculosis backlogs, *Compensation of employees*, healthcare services backlogs, laboratory services, medicine and other goods and medical supplies. These pressures were brought about by the 2021/22 MTEF fiscal consolidation budget cuts.

Adjustment for Education – R4.040 billion

The baseline is adjusted upward by R1.159 billion, R1.347 billion, and R1.534 billion over the MTEF to support DOE to cover shortfalls in the *Compensation of employees* budget. These pressures were brought about by the 2021/22 MTEF fiscal consolidation budget cuts.

Adjustment for cost of living adjustments – R6.301 billion

Additions are made for the carry-through of the 3 per cent wage increase implemented in 2022/23 with additions of R2.076 billion, R2.100 billion and R2.124 billion over the MTEF, for PES-funded posts.

Izinduna – R631.083 million

The province receives R631.083 million in 2023/24 to settle the backpay owed to *Izinduna*.

Total transfers to provinces

Table 4.8 reflects total transfers to the nine provinces for 2023/24, after the revisions. KZN receives the second highest share of PES at R115.948 billion, after GP, which receives the highest share of PES and conditional grant funding. KZN receives conditional grants amounting to R26.320 billion. In total, KZN receives transfers of R142.267 billion in 2023/24.

Table 4.8 : Total transfers to provinces, 2023/24

R million	Equitable share	Conditional grants	Total transfers
Eastern Cape	73 292	14 637	87 928
Free State	31 380	9 280	40 660
Gauteng	120 752	27 437	148 189
KwaZulu-Natal	115 948	26 320	142 267
Limpopo	65 349	11 329	76 678
Mpumalanga	46 674	9 734	56 408
Northern Cape	15 150	5 095	20 245
North West	40 096	9 093	49 190
Western Cape	58 886	14 474	73 360
Unallocated	-	146	146
Total	567 528	127 544	695 072

4.1.4 Conditional grants to provinces

Table 4.9 shows the conditional grants from 2022/23 to 2025/26.

Direct conditional grant baselines total R127.544 billion in 2023/24, R132.963 billion in 2024/25 and R140.402 billion in 2025/26.

Indirect conditional grants amount to R4.178 billion, R4.447 billion and R4.763 billion, over the MTEF.

Some changes were made to provincial allocations that directly impact several conditional grant allocations. Where no amendments were made to the structure of the grants, or where they are merely adjusted for inflation, these are not discussed here.

Table 4.9 : Conditional grants to provinces 2022/23 – 2025/26

R million	Rev. Est.	Medium-term Estimates			MTEF total
	2022/23	2023/24	2024/25	2025/26	
Agriculture, Land Reform and Rural Development	2 294	2 333	2 516	2 596	7 445
Comprehensive Agricultural Support Programme grant	1 599	1 626	1 777	1 825	5 228
Ilima/Letsema Projects grant	610	620	648	677	1 946
Land Care grant	85	86	90	94	271
Basic Education	23 124	25 329	26 485	28 093	79 907
Early Childhood Development grant	1 193	1 242	1 885	2 341	5 469
Education Infrastructure grant	12 501	13 872	13 845	14 438	42 155
HIV and AIDS (Life-Skills Education) grant	242	242	253	264	758
Learners with Profound Intellectual Disabilities grant	256	260	272	284	817
Maths, Science and Technology grant	425	433	453	473	1 358
National School Nutrition Programme grant	8 508	9 279	9 778	10 293	29 350
Co-operative Governance	97	146	152	159	457
Provincial Disaster Response grant	97	146	152	159	457
Health	56 252	54 183	56 171	58 687	169 041
District Health Programmes grant	29 023	26 866	28 072	29 330	84 268
Health Facility Revitalisation grant	6 780	7 120	7 361	7 691	22 172
Human Resources and Training grant	5 449	5 479	5 367	5 607	16 452
National Health Insurance grant	694	695	717	749	2 161
National Tertiary Services grant	14 306	14 024	14 654	15 310	43 988
Human Settlements	19 172	19 246	19 614	20 493	59 354
Human Settlements Development grant	14 256	14 944	15 118	15 796	45 858
Informal Settlements Upgrading Partnership grant	4 121	4 303	4 496	4 697	13 496
Provincial Emergency Housing grant	796	-	-	-	-
Public Works	858	861	900	940	2 701
EPWP Integrated Grant for Provinces	433	435	454	475	1 364
Social Sector EPWP Incentive Grant for Provinces	425	426	446	466	1 338
Sport, Arts and Culture	2 176	2 175	2 272	2 374	6 821
Community Library Services grant	1 573	1 571	1 641	1 715	4 927
Mass Participation and Sport Development grant	604	604	631	659	1 894
Transport	19 756	23 270	24 853	27 058	75 181
Provincial Roads Maintenance grant	12 665	15 867	17 117	18 976	51 960
Public Transport Operations grant	7 090	7 403	7 735	8 082	23 220
Total direct conditional allocations	123 730	127 544	132 963	140 402	400 909
Indirect transfers	4 612	4 178	4 447	4 763	13 389
Basic Education	2 403	2 079	2 172	2 269	6 520
School Infrastructure Backlogs Indirect grant	2 403	2 079	2 172	2 269	6 520
Health	2 209	2 099	2 275	2 494	6 868
National Health Insurance Indirect grant	2 209	2 099	2 275	2 494	6 868

Basic Education

R1.770 billion is added to the ECD grant to build DBE's capacity for oversight and monitoring, as well as to start improving and expanding services in provinces. Of this, R1.572 billion will be going to provinces made up of R587 million in 2024/25 and R985 million in 2025/26 to increase the number of children accessing the ECD subsidy, provide pre-registration support to ECD centres, and pilot a nutrition support programme and a results-based service delivery model. DBE will use R198 million in 2023/24 to provide ECD resource packages.

The EIG includes R609 million in 2023/24 for repairing school infrastructure damaged in April 2022 by natural disasters in KZN and EC.

Agriculture

Over the MTEF, R153 million was allocated to the CASP grant for the construction of agri-hubs. In this regard, R8.400 million, R86.400 million and R58.200 million was allocated to KZN through the BFI process facilitated by National Treasury.

Transport

Over the 2023/24 MTEF, R6.800 billion is added to the PRMG for the backlog in refurbishment of provincial roads. Furthermore, R3.700 billion is added for the building of modular steel bridges (rural bridges) under the Welisizwe Rural Programme. This is made up of R1 billion in 2023/24, R1.300 billion in 2024/25 and R1.400 billion in 2025/26. Funding for the rural bridges for the outer two years of the MTEF is left unallocated to allow more provinces to make submissions for their rural bridges' projects. The National Department of Transport and the Department of Public Works and Infrastructure will work together to determine these allocations. In addition, an allocation of R601 million is added to the PRMG in 2023/24 earmarked for the EC and KZN to repair provincial roads affected by the April 2022 floods.

4.2 Provincial receipts

4.2.1 Overall provincial position

Table 4.10 shows the actual and projected total revenue for 2019/20 to 2025/26, while *Annexure 1.A* provides more detail.

Table 4.10 : Analysis of total receipts

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2019/20-2022/23	2022/23-2025/26
R thousand									
Transfers from national	127 607 051	129 240 173	134 622 611	142 748 859	142 267 444	143 752 886	149 852 322		
Equitable share	106 014 289	107 307 567	111 551 514	116 697 493	115 947 671	118 858 268	123 812 221		
Conditional grants	21 592 762	21 932 606	23 071 097	26 051 366	26 319 773	24 894 618	26 040 101		
Own revenue	3 847 536	3 376 188	3 646 230	3 761 099	3 885 359	4 038 583	4 220 123		
Total receipts	131 454 587	132 616 361	138 268 841	146 509 958	146 152 803	147 791 469	154 072 445		
% of total revenue									
Transfers from national	97.1	97.5	97.4	97.4	97.3	97.3	97.3		
Equitable share	80.6	80.9	80.7	79.7	79.3	80.4	80.4		
Conditional grants	16.4	16.5	16.7	17.8	18.0	16.8	16.9		
Own revenue	2.9	2.5	2.6	2.6	2.7	2.7	2.7		
Nominal growth (%)									
Transfers from national		1.3	4.2	6.0	(0.3)	1.0	4.2	3.8	1.6
Equitable share		1.2	4.0	4.6	(0.6)	2.5	4.2	3.3	2.0
Conditional grants		1.6	5.2	12.9	1.0	(5.4)	4.6	6.5	(0.0)
Own revenue		(12.3)	8.0	3.2	3.3	3.9	4.5	(0.8)	3.9
Total		0.9	4.3	6.0	(0.2)	1.1	4.2	3.7	1.7
Real growth (%)									
Transfers from national		(1.6)	(0.9)	1.4	(4.6)	(3.3)	(0.2)	(0.4)	(2.7)
Equitable share		(1.7)	(1.1)	0.1	(4.9)	(1.9)	(0.3)	(0.9)	(2.4)
Conditional grants		(1.3)	0.0	8.0	(3.2)	(9.4)	0.1	2.2	(4.3)
Own revenue		(14.8)	2.7	(1.3)	(1.1)	(0.5)	0.0	(4.8)	(0.5)
Total receipts		(2.0)	(0.8)	1.4	(4.5)	(3.2)	(0.2)	(0.5)	(2.6)

Overall, total receipts show negative real growth of 2.6 per cent from 2022/23 to 2025/26.

National transfers received by KZN are constant at 97.3 per cent of the total provincial receipts over the MTEF. The PES share grows from 79.3 to 80.4 per cent over the MTEF and, in monetary terms, amounts to R115.948 billion, R118.858 billion and R123.812 billion.

Conditional grant funding is 18 per cent, 16.8 per cent and 16.9 per cent over the MTEF.

The balance of the total receipts is from Provincial Own Revenue which is revenue collected by provincial departments, and is constant at 2.7 per cent over the MTEF.

4.2.2 Provincial Equitable Share

The weighting of the various PES components is a policy decision that takes a number of factors into account, and this is discussed in more detail in Section 4.1.3 of this chapter.

4.2.3 National conditional grants

National conditional grants aim to promote national priorities. Several conditional grants were introduced over the years with varying purposes, conditions and outcomes and are ring fenced for specific purposes. Table 4.11 shows the conditional grant transfers per Vote with more detail provided in *Annexure 1.C*.

The conditional grant allocation for KZN is at R26.320 billion, R24.895 billion and R26.040 billion. The detail is provided in each department's chapter in the *EPRE*.

Table 4.11 : Summary of national conditional grant transfers by Vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2022/23	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Vote 3 : Agriculture and Rural Development	288 413	308 017	305 573	311 748	311 748	311 748	325 205	412 809	399 232
CASP grant	199 351	203 509	214 053	218 604	218 604	218 604	230 574	318 552	300 752
Ilima/Letsema Projects grant	71 802	83 311	73 799	75 424	75 424	75 424	76 685	80 130	83 720
Land Care grant	12 418	12 550	13 022	13 110	13 110	13 110	13 310	14 127	14 760
EPWP Integrated Grant for Provinces	4 842	4 647	4 699	4 610	4 610	4 610	4 636	-	-
Provincial Disaster Relief grant	-	4 000	-	-	-	-	-	-	-
Vote 4 : Econ. Dev., Tourism and Environ. Affairs	5 529	4 988	5 080	6 402	6 402	6 402	6 909	-	-
EPWP Integrated Grant for Provinces	5 529	4 988	5 080	6 402	6 402	6 402	6 909	-	-
Vote 5 : Education	4 210 402	4 088 777	4 615 029	4 726 483	4 821 546	4 821 546	5 421 802	4 909 474	5 190 721
Education Infrastructure grant (EIG)	2 287 162	1 912 594	2 325 614	2 387 952	2 483 015	2 483 015	2 934 750	2 330 249	2 434 643
HIV and AIDS (Life-Skills Education) grant	62 155	47 362	61 450	61 183	61 183	61 183	62 910	65 678	68 620
National School Nutrition Programme (NSNP) grant	1 621 291	1 727 246	1 831 605	1 952 777	1 952 777	1 952 777	2 088 759	2 168 791	2 282 782
Maths, Science and Technology grant	64 638	60 632	67 855	70 244	70 244	70 244	70 193	73 457	76 748
Social Sector EPWP Incentive Grant for Provinces	24 814	22 842	28 543	30 508	30 508	30 508	31 796	-	-
EPWP Integrated Grant for Provinces	2 028	2 180	2 110	2 193	2 193	2 193	1 985	-	-
Learners with Profound Intellectual Disabilities grant	32 279	32 586	32 576	34 423	34 423	34 423	34 534	35 524	36 750
Early Childhood Development (ECD) grant	116 035	283 335	265 276	187 203	187 203	187 203	196 875	235 775	291 178
Vote 7 : Health	9 770 858	10 954 135	11 045 753	11 860 441	11 860 441	11 860 441	11 470 691	11 777 223	12 304 842
District Health Programmes grant	5 840 629	6 833 651	7 166 582	7 547 069	7 547 069	7 547 069	7 087 769	7 406 077	7 737 869
Health Facility Revitalisation grant	1 353 497	1 271 414	1 247 730	1 389 913	1 389 913	1 389 913	1 462 122	1 427 110	1 491 044
Health Professions Training and Development grant	370 863	-	-	-	-	-	-	-	-
National Tertiary Services grant	1 895 149	2 015 775	1 955 628	2 045 854	2 045 854	2 045 854	2 000 300	2 090 132	2 183 770
National Health Insurance grant	55 376	60 945	50 415	84 726	84 726	84 726	128 332	106 063	110 815
Human Papillomavirus Vaccine grant	32 303	-	-	-	-	-	-	-	-
EPWP Integrated Grant for Provinces	10 313	10 903	12 689	11 736	11 736	11 736	8 614	-	-
Social Sector EPWP Incentive Grant for Provinces	20 998	-	21 228	26 293	26 293	26 293	21 107	-	-
Human Resources Capacitation grant	191 730	-	-	-	-	-	-	-	-
HR and Training grant	-	622 529	591 481	754 850	754 850	754 850	764 447	747 841	781 344
Provincial Disaster Relief grant	-	138 918	-	-	-	-	-	-	-
Vote 8 : Human Settlements	3 850 852	3 155 236	3 282 937	3 698 591	4 024 355	4 024 355	3 930 148	3 602 330	3 763 714
Human Settlements Development grant	3 583 907	3 020 763	2 455 021	2 935 224	2 935 224	2 935 224	3 132 253	2 776 615	2 901 007
Provincial Emergency Housing grant	151 243	86 095	106 392	-	325 764	325 764	-	-	-
EPWP Integrated Grant for Provinces	15 090	11 638	7 149	6 499	6 499	6 499	7 669	-	-
Title Deeds Restoration grant	100 612	36 740	-	-	-	-	-	-	-
Informal Sett. Upgrading Part. Grant for Prov.	-	-	714 375	756 868	756 868	756 868	790 226	825 715	862 707
Vote 9 : Community Safety and Liaison	7 007	7 891	4 161	3 046	3 046	3 046	3 847	-	-
Social Sector EPWP Incentive Grant for Provinces	7 007	7 891	4 161	3 046	3 046	3 046	3 847	-	-
Vote 10 : Sport, Arts and Culture	293 647	205 589	283 849	288 557	288 557	288 557	294 877	303 909	318 498
Mass Participation and Sport Development grant	104 673	38 219	94 208	97 278	97 278	97 278	101 488	107 021	112 789
Community Library Services grant	184 417	167 370	185 572	186 891	186 891	186 891	189 050	196 888	205 709
EPWP Integrated Grant for Provinces	2 110	-	1 960	2 108	2 108	2 108	2 078	-	-
Social Sector EPWP Incentive Grant for Provinces	2 447	-	2 109	2 280	2 280	2 280	2 261	-	-
Vote 11 : Co-op. Governance and Traditional Affairs	3 858	2 777	1 994	1 993	1 993	1 993	1 960	-	-
EPWP Integrated Grant for Provinces	3 858	2 777	1 994	1 993	1 993	1 993	1 960	-	-
Vote 12 : Transport	3 122 557	3 152 805	3 478 998	4 098 264	4 687 564	4 687 564	4 831 591	3 888 873	4 063 094
Provincial Roads Maintenance grant	1 882 781	1 843 325	2 090 534	2 720 678	3 309 978	3 309 978	3 394 685	2 460 472	2 570 701
Public Transport Operations grant	1 168 099	1 246 362	1 314 912	1 309 303	1 309 303	1 309 303	1 367 009	1 428 401	1 492 393
EPWP Integrated Grant for Provinces	71 677	63 118	73 252	68 283	68 283	68 283	69 897	-	-
Vote 13 : Social Development	34 913	48 148	42 558	37 672	37 672	37 672	28 846	-	-
Social Sector EPWP Incentive Grant for Provinces	34 913	48 148	42 558	37 672	37 672	37 672	28 846	-	-
Vote 14 : Public Works	4 726	4 243	5 465	8 042	8 042	8 042	3 897	-	-
EPWP Integrated Grant for Provinces	4 726	4 243	5 465	8 042	8 042	8 042	3 897	-	-
Total	21 592 762	21 932 606	23 071 097	25 041 239	26 051 366	26 051 366	26 319 773	24 894 618	26 040 101

4.2.4 Total provincial own receipts (own revenue)

Table 4.12 summarises Provincial Own Revenue by economic classification.

The bulk of Provincial Own Revenue is collected against *Tax receipts* which comprises *Motor vehicle licences*, *Casino taxes*, *Horse racing taxes* and *Liquor licences*.

Table 4.12 : Summary of provincial own receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2022/23	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Tax receipts	2 591 366	2 446 193	2 725 530	2 820 818	2 820 818	2 863 790	2 943 681	3 065 138	3 202 456
Casino taxes	604 611	291 526	464 108	587 528	587 528	577 962	613 379	640 981	669 697
Horse racing taxes	94 221	117 371	133 621	92 844	92 844	102 410	96 929	101 291	105 829
Liquor licences	26 112	22 921	23 840	30 406	30 406	30 406	31 744	33 172	34 658
Motor vehicle licences	1 866 422	2 014 375	2 103 961	2 110 040	2 110 040	2 153 012	2 201 629	2 289 694	2 392 272
Sale of goods and services other than capital assets	476 132	347 262	401 476	504 573	504 573	501 192	494 661	513 162	536 056
Transfers received	380	235	1 017	-	-	327	-	1 233	1 288
Fines, penalties and forfeits	26 550	25 099	71 272	42 925	42 925	63 552	45 234	45 271	47 299
Interest, dividends and rent on land	616 844	394 230	286 695	296 895	296 895	323 044	303 911	311 989	326 077
Sale of capital assets	25 206	19 889	33 092	20 218	20 218	37 547	20 948	21 546	23 110
Transactions in financial assets and liabilities	111 058	143 280	127 148	75 670	75 670	94 774	76 924	80 244	83 837
Total receipts	3 847 536	3 376 188	3 646 230	3 761 099	3 761 099	3 884 226	3 885 359	4 038 583	4 220 123

Tax receipts shows that the major revenue sources in this category are *Motor vehicle licences* and *Casino taxes*. This category is projected to increase from R2.944 billion in 2023/24 to R3.065 billion in 2024/25 and R3.202 billion in 2025/26.

Sale of goods and services other than capital assets ranks second highest in terms of revenue collection, and grows from R494.661 million in 2023/24 to R536.056 million to 2025/26. The main contribution to this category is patient fees collected by DOH. Other items under this category are new and renewals of drivers' licence, learners' licence, boarding fees, rentals, tender fees, etc.

Interest, dividends and rent on land is the third highest revenue category and fluctuates over the seven-year period. This category mainly relates to interest earned on the provincial bank account.

Table 4.13 provides a detailed analysis of revenue per Vote.

Table 4.13 : Summary of provincial own receipts by Vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
1. Office of the Premier	4 881	508	1 144	1 462	1 462	3 069	1 526	1 595	1 667
2. Provincial Legislature	3 073	5 618	6 776	1 058	1 058	3 959	1 104	1 153	1 205
3. Agriculture and Rural Development	19 121	21 586	27 987	23 760	23 760	27 325	25 205	26 330	27 510
4. Economic Development, Tourism and Enviro Affairs	774 539	485 080	651 701	714 905	714 905	715 140	746 360	781 178	816 174
5. Education	99 284	88 578	171 266	105 306	105 306	135 491	109 970	114 918	120 066
6. Provincial Treasury	602 957	389 310	229 576	295 886	295 886	315 437	302 932	310 973	325 021
7. Health	303 958	216 618	253 300	358 686	358 686	317 875	343 844	358 973	375 055
8. Human Settlements	21 085	5 645	6 691	4 891	4 891	7 682	3 006	3 136	3 277
9. Community Safety and Liaison	233	170	309	173	173	248	165	171	178
10. Sport, Arts and Culture	1 099	1 540	6 079	970	970	1 338	848	871	910
11. Co-operative Governance and Traditional Affairs	4 780	35 319	10 058	5 299	5 299	5 682	5 566	5 779	6 037
12. Transport	1 987 394	2 104 588	2 260 440	2 227 119	2 227 119	2 331 074	2 324 993	2 413 058	2 521 162
13. Social Development	12 148	13 021	12 116	10 436	10 436	8 764	10 937	11 429	11 942
14. Public Works	12 984	8 607	8 787	11 148	11 148	11 142	8 903	9 019	9 919
Total provincial own receipts	3 847 536	3 376 188	3 646 230	3 761 099	3 761 099	3 884 226	3 885 359	4 038 583	4 220 123
Provincial Legislature receipts not surrendered to PRF	3 073	5 618	6 776	1 058	1 058	3 959	1 104	1 153	1 205
Total adjusted provincial own receipts	3 844 463	3 370 570	3 639 454	3 760 041	3 760 041	3 880 267	3 884 255	4 037 430	4 218 918

The most significant revenue contributors are DOT, EDTEA, Provincial Treasury, DOH and DOE. Details of these departments' revenue collections are provided in each Vote's chapter in the *EPRE* and largely relate to motor vehicle licences, casino taxes, health patient fees, interest collected on the provincial bank account and recoveries from previous years.

4.2.5 Donor and agency funding

Table 4.14 indicates donor and agency funding, per department, over the 2023/24 MTEF. More detail is provided in *Annexure 1.F* and in each Vote's chapter in the *EPRE*.

Table 4.14 : Donor and agency funding - receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
Donor funding	20 690	24 113	7 500	20 840	20 840	36 932	10 820	11 887	-
Economic Development, Tourism and Enviro Affairs	20 690	24 113	-	20 840	20 840	28 407	10 820	11 887	-
Health	-	-	7 500	-	-	8 525	-	-	-
Agency funding	41 069	34 787	39 240	10 000	21 954	9 367	1 925	-	-
Office of the Premier	5 797	16 088	20 000	10 000	10 000	8 674	1 925	-	-
Health	19 412	2 839	8 639	-	1 353	693	-	-	-
Transport	15 860	15 860	10 601	-	10 601	-	-	-	-
Total	61 759	58 900	46 740	30 840	42 794	46 299	12 745	11 887	-

5. PAYMENTS

5.1 Overall position

Total provincial payments increased from R130.118 billion in 2019/20 to an estimated R148.712 billion in the 2022/23 Revised Estimate. The reduction in 2023/24 is mainly due to the carry-through impact of the 2020/21 and the 2021/22 MTEF budget cuts which were far higher in 2023/24, as well as the fact that some of the additional allocations made in 2022/23 were not allocated over the 2023/24 MTEF, such as the carry-through of the 2021 wage agreement in relation to the non-pensionable cash allowance, etc. The 2023/24 MTEF budget includes additional funding to provide for the carry-through of the 3 per cent cost of living adjustment which was implemented in 2022/23, as well as to address existing budget pressures in DOE and DOH, among others. Provincial payments are R146.041 billion, R147.676 billion and R153.934 billion over the 2023/24 MTEF.

5.2 Payments by Vote

Table 5.1 illustrates the summary of provincial payments by Vote.

Table 5.1 : Summary of provincial payments and estimates by Vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
1. Office of the Premier	704 970	587 198	754 197	767 551	776 769	776 769	872 057	813 652	847 024
2. Provincial Legislature	631 031	587 598	646 390	644 322	751 143	751 143	748 037	782 115	810 071
3. Agriculture and Rural Development	2 489 898	2 436 931	2 545 006	2 490 556	2 549 248	2 549 248	2 515 153	2 717 887	2 798 760
4. Economic Development, Tourism and Enviro Affairs	3 224 805	3 008 066	3 337 833	3 412 995	3 431 682	3 431 682	3 406 530	3 581 602	3 729 147
5. Education	54 835 076	57 390 772	58 660 969	57 480 788	60 429 309	61 122 583	60 637 286	60 824 438	63 507 657
6. Provincial Treasury	640 645	531 869	576 895	684 109	669 509	651 924	678 910	706 221	735 179
7. Health	45 226 576	49 370 245	50 629 977	49 609 770	51 514 389	52 643 268	50 687 512	52 782 315	54 961 538
8. Human Settlements	4 261 359	3 547 458	3 713 205	4 123 328	4 464 562	4 464 562	4 342 997	4 036 425	4 215 571
9. Community Safety and Liaison	233 783	184 276	232 419	236 867	242 191	242 191	250 608	248 068	258 224
10. Sport, Arts and Culture	1 433 294	1 081 151	1 372 048	1 489 055	1 516 351	1 516 351	1 492 804	1 577 702	1 644 704
11. Co-operative Governance and Traditional Affairs	1 966 799	1 513 868	1 781 877	1 820 033	1 820 033	1 820 033	2 443 013	1 917 588	1 996 410
12. Transport	9 317 572	8 811 778	11 573 364	12 474 796	13 054 013	13 054 013	12 966 847	12 480 156	13 008 347
13. Social Development	3 120 495	3 141 527	3 269 344	3 198 281	3 332 172	3 396 780	3 260 255	3 381 141	3 519 974
14. Public Works	2 031 642	1 791 193	2 057 824	1 942 297	1 977 712	2 291 244	1 738 955	1 826 436	1 901 446
Total	130 117 945	133 983 930	141 151 348	140 374 748	146 529 083	148 711 791	146 040 964	147 675 746	153 934 052

National Treasury effected budget cuts in 2020/21 and 2021/22, and most departments were able to deal with the cuts without a significant negative impact on service delivery, except for DOH, DOE and DSD and, to some extent, DOPW. Due to DOH, DOE and DSD being of the biggest departments in the province, the bulk of these cuts were effected against these three departments. The bulk of the cuts were effected against the *Compensation of employees* budget, while DOH cut the medicines budget.

DOE receives additional funding of R1.159 billion, R1.347 billion and R1.534 billion over the 2023/24 MTEF, to address existing budget pressures. The department receives R1.135 billion, R1.088 billion and R1.100 billion, respectively, for the carry-through costs of the 3 per cent cost of living adjustment. This was offset to some extent by a reduction of R270.661 million and R476.451 million in 2024/25 and 2025/26, respectively, as a result of the PES data update and own revenue budget cuts.

DOH receives R1.532 billion, R1.587 billion and R1.636 billion over the 2023/24 MTEF, respectively, to address existing budget pressures, as well as to reduce the impact of the budget cuts and to address backlogs in various *Goods and services* items. The department receives R840.784 million, R866.758 million and R876.750 million over the MTEF for the carry-through costs of the 3 per cent cost of living adjustment. This was offset to some extent by a reduction of R188.436 million in 2024/25 and R331.708 million in 2025/26 as a result of the PES data update and own revenue budget cuts.

The conditional grant allocations increase by R1.604 billion in 2023/24, R269.407 million in 2024/25 and R1.415 billion in 2025/26, as detailed in Chapter 3.

Table 5.2 shows an analysis of payments and estimates by major Votes.

The table shows that DOE still has the highest budget in KZN, taking up 41.5 per cent of the provincial budget in 2023/24. DOH is the second highest spending provincial department, with a 34.7 per cent share of the provincial budget in 2023/24. DSD reflects a steady share of total expenditure, at 2.2 per cent in 2023/24, increasing marginally to 2.3 per cent in the two outer years. *Other Functions* constitutes all the other departments and remains fairly steady over the MTEF.

Table 5.2 : Analysis of payments and estimates by major Vote

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2019/20-2022/23	2022/23-2025/26
R thousand									
Education	54 835 076	57 390 772	58 660 969	60 429 309	60 637 286	60 824 438	63 507 657		
Health	45 226 576	49 370 245	50 629 977	51 514 389	50 687 512	52 782 315	54 961 538		
Social Development	3 120 495	3 141 527	3 269 344	3 332 172	3 260 255	3 381 141	3 519 974		
Other Functions	26 935 798	24 081 386	28 591 058	31 253 213	31 455 911	30 687 852	31 944 883		
Total expenditure	130 117 945	133 983 930	141 151 348	146 529 083	146 040 964	147 675 746	153 934 052		
% of total expenditure									
Education	42.1	42.8	41.6	41.2	41.5	41.2	41.3		
Health	34.8	36.8	35.9	35.2	34.7	35.7	35.7		
Social Development	2.4	2.3	2.3	2.3	2.2	2.3	2.3		
Other Functions	20.7	18.0	20.3	21.3	21.5	20.8	20.8		
Nominal growth (%)									
Education		4.7	2.2	3.0	0.3	0.3	4.4	3.3	1.7
Health		9.2	2.6	1.7	(1.6)	4.1	4.1	4.4	2.2
Social Development		0.7	4.1	1.9	(2.2)	3.7	4.1	2.2	1.8
Other Functions		(10.6)	18.7	9.3	0.6	(2.4)	4.1	5.1	0.7
Total expenditure		3.0	5.3	3.8	(0.3)	1.1	4.2	4.0	1.7
Real growth (%)									
Education		1.7	(2.8)	(1.4)	(3.9)	(4.0)	(0.1)	(0.9)	(2.7)
Health		6.0	(2.5)	(2.7)	(5.8)	(0.3)	(0.3)	0.2	(2.2)
Social Development		(2.2)	(1.0)	(2.5)	(6.3)	(0.7)	(0.4)	(1.9)	(2.5)
Other Functions		(13.1)	12.9	4.6	(3.6)	(6.6)	(0.4)	0.8	(3.6)
Total expenditure		0.0	0.2	(0.7)	(4.6)	(3.2)	(0.2)	(0.2)	(2.7)

5.3 Payments by economic classification

5.3.1 Provincial summary of payments and estimates by economic classification

Table 5.3 presents a summary of payments and estimates by economic classification. *Annexure 1.B* provides more detail in this regard.

Table 5.3 : Summary of provincial payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
Current payments	109 321 945	112 323 820	118 441 973	118 485 969	124 668 793	125 943 563	122 335 448	124 354 796	129 528 874
Compensation of employees	81 133 639	83 097 655	88 764 230	86 141 855	90 217 958	92 005 855	89 763 853	91 165 240	94 774 505
Goods and services	28 179 577	29 225 107	29 675 497	32 343 337	34 449 633	33 935 263	32 570 980	33 188 871	34 753 658
Interest and rent on land	8 729	1 058	2 246	777	1 202	2 445	615	685	711
Transfers and subsidies to:	13 731 625	13 307 768	13 869 119	12 527 657	13 791 077	14 608 766	13 856 570	13 937 507	14 555 520
Provinces and municipalities	1 941 231	1 515 405	1 996 894	4 031 868	1 993 318	2 355 909	1 510 300	1 578 192	1 599 765
Departmental agencies and accounts	2 348 201	2 316 474	2 386 680	2 502 596	2 458 815	2 458 818	2 487 443	2 582 969	2 692 427
Higher education institutions	100	-	5 361	5 016	5 016	5 016	6 382	1 280	1 280
Foreign governments and international organisations	297	313	317	300	300	300	313	327	342
Public corporations and private enterprises	2 034 623	1 669 648	1 817 620	1 672 602	1 681 030	1 913 847	1 718 004	1 851 352	1 932 387
Non-profit institutions	3 134 132	4 340 332	3 872 772	3 651 074	3 391 624	3 362 897	3 933 306	4 044 854	4 258 185
Households	4 273 041	3 465 596	3 789 475	664 201	4 260 974	4 511 979	4 200 822	3 878 533	4 071 134
Payments for capital assets	6 928 281	8 108 720	8 731 717	9 271 280	7 967 658	8 056 751	9 759 643	9 287 596	9 750 372
Buildings and other fixed structures	5 298 747	6 825 746	7 211 254	7 835 211	6 486 846	6 541 701	8 614 781	8 032 753	8 337 115
Machinery and equipment	1 602 731	1 260 367	1 499 595	1 418 322	1 449 831	1 482 766	1 124 401	1 227 072	1 394 349
Heritage assets	15	80	1 324	-	3 700	3 914	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	73	382	630	630	630	630	688	719
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	26 788	22 454	19 162	17 117	26 651	27 740	19 831	27 083	18 189
Payments for financial assets	20 390	156 241	19 536	-	6 540	7 696	-	-	-
Total	130 002 241	133 896 549	141 062 345	140 284 906	146 434 068	148 616 776	145 951 661	147 579 899	153 834 766
Statutory payments (Members' remuneration)	115 704	87 381	89 003	89 842	95 015	95 015	89 303	95 847	99 286
Total economic classification (incl. stat. payment)	130 117 945	133 983 930	141 151 348	140 374 748	146 529 083	148 711 791	146 040 964	147 675 746	153 934 052

Current payments consumes the bulk of the total provincial spending, and is set to increase from R125.944 billion in the 2022/23 Revised Estimate to R129.529 billion in 2025/26. The largest portion of this category relates to *Compensation of employees*, driven mainly by DOE and DOH. The reduction in

2023/24 is mainly due to the carry-through impact of the 2020/21 and the 2021/22 MTEF budget cuts which were far higher in 2023/24, as well as the fact that some of the additional allocations made in 2022/23 have not been allocated over the 2023/24 MTEF, as explained. The province received additional funding to provide for the carry-through costs of the 3 per cent cost of living adjustment which was implemented in 2022/23.

Transfers and subsidies shows a fluctuating trend from 2019/20 to 2025/26. A substantial portion of this category is against *Households* and *Non-profit institutions* and largely relates to the Human Settlements Development grant (HSDG) under DOHS, as well as transfers to public schools for norms and standards, respectively. Fluctuations in transfers to public entities also impact on this category mainly against *Departmental agencies and accounts*.

Buildings and other fixed structures fluctuates over the MTEF. The budget provides for various infrastructure projects, mainly by DOT, DOH and DOE.

Table 5.4 provides an analysis of payments and estimates by economic classification, looking at average annual growth, and percentage share of various categories when compared to total expenditure.

Table 5.4 : Analysis of payments and estimates by economic classification

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2019/20	2020/21	2021/22		2022/23	2023/24	2024/25	2025/26	2019/20-2022/23
R thousand									
Current	109 321 945	112 323 820	118 441 973	124 668 793	122 335 448	124 354 796	129 528 874		
Transfers	13 731 625	13 307 768	13 869 119	13 791 077	13 856 570	13 937 507	14 555 520		
Capital	6 928 281	8 108 720	8 731 717	7 967 658	9 759 643	9 287 596	9 750 372		
Financial assets	20 390	156 241	19 536	6 540	-	-	-		
Compensation	81 249 343	83 185 036	88 853 233	90 312 973	89 853 156	91 261 087	94 873 791		
Non-compensation	48 868 602	50 798 894	52 298 115	56 216 110	56 187 808	56 414 659	59 060 261		
Non-compensation (excl. transfers)	35 136 977	37 491 126	38 428 996	42 425 033	42 331 238	42 477 152	44 504 741		
Non-compensation non-capital (NCNC)	41 940 321	42 690 174	43 566 398	48 248 452	46 428 165	47 127 063	49 309 889		
NCNC (excl. transfers)	28 208 696	29 382 406	29 697 279	34 457 375	32 571 595	33 189 556	34 754 369		
Statutory payments (Members' remuneration)	115 704	87 381	89 003	95 015	89 303	95 847	99 286		
Total expenditure	130 117 945	133 983 930	141 151 348	146 529 083	146 040 964	147 675 746	153 934 052		
% of total expenditure									
Current	84.0	83.8	83.9	85.1	83.8	84.2	84.1		
Transfers	10.6	9.9	9.8	9.4	9.5	9.4	9.5		
Capital	5.3	6.1	6.2	5.4	6.7	6.3	6.3		
Financial assets	-	-	0.0	-	-	-	-		
Compensation	62.4	62.1	62.9	61.6	61.5	61.8	61.6		
Non-compensation	37.6	37.9	37.1	38.4	38.5	38.2	38.4		
Non-compensation (excl. transfers)	27.0	28.0	27.2	29.0	29.0	28.8	28.9		
Non-compensation non-capital (NCNC)	32.2	31.9	30.9	32.9	31.8	31.9	32.0		
NCNC (excl. transfers)	21.7	21.9	21.0	23.5	22.3	22.5	22.6		
Nominal growth (%)									
Current		2.7	5.4	5.3	(1.9)	1.7	4.2	4.5	1.3
Transfers		(3.1)	4.2	(0.6)	0.5	0.6	4.4	0.1	1.8
Capital		17.0	7.7	(8.8)	22.5	(4.8)	5.0	4.8	7.0
Financial assets		666.3	(87.5)	(66.5)	(100.0)	-	-	(31.5)	(100.0)
Compensation		2.4	6.8	1.6	(0.5)	1.6	4.0	3.6	1.7
Non-compensation		3.9	3.0	7.5	(0.1)	0.4	4.7	4.8	1.7
Non-compensation (excl. transfers)		6.7	2.5	10.4	(0.2)	0.3	4.8	6.5	1.6
Non-compensation non-capital (NCNC)		1.8	2.1	10.7	(3.8)	1.5	4.6	4.8	0.7
NCNC (excl. transfers)		4.2	1.1	16.0	(5.5)	1.9	4.7	6.9	0.3
Real growth (%)									
Current		(0.2)	0.3	0.7	(6.0)	(2.7)	(0.3)	0.3	(3.0)
Transfers		(5.9)	(0.9)	(4.9)	(3.8)	(3.7)	(0.0)	(3.9)	(2.5)
Capital		13.7	2.4	(12.7)	17.3	(8.9)	0.5	0.5	2.4
Financial assets		644.4	(88.1)	(68.0)	(100.0)	(4.3)	(4.3)	(34.3)	(100.0)
Compensation		(0.5)	1.6	(2.8)	(4.7)	(2.8)	(0.5)	(0.6)	(2.7)
Non-compensation		1.0	(2.1)	2.8	(4.3)	(3.9)	0.2	0.6	(2.7)
Non-compensation (excl. transfers)		3.7	(2.5)	5.6	(4.4)	(3.9)	0.3	2.2	(2.7)
Non-compensation non-capital (NCNC)		(1.1)	(2.9)	5.9	(7.8)	(2.8)	0.1	0.6	(3.6)
NCNC (excl. transfers)		1.2	(3.9)	11.0	(9.5)	(2.4)	0.2	2.6	(4.0)

Current expenditure is the largest category and was 84 per cent of the total expenditure in 2019/20 rising to 84.1 per cent in 2025/26. This category is affected by budget cuts made in previous budget processes, as well as by the various wage agreements.

The share of total expenditure for *Transfers* reflects a declining trend, from 10.6 per cent in 2019/20 to 9.5 per cent in 2025/26. These fluctuations are largely influenced by fluctuations in the HSDG.

Capital fluctuates in terms of its share of total expenditure, with its share being 5.3 per cent in 2019/20, increasing marginally to 6.3 per cent in 2025/26.

5.3.2 Analysis of payments and estimates by economic classification – Education

Table 5.5 shows DOE's summary of payments and estimates by economic classification.

Table 5.5 : Analysis of payments and estimates summary by economic classification - Education

	Audited Outcome			Adjusted Appropriation 2022/23	Medium-term Estimates			Average Annual Growth	
	2019/20	2020/21	2021/22		2023/24	2024/25	2025/26	2019/20- 2022/23	2022/23- 2025/26
R thousand									
Current	50 431 127	51 509 434	53 692 178	55 740 917	55 416 055	55 627 386	58 032 581		
Transfers	2 269 240	3 586 488	2 749 886	2 403 130	2 744 834	2 930 876	3 107 376		
Capital	2 134 709	2 152 357	2 218 905	2 285 262	2 476 397	2 266 176	2 367 700		
Financial assets	-	142 493	-	-	-	-	-		
Compensation	45 441 188	46 020 028	48 847 511	49 662 727	49 372 422	49 794 482	51 905 807		
Non-compensation	9 387 143	11 370 660	9 813 281	10 414 162	10 766 582	10 662 543	11 264 864		
Non-compensation (excl. transfers)	7 117 903	7 784 172	7 063 395	8 011 032	8 021 748	7 731 667	8 157 488		
Non-compensation non-capital (NCNC)	7 252 434	9 218 303	7 594 376	8 128 900	8 290 185	8 396 367	8 897 164		
NCNC (excl. transfers)	4 983 194	5 631 815	4 844 490	5 725 770	5 545 351	5 465 491	5 789 788		
Total expenditure	54 835 076	57 390 772	58 660 969	60 429 309	60 637 286	60 824 438	63 507 657		
% of total expenditure									
Current	92.0	89.8	91.5	92.2	91.4	91.5	91.4		
Transfers	4.1	6.2	4.7	4.0	4.5	4.8	4.9		
Capital	3.9	3.8	3.8	3.8	4.1	3.7	3.7		
Financial assets	-	0.2	-	-	-	-	-		
Compensation	82.9	80.2	83.3	82.2	81.4	81.9	81.7		
Non-compensation	17.1	19.8	16.7	17.2	17.8	17.5	17.7		
Non-compensation (excl. transfers)	13.0	13.6	12.0	13.3	13.2	12.7	12.8		
Non-compensation non-capital (NCNC)	13.2	16.1	12.9	13.5	13.7	13.8	14.0		
NCNC (excl. transfers)	9.1	9.8	8.3	9.5	9.1	9.0	9.1		
Nominal growth (%)									
Current		2.1	4.2	3.8	(0.6)	0.4	4.3	3.4	1.4
Transfers		58.0	(23.3)	(12.6)	14.2	6.8	6.0	1.9	8.9
Capital		0.8	3.1	3.0	8.4	(8.5)	4.5	2.3	1.2
Financial assets		-	(100.0)	-	-	-	-	-	-
Compensation		1.3	6.1	1.7	(0.6)	0.9	4.2	3.0	1.5
Non-compensation		21.1	(13.7)	6.1	3.4	(1.0)	5.6	3.5	2.7
Non-compensation (excl. transfers)		9.4	(9.3)	13.4	0.1	(3.6)	5.5	4.0	0.6
Non-compensation non-capital (NCNC)		27.1	(17.6)	7.0	2.0	1.3	6.0	3.9	3.1
NCNC (excl. transfers)		13.0	(14.0)	18.2	(3.2)	(1.4)	5.9	4.7	0.4
Real growth (%)									
Current		(0.8)	(0.9)	(0.7)	(4.8)	(3.9)	(0.1)	(0.8)	(3.0)
Transfers		53.5	(27.1)	(16.4)	9.4	2.2	1.5	(2.2)	4.3
Capital		(2.1)	(1.9)	(1.5)	3.8	(12.4)	(0.0)	(1.8)	(3.1)
Financial assets		(2.9)	(100.0)	(4.3)	(4.2)	(4.3)	(4.3)	-	-
Compensation		(1.6)	1.0	(2.7)	(4.8)	(3.4)	(0.2)	(1.1)	(2.8)
Non-compensation		17.7	(17.9)	1.5	(1.0)	(5.2)	1.1	(0.6)	(1.7)
Non-compensation (excl. transfers)		6.2	(13.7)	8.5	(4.1)	(7.7)	1.0	(0.2)	(3.7)
Non-compensation non-capital (NCNC)		23.5	(21.6)	2.4	(2.3)	(3.0)	1.4	(0.3)	(1.3)
NCNC (excl. transfers)		9.8	(18.2)	13.1	(7.3)	(5.6)	1.4	0.5	(3.9)

The share of *Current* payments to total expenditure is around the 91.4 per cent mark over the MTEF. The largest share of total expenditure is in respect of *Compensation of employees* and *Goods and services*, where most of the priorities for the department are budgeted including conditional grants such as the NSNP grant, purchase, warehousing and distribution of Learner Teacher Support Material (LTSM), teacher development, matric examination administration, maintenance of ECD centres, as well as the Sanitary Dignity project, etc.

Compensation shows a decrease from 2022/23 to 2023/24, with the MTEF influenced mainly by additional allocations from National Treasury to reduce pressures in the department, as well as the allocation for the cost of living increment. This results in positive nominal growth of 0.9 per cent in 2024/25 and 4.2 per cent in 2025/26. Growth in the outer year is inflationary related.

Transfers is influenced by the unpredictability in procurement method for S21(c) schools with some schools opting to purchase LTSM *via* the management agent, as well as payments of domestic accounts on behalf of some S21 schools who are in arrears. The increase in percentage of total expenditure from 4.5 per cent in 2023/24 to 4.9 per cent in 2025/26 provides for transfers to public ordinary, independent and public special schools, as well as transfers to NPOs responsible for ECD centres.

Capital reflects negative real growth of 3.1 per cent from 2022/23 to 2025/26 due to the once-off disaster allocation under the EIG for the repair of school infrastructure damaged by flood and storms in April 2022 which was allocated in 2022/23 and 2023/24, only.

5.3.3 Analysis of payments and estimates by economic classification – Health

Table 5.6 shows DOH's expenditure by economic classification.

Table 5.6 : Analysis of payments and estimates summary by economic classification - Health

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2019/20	2020/21	2021/22		2023/24	2024/25	2025/26	2019/20-2022/23	2022/23-2025/26
R thousand									
Current	42 384 217	45 686 367	47 894 005	49 161 846	47 907 079	49 823 371	51 688 912		
Transfers	809 848	633 753	839 282	742 189	777 749	813 489	849 929		
Capital	2 032 119	3 045 953	1 896 029	1 604 459	2 002 684	2 145 455	2 422 697		
Financial assets	392	4 172	661	5 895	-	-	-		
Compensation	28 190 772	29 536 991	31 983 347	32 145 915	31 489 888	32 022 991	33 165 942		
Non-compensation	17 035 804	19 833 254	18 646 630	19 368 474	19 197 624	20 759 324	21 795 596		
Non-compensation (excl. transfers)	16 225 956	19 199 501	17 807 348	18 626 285	18 419 875	19 945 835	20 945 667		
Non-compensation non-capital (NCNC)	15 003 685	16 787 301	16 750 601	17 764 015	17 194 940	18 613 869	19 372 899		
NCNC (excl. transfers)	14 193 837	16 153 548	15 911 319	17 021 826	16 417 191	17 800 380	18 522 970		
Total expenditure	45 226 576	49 370 245	50 629 977	51 514 389	50 687 512	52 782 315	54 961 538		
% of total expenditure									
Current	93.7	92.5	94.6	95.4	94.5	94.4	94.0		
Transfers	1.8	1.3	1.7	1.4	1.5	1.5	1.5		
Capital	4.5	6.2	3.7	3.1	4.0	4.1	4.4		
Financial assets	-	-	-	-	-	-	-		
Compensation	62.3	59.8	63.2	62.4	62.1	60.7	60.3		
Non-compensation	37.7	40.2	36.8	37.6	37.9	39.3	39.7		
Non-compensation (excl. transfers)	35.9	38.9	35.2	36.2	36.3	37.8	38.1		
Non-compensation non-capital (NCNC)	33.2	34.0	33.1	34.5	33.9	35.3	35.2		
NCNC (excl. transfers)	31.4	32.7	31.4	33.0	32.4	33.7	33.7		
Nominal growth (%)									
Current		7.8	4.8	2.6	(2.6)	4.0	3.7	5.1	1.7
Transfers		(21.7)	32.4	(11.6)	4.8	4.6	4.5	(2.9)	4.6
Capital		49.9	(37.8)	(15.4)	24.8	7.1	12.9	(7.6)	14.7
Financial assets		964.3	(84.2)	791.8	(100.0)	-	-	146.8	(100.0)
Compensation		4.8	8.3	0.5	(2.0)	1.7	3.6	4.5	1.0
Non-compensation		16.4	(6.0)	3.9	(0.9)	8.1	5.0	4.4	4.0
Non-compensation (excl. transfers)		18.3	(7.3)	4.6	(1.1)	8.3	5.0	4.7	4.0
Non-compensation non-capital (NCNC)		11.9	(0.2)	6.1	(3.2)	8.3	4.1	5.8	2.9
NCNC (excl. transfers)		13.8	(1.5)	7.0	(3.6)	8.4	4.1	6.2	2.9
Real growth (%)									
Current		4.7	(0.3)	(1.8)	(6.7)	(0.4)	(0.7)	0.8	(2.6)
Transfers		(24.0)	26.0	(15.4)	0.4	0.1	(0.0)	(6.8)	0.2
Capital		45.6	(40.8)	(19.0)	19.5	2.6	8.1	(11.3)	9.8
Financial assets		933.9	(84.9)	753.2	(100.0)	(4.3)	(4.3)	136.9	(100.0)
Compensation		1.8	3.0	(3.8)	(6.2)	(2.6)	(0.9)	0.3	(3.3)
Non-compensation		13.1	(10.6)	(0.6)	(5.1)	3.5	0.5	0.2	(0.4)
Non-compensation (excl. transfers)		14.9	(11.8)	0.1	(5.3)	3.7	0.5	0.5	(0.4)
Non-compensation non-capital (NCNC)		8.7	(5.1)	1.5	(7.3)	3.6	(0.4)	1.5	(1.5)
NCNC (excl. transfers)		10.6	(6.3)	2.3	(7.6)	3.8	(0.4)	2.0	(1.5)

The largest share of total expenditure goes to *Current* payments, increasing from 93.7 per cent in 2019/20 to 95.4 per cent in the 2022/23 Adjusted Appropriation. The growing share was largely due to the costs of the provincial response to Covid-19, with the contracting of temporary staff being one of the main cost drivers. This trend is reversed from 2023/24, with the share decreasing to 94 per cent in 2025/26, as the provincial response to Covid-19 is reduced to largely a vaccination programme only.

Transfers shows a reduction in the share of expenditure from 1.8 per cent in 2019/20 to 1.3 per cent in 2020/21, mainly due to lower medico-legal payments in that year as courts were impacted by the national lockdown. The share grew to 1.7 per cent in 2021/22 as the lockdown restrictions were lifted and more cases were processed. Thereafter the share stabilises at 1.5 per cent over the 2023/24 MTEF.

Capital shows a high share of 6.2 per cent in 2020/21, mainly due to the once-off allocation of funding for Covid-19 related infrastructure upgrades, as well as costs for the Dr Pixley Ka Isaka Seme Memorial Hospital (PKISMH). The share drops to 3.1 per cent in 2022/23, as PKISMH reached completion, with funding reprioritised to maintenance going forward. The category grows over the MTEF as more major upgrading and additions are planned at existing facilities, such as the electrical upgrade at RK Khan Hospital, the construction of new Mental Health units at the Port Shepstone, and General Justice Gizenga Mpanza Hospitals and a new clinic at Cwaka, as well as upgrades to staff accommodation at the Untunjambili, Usher Memorial and Benedictine Hospitals.

5.3.4 Analysis of payments and estimates by economic classification – Social Development

Table 5.7 shows DSD's expenditure by economic classification.

The share of *Current* payments to total expenditure shows a decrease from 73.9 per cent in 2023/24 to 73.5 per cent in 2024/25 and 73.4 per cent in 2025/26 as a result of the carry-through effects of the prior MTEF budget cuts, and the fact that the Social Sector EPWP Grant for Provinces is only allocated until 2023/24 at this stage. The largest share of total expenditure is in respect of *Compensation of employees* and *Transfers*, in line with the department's core functions.

Table 5.7 : Analysis of payments and estimates summary by economic classification - Social Development

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2019/20-2022/23	2022/23-2025/26
R thousand									
Current	2 381 291	2 459 646	2 549 717	2 544 942	2 409 397	2 483 739	2 583 372		
Transfers	581 805	602 260	618 364	676 307	739 952	783 413	818 511		
Capital	157 399	79 621	101 263	110 923	110 906	113 989	118 091		
Financial assets	-	-	-	-	-	-	-		
Compensation	1 571 196	1 598 574	1 711 295	1 764 292	1 621 337	1 655 815	1 717 355		
Non-compensation	1 549 299	1 542 953	1 558 049	1 567 880	1 638 918	1 725 326	1 802 619		
Non-compensation (excl. transfers)	967 494	940 693	939 685	891 573	898 966	941 913	984 108		
Non-compensation non-capital (NCNC)	1 549 299	1 542 953	1 558 049	1 567 880	1 638 918	1 725 326	1 802 619		
NCNC (excl. transfers)	967 494	940 693	939 685	891 573	898 966	941 913	984 108		
Total expenditure	3 120 495	3 141 527	3 269 344	3 332 172	3 260 255	3 381 141	3 519 974		
% of total expenditure									
Current	76.3	78.3	78.0	76.4	73.9	73.5	73.4		
Transfers	18.6	19.2	18.9	20.3	22.7	23.2	23.3		
Capital	5.0	2.5	3.1	3.3	3.4	3.4	3.4		
Financial assets	-	-	-	-	-	-	-		
Compensation	50.4	50.9	52.3	52.9	49.7	49.0	48.8		
Non-compensation	49.6	49.1	47.7	47.1	50.3	51.0	51.2		
Non-compensation (excl. transfers)	31.0	29.9	28.7	26.8	27.6	27.9	28.0		
Non-compensation non-capital (NCNC)	49.6	49.1	47.7	47.1	50.3	51.0	51.2		
NCNC (excl. transfers)	31.0	29.9	28.7	26.8	27.6	27.9	28.0		
Nominal growth (%)									
Current		3.3	3.7	(0.2)	(5.3)	3.1	4.0	2.2	0.5
Transfers		3.5	2.7	9.4	9.4	5.9	4.5	5.1	6.6
Capital		(49.4)	27.2	9.5	(0.0)	2.8	3.6	(11.0)	2.1
Financial assets		-	-	-	-	-	-	-	-
Compensation		1.7	7.1	3.1	(8.1)	2.1	3.7	3.9	(0.9)
Non-compensation		(0.4)	1.0	0.6	4.5	5.3	4.5	0.4	4.8
Non-compensation (excl. transfers)		(2.8)	(0.1)	(5.1)	0.8	4.8	4.5	(2.7)	3.3
Non-compensation non-capital (NCNC)		(0.4)	1.0	0.6	4.5	5.3	4.5	0.4	4.8
NCNC (excl. transfers)		(2.8)	(0.1)	(5.1)	0.8	4.8	4.5	(2.7)	3.3
Real growth (%)									
Current		0.3	(1.4)	(4.5)	(9.3)	(1.3)	(0.4)	(1.9)	(3.8)
Transfers		0.6	(2.3)	4.6	4.8	1.4	0.0	0.9	2.0
Capital		(50.9)	21.0	4.8	(4.3)	(1.6)	(0.8)	(14.6)	(2.2)
Financial assets		(2.9)	(4.9)	(4.3)	(4.2)	(4.3)	(4.3)	-	-
Compensation		(1.2)	1.8	(1.4)	(12.0)	(2.2)	(0.7)	(0.2)	(5.1)
Non-compensation		(3.3)	(4.0)	(3.7)	0.1	0.8	(0.0)	(3.6)	0.3
Non-compensation (excl. transfers)		(5.5)	(5.0)	(9.2)	(3.4)	0.3	(0.0)	(6.6)	(1.1)
Non-compensation non-capital (NCNC)		(3.3)	(4.0)	(3.7)	0.1	0.8	(0.0)	(3.6)	0.3
NCNC (excl. transfers)		(5.5)	(5.0)	(9.2)	(3.4)	0.3	(0.0)	(6.6)	(1.1)

Compensation shows a fluctuating trend over the period, with the MTEF influenced by the carry-through effects of the budget cuts. This has resulted in negative nominal growth of 8.1 per cent in 2023/24, followed by a positive nominal growth of 2.1 per cent in 2024/25 and 3.7 per cent in 2025/26. The negative growth in 2023/24 is in part attributed to the fact that the Social Sector EPWP Incentive Grant for Provinces reduces from R48.148 million in 2020/21 to only R28.846 million in 2023/24, as well as the fact that some of the additional allocations made in 2022/23 have not been allocated over the 2023/24 MTEF, such as the carry-through of the 2021 wage increment in relation to the non-pensionable cash allowance, among others. This growth is after the department received an allocation to provide for the carry-through of the 3 per cent cost of living adjustment which was implemented in 2022/23. This was offset to some extent by the equitable share budget cuts in 2024/25 and in 2025/26 as a result of the annual data updates of the PES formula, as well as downward revisions to the own revenue projections, which the department effected against this category. The extent of the prior MTEF budget cuts against this category has created spending pressures, causing difficulties in the affordability of filling critical vacant posts, as well as the payment of salaries for approximately 753 currently employed staff.

Transfers shows an increasing trend, with the budget over the MTEF including allocations for national priorities, such as child and youth care, victim empowerment, the provision of shelters for victims of GBV, as well as additional funding for NPOs already contracted by DSD to maintain the transfers to these NPOs. As a share of total expenditure, this category increased from 22.7 per cent in 2023/24 to 23.3 per cent in 2025/26.

5.3.5 Analysis of payments and estimates by economic classification – Other departments

Table 5.8 shows the remaining departments' payments and estimates by economic classification (i.e. all departments excluding DOE, DOH and DSD).

Table 5.8 : Analysis of expenditure summary by classification - Other

	Audited Outcome			Adjusted Appropriation 2022/23	Medium-term Estimates			Average Annual Growth	
	2019/20	2020/21	2021/22		2023/24	2024/25	2025/26	2019/20- 2022/23	2022/23- 2025/26
R thousand									
Current	14 125 310	12 668 373	14 306 073	17 221 088	16 602 917	16 420 300	17 224 009		
Transfers	10 070 732	8 485 267	9 661 587	9 969 451	9 594 035	9 409 729	9 779 704		
Capital	2 604 054	2 830 789	4 515 520	3 967 014	5 169 656	4 761 976	4 841 884		
Financial assets	19 998	9 576	18 875	645	-	-	-		
Compensation	6 046 187	6 029 443	6 311 080	6 740 039	7 369 509	7 787 799	8 084 687		
Non-compensation	20 889 611	18 051 943	22 279 978	24 513 174	24 086 402	22 900 053	23 860 196		
Non-compensation (excl. transfers)	10 818 879	9 566 676	12 618 391	14 543 723	14 492 367	13 490 324	14 080 492		
Non-compensation non-capital (NCNC)	20 869 613	18 042 367	22 261 103	24 512 529	24 086 402	22 900 053	23 860 196		
NCNC (excl. transfers)	10 798 881	9 557 100	12 599 516	14 543 078	14 492 367	13 490 324	14 080 492		
Statutory payments (Members' remuneration)	115 704	87 381	89 003	95 015	89 303	95 847	99 286		
Total expenditure	26 935 798	24 081 386	28 591 058	31 253 213	31 455 911	30 687 852	31 944 883		
% of total expenditure									
Current	52.4	52.6	50.0	55.1	52.8	53.5	53.9		
Transfers	37.4	35.2	33.8	31.9	30.5	30.7	30.6		
Capital	9.7	11.8	15.8	12.7	16.4	15.5	15.2		
Financial assets	-	-	-	-	-	-	-		
Compensation	22.4	25.0	22.1	21.6	23.4	25.4	25.3		
Non-compensation	77.6	75.0	77.9	78.4	76.6	74.6	74.7		
Non-compensation (excl. transfers)	40.2	39.7	44.1	46.5	46.1	44.0	44.1		
Non-compensation non-capital (NCNC)	77.5	74.9	77.9	78.4	76.6	74.6	74.7		
NCNC (excl. transfers)	40.1	39.7	44.1	46.5	46.1	44.0	44.1		
Statutory payments (Members' remuneration)	0.4	0.4	0.3	0.3	0.3	0.3	0.3		
Nominal growth (%)									
Current		(10.3)	12.9	20.4	(3.6)	(1.1)	4.9	6.8	0.0
Transfers		(15.7)	13.9	3.2	(3.8)	(1.9)	3.9	(0.3)	(0.6)
Capital		8.7	59.5	(12.1)	30.3	(7.9)	1.7	15.1	6.9
Financial assets		(52.1)	97.1	(96.6)	(100.0)	-	-	(68.2)	(100.0)
Compensation		(0.3)	4.7	6.8	9.3	5.7	3.8	3.7	6.3
Non-compensation		(13.6)	23.4	10.0	(1.7)	(4.9)	4.2	5.5	(0.9)
Non-compensation (excl. transfers)		(11.6)	31.9	15.3	(0.4)	(6.9)	4.4	10.4	(1.1)
Non-compensation non-capital (NCNC)		(13.5)	23.4	10.1	(1.7)	(4.9)	4.2	5.5	(0.9)
NCNC (excl. transfers)		(11.5)	31.8	15.4	(0.3)	(6.9)	4.4	10.4	(1.1)
Statutory payments (Members' remuneration)		(24.5)	1.9	6.8	(6.0)	7.3	3.6	(6.4)	1.5
Real growth (%)									
Current		(12.9)	7.4	15.2	(7.7)	(5.3)	0.4	2.5	(4.3)
Transfers		(18.1)	8.3	(1.3)	(7.8)	(6.1)	(0.5)	(4.4)	(4.9)
Capital		5.6	51.7	(16.0)	24.8	(11.8)	(2.7)	10.4	2.3
Financial assets		(53.5)	87.5	(96.7)	(100.0)	(4.3)	(4.3)	(69.5)	(100.0)
Compensation		(3.1)	(0.4)	2.2	4.7	1.2	(0.6)	(0.5)	1.7
Non-compensation		(16.1)	17.4	5.3	(5.9)	(9.0)	(0.3)	1.2	(5.1)
Non-compensation (excl. transfers)		(14.1)	25.5	10.3	(4.6)	(10.9)	(0.1)	5.9	(5.3)
Non-compensation non-capital (NCNC)		(16.0)	17.4	5.3	(5.9)	(9.0)	(0.3)	1.3	(5.1)
NCNC (excl. transfers)		(14.0)	25.4	10.4	(4.6)	(10.9)	(0.1)	6.0	(5.3)
Statutory payments (Members' remuneration)		(26.6)	(3.1)	2.1	(10.0)	2.8	(0.9)	(10.1)	(2.8)

The share of *Current* to total budget increases from 52.4 per cent in 2019/20 to 53.9 per cent in 2025/26. The decrease in 2021/22 mainly related to the wage freeze, as well as reductions implemented to support fiscal consolidation. The MTEF shows an increasing trend, largely ascribed to inflationary increments. This category provides for the payment of *Izinduna* by COGTA, as well as the implementation of the Operation Vula Fund programme and other programmes to support SMME development by EDTEA.

Transfers caters for transfers relating to the HSDG and transfers to various public entities, among others. This category reflects a declining trend from 37.4 per cent in 2019/20, to 30.6 per cent in 2025/26. The 2022/23 Adjusted Appropriation includes additional funding in respect of the Provincial Emergency Housing grant and funds allocated to DOT towards repairs to roads damaged by the April 2022 floods. The budget remains fairly steady over the MTEF.

Capital shows an increasing trend from 9.7 per cent in 2019/20 to 15.2 per cent in 2025/26. The fluctuations over the MTEF are largely due to additions made to DOHS and DOT.

5.4 Payments and estimates by functional area

Table 5.9 shows the summary of payments and estimates by functional or policy area, details of which are shown in *Annexure 1.E (a) and (b)*. The analysis explains what each category consists of, while a detailed analysis on the trends is available in each Vote's chapter in the *EPRE*.

Table 5.9 : Summary of payments and estimates by functional area

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2024/25	2025/26
General Public Services	6 530 469	5 556 728	6 382 837	6 521 111	6 721 281	7 012 180	7 273 096	6 895 129	7 177 594
Public Order and Safety	233 783	184 276	232 419	236 867	242 191	242 191	250 608	248 068	258 224
Economic Affairs	13 436 713	12 507 790	15 761 499	16 569 744	17 160 403	17 159 153	16 894 336	16 695 359	17 356 395
Environmental Protection	1 030 630	1 200 630	1 125 751	1 148 212	1 153 331	1 153 331	1 197 269	1 229 068	1 284 127
Housing and Community Amenities	4 261 359	3 547 458	3 713 205	4 123 328	4 464 562	4 464 562	4 342 997	4 036 425	4 215 571
Health	44 724 150	49 000 711	50 300 242	49 174 909	51 107 977	52 237 979	50 270 166	52 339 903	54 499 107
Recreation, Culture and Religion	1 414 946	1 070 184	1 358 167	1 471 898	1 499 048	1 499 048	1 475 470	1 559 957	1 626 226
Education	55 376 978	57 784 498	59 025 360	57 950 644	60 868 733	61 562 952	61 095 013	61 309 776	64 016 778
Social Protection	3 108 917	3 131 655	3 251 868	3 178 035	3 311 557	3 380 395	3 242 009	3 362 061	3 500 030
Total	130 117 945	133 983 930	141 151 348	140 374 748	146 529 083	148 711 791	146 040 964	147 675 746	153 934 052

The highest expenditure is on *Education* and includes budgets for public ordinary schools, public special school education, ECD and infrastructure development, as well as health sciences and training, and structured agricultural training. The decrease noted in 2023/24 and 2024/25 when compared to the 2022/23 Revised Estimate is due to various budget cuts implemented, as well as the fact that DOE is projecting to over-spend in 2022/23.

The second largest expenditure is on *Health*. This category also sees a decrease in 2023/24 when compared to the 2022/23 Revised Estimate due to various budget cuts implemented and the department projecting to over-spend in 2022/23. The MTEF budget is in respect of delivery of primary health care services to the approximately 89.5 per cent uninsured population of KZN, the District Health Programmes grant, laundry services and orthotic and prosthetic services posts, etc.

Economic Affairs comprises DOT (for the construction and maintenance of the road network, public transport services and law enforcement), DARD (providing support to food insecure communities at subsistence and household food production level) and EDTEA (Operation Vula, the development of SMMEs, the Environmental Affairs and Gaming and Betting functions). This category shows a decrease in 2024/25 and is influenced by the disaster allocation made to DOT in 2023/24. The decrease is also attributed to the effect of the carry-through of the 2021/22 MTEF budget cuts which deepen in 2023/24.

General Public Services includes the Legislature (provides oversight over all departments) and administrative departments such as Provincial Treasury (financial management, internal audit, SCM, as well as support for transversal financial systems), OTP (cross-cutting and transversal activities, such as integrity management, youth development, support to His Majesty, the King, KZN Youth Empowerment Fund, Forensic Investigation Services), COGTA (support and ensures alignment between national, provincial and local government priorities, promotes good governance and enhances financial management in municipalities, provides support and builds capacity of traditional institutions, traditional council elections, etc.), DOPW (municipal property rates, the implementation of Government Immoveable Asset Management Act (GIAMA) projects, as well as improving infrastructure support and infrastructure projects), and a portion of DOT (for administrative, strategic, financial and corporate support services). Also, this category shows a decrease in 2024/25 and 2025/26 compared to 2023/24 due to the disaster allocation made to DOT in 2023/24.

Housing and Community Amenities relates to DOHS, and is mainly in respect of the HSDG for the provision of low-income housing programmes, including people's housing programmes, integrated residential development programmes, rural housing subsidies, informal settlement upgrades, etc. The decrease over the MTEF compared to the 2022/23 Adjusted Appropriation and Revised Estimate is attributed to the once-off allocation in 2022/23 in respect of disaster funding.

Social Protection relates to DSD and caters for various social services, such as services to older persons and persons with disabilities, care and services to families, victim empowerment, substance abuse, youth and women development, Social Workers, etc. The decrease in 2023/24 and 2024/25 compared to the 2022/23 Revised Estimate is due to budget cuts implemented, including the carry-through of the 2021/22 MTEF cuts which deepen in 2023/24, as well as the department projecting to over-spend in 2022/23.

Recreation, Culture and Religion falls under DSAC which provides sport and recreation facilities and the school sport programme, while also ensuring the cultural advance of KZN through hosting various cultural events and provision of reading and writing material, the provincialisation of museums and

libraries, as well as the construction of new libraries and museums. The decrease noted in 2023/24 when compared to the 2022/23 Revised Estimate is mainly due to roll-overs received in 2022/23.

Environmental Protection relates to Environmental Affairs under EDTEA and includes transfers to Ezemvelo KZN Wildlife (EKZNW).

Public Order and Safety relates to the DCSL, and performs the function of safety information analysis, crime awareness projects, including school safety, substance abuse and stock theft, etc. The MTEF budget provides for the maintenance and establishment of community safety structures, crime prevention programmes, station evaluations, etc. The high growth in 2023/24 is attributed to additional funds for the establishment of the Community Safety Intervention Unit on a pilot basis for a period of six months in respect of the protection of 14 traditional leaders in response to the killings of *Amakhosi* in the province. This explains the decrease in 2024/25.

5.5 Infrastructure payments and estimates

5.5.1 Introduction

A stable and vibrant construction industry is needed for the socio-economic transformation agenda of the government and, therefore, it is critical to provide an enabling environment. The National Minister of Finance, when tabling his budget on 22 February 2023, emphasised the need to crack down on criminality in the construction sector. The extortion and intimidation of lawfully appointed contractors and the workers employed cannot be tolerated. The Minister also highlighted that focus is not only on new infrastructure, but also on maintaining existing infrastructure.

The implementation of the Infrastructure Delivery Management System (IDMS) by all departments will ensure efficient and effective infrastructure delivery and adherence to required standards for the revitalisation of the country's economy. While doing this, all factors which are key to the success of this drive have to be examined. This explains why different approaches in infrastructure delivery, pertaining to the financing and also delivery mechanism, are being considered. It is expected that, once the reviews are completed, they will be rolled out in conjunction with other provinces.

5.5.1.1 Infrastructure management

KZN continues to roll out IDMS as it is essential that the investment in infrastructure is properly planned and delivered, while entrenching value for money. The IDMS provides best practices in terms of planning for long, medium and short-term infrastructure delivery.

KZN is currently engaged in the process of reviewing the KZN IDMS Framework and converting it into a protocol document to encourage effective planning, reporting and monitoring of infrastructure delivery in line with the IDMS principles.

To monitor progress on project implementation and accompanying spending, all departments are required to utilise a monitoring and reporting tool called the Infrastructure Reporting Model (IRM). The IRM includes a planning and a budgeting component.

A detailed infrastructure analysis and the project list for each department is presented in the *2023/24 Estimates of Capital Expenditure (ECE)*.

5.5.1.2 Sources of funding for infrastructure

Table 5.10 provides details with respect to the sources of funding with respect to infrastructure spending in the province.

Infrastructure projects are funded from the PES and conditional grants, with the bulk of the funding being from the conditional grant funding received from National Treasury.

Table 5.10 : Summary of provincial infrastructure payments and estimates by source of funding

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
Provincial Equitable Share and Own Revenue	6 893 192	7 978 443	8 424 859	8 202 061	8 200 625	8 169 946	7 697 497	8 263 285	8 536 884
Conditional Grants	9 092 587	8 071 526	9 224 525	10 431 426	11 152 805	11 098 933	11 821 651	9 841 976	10 261 993
Vote 3 : Agriculture and Rural Development	87 448	97 924	116 205	75 114	50 612	50 612	66 184	62 656	42 582
CASP grant	76 656	59 172	103 068	63 214	38 712	38 712	49 744	41 356	21 282
Ilima/Letsema Projects grant	10 792	35 002	13 137	11 900	11 900	11 900	15 900	21 300	21 300
Land Care grant	-	-	-	-	-	-	540	-	-
Provincial Disaster Relief grant	-	3 750	-	-	-	-	-	-	-
Vote 5 : Education	2 289 556	1 925 981	2 344 190	2 403 610	2 499 319	2 499 319	2 952 802	2 341 540	2 446 084
Education Infrastructure grant (EIG)	2 287 162	1 922 646	2 325 614	2 400 811	2 483 015	2 483 015	2 934 750	2 330 249	2 434 643
Early Childhood Development (ECD) grant	2 394	3 335	18 576	2 799	16 304	16 304	18 052	11 291	11 441
Vote 7 : Health	1 363 810	1 282 317	1 260 419	1 401 649	1 401 649	1 401 649	1 470 736	1 427 110	1 491 044
Health Facility Revitalisation grant	1 353 497	1 271 414	1 247 730	1 389 913	1 389 913	1 389 913	1 462 122	1 427 110	1 491 044
EPWP Integrated Grant for Provinces	10 313	10 903	12 689	11 736	11 736	11 736	8 614	-	-
Vote 8 : Human Settlements	3 355 077	2 795 786	3 275 788	3 692 092	3 755 964	3 702 092	3 797 347	3 477 198	3 638 582
Human Settlements Development grant	3 289 929	2 709 691	2 455 021	2 935 224	2 673 332	2 619 460	3 007 121	2 651 483	2 775 875
Provincial Emergency Housing grant	65 148	86 095	106 392	-	325 764	325 764	-	-	-
Informal Sett. Upgrading Part. Grant for Prov.	-	-	714 375	756 868	756 868	756 868	790 226	825 715	862 707
Vote 10 : Sport, Arts and Culture	39 769	63 075	64 137	70 000	70 000	70 000	70 000	73 000	73 000
Community Library Services grant	39 769	63 075	64 137	70 000	70 000	70 000	70 000	73 000	73 000
Vote 12 : Transport	1 956 927	1 906 443	2 163 786	2 788 961	3 375 261	3 375 261	3 464 582	2 460 472	2 570 701
Provincial Roads Maintenance grant	1 882 781	1 843 325	2 090 534	2 720 678	3 306 978	3 306 978	3 394 685	2 460 472	2 570 701
EPWP Integrated Grant for Provinces	74 146	63 118	73 252	68 283	68 283	68 283	69 897	-	-
Total	15 985 779	16 049 969	17 649 384	18 633 487	19 353 430	19 268 879	19 519 148	18 105 261	18 798 877

Total infrastructure is the sum of "Capital" plus "Recurrent maintenance". This includes non infrastructure items

5.5.2 Trends in infrastructure payments and estimates

The infrastructure payments and estimates by category are shown in Table 5.11. The bulk of the infrastructure expenditure is on existing infrastructure assets through maintenance, refurbishment, upgrades and additions.

Table 5.11 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
Existing infrastructure assets	7 199 271	8 949 803	9 222 315	10 571 622	10 782 759	10 262 464	11 104 389	10 179 743	10 398 626
Maintenance and repair: Current	3 224 167	3 127 167	3 162 077	4 057 610	5 562 903	5 012 326	3 735 174	3 194 202	3 357 023
Upgrades and additions: Capital	2 533 357	3 854 100	3 335 068	3 347 822	2 676 719	2 643 556	2 910 917	3 561 133	3 677 669
Refurbishment and rehabilitation: Capital	1 441 747	1 968 536	2 725 170	3 166 190	2 543 137	2 606 582	4 458 298	3 424 408	3 363 934
New infrastructure assets: Capital	1 323 643	1 003 110	1 151 016	1 321 199	1 266 990	1 291 563	1 245 566	1 047 212	1 295 512
Infrastructure transfers	4 346 327	3 358 447	3 782 706	3 956 464	4 297 329	4 136 688	3 830 444	3 523 687	3 607 000
Infrastructure transfers: Current	39 478	33 090	46 405	36 600	46 600	46 868	46 149	46 764	46 764
Infrastructure transfers: Capital	4 306 849	3 325 357	3 736 301	3 919 864	4 250 729	4 089 820	3 784 295	3 476 923	3 560 236
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	421 968	489 909	630 199	467 070	549 452	548 595	530 724	458 274	485 657
Non infrastructure¹	2 694 570	2 248 700	2 863 148	2 317 132	2 456 900	3 029 569	2 808 025	2 896 345	3 012 082
Total	15 985 779	16 049 969	17 649 384	18 633 487	19 353 430	19 268 879	19 519 148	18 105 261	18 798 877
Capital infrastructure	9 605 596	10 151 103	10 947 555	11 755 075	10 737 575	10 631 521	12 399 076	11 509 676	11 897 351
Current infrastructure	3 685 613	3 650 166	3 838 681	4 561 280	6 158 955	5 607 789	4 312 047	3 699 240	3 889 444

1. Non infrastructure is a stand-alone item and is therefore excluded from Capital infrastructure and Current infrastructure, but is included in the total

Maintenance and repair: Current caters for routine, preventative, mechanical servicing and other maintenance. This category shows a downward fluctuating trend over the MTEF.

Upgrades and additions: Capital is mainly contributed by DOT and DOH (with respect to upgrades to their facilities, including staff accommodation), as well as upgrades of schools by DOE. The category increases over the MTEF.

Refurbishment and rehabilitation: Capital shows a decreasing trend over the MTEF and this category includes refurbishment and rehabilitation of facilities damaged by natural disasters such as storms.

New infrastructure assets: Capital shows fluctuations over the MTEF and caters for the construction of new service delivery infrastructure by the various provincial government departments.

Infrastructure transfers mainly consists of transfers under the HSDG for the construction of sustainable human settlements, as well as other transfers from other departments such as the construction of sports facilities at local level and the maintenance thereof.

Infrastructure: Leases provides for the hiring of office accommodation for various district offices across the province and this budget fluctuates over the MTEF driven by the demand for office accommodation, as well as industry rates.

Non infrastructure largely relates to DOT and includes the mechanical plant budget, operational expenditure and administration in relation to maintenance of infrastructure, such as salaries for all four regions and other overhead costs.

Table 5.12 shows the infrastructure payments and estimates by Vote. Four departments, namely DOT, DOH, DOHS and DOE, spend the most on infrastructure in the province.

Table 5.12 : Summary of infrastructure payments and estimates by Vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
1. Office of the Premier	22 248	18 265	48 079	18 478	22 478	19 816	19 291	20 158	21 061
2. Provincial Legislature	17 358	26 793	27 632	12 675	41 585	41 585	13 232	13 827	14 445
3. Agriculture and Rural Development	202 630	213 536	197 969	169 971	147 852	180 931	227 536	171 701	136 230
4. Economic Dev, Tourism and Enviro Affairs	604 330	465 841	274 944	262 222	276 593	263 625	96 024	106 324	94 485
5. Education	2 886 699	2 988 056	2 901 078	2 913 422	3 039 985	3 039 985	3 468 474	3 080 312	3 218 285
6. Provincial Treasury	19 249	18 744	22 858	21 684	21 854	19 106	22 702	22 818	28 036
7. Health	2 243 643	3 482 735	2 127 864	2 180 546	2 045 059	2 007 511	2 244 061	2 231 796	2 331 879
8. Human Settlements	3 381 071	2 822 674	3 303 131	3 717 046	3 780 918	3 727 049	3 821 501	3 504 915	3 668 541
9. Community Safety and Liaison	11 875	13 692	8 390	12 394	12 394	12 394	12 945	13 535	14 141
10. Sport, Arts and Culture	134 181	121 769	197 372	190 860	205 865	217 889	180 779	187 165	192 282
11. Co-operative Governance and Traditional Affairs	310 470	127 808	333 360	227 323	260 931	257 911	125 162	145 069	124 033
12. Transport	5 847 856	5 577 475	7 968 437	8 735 789	9 310 089	9 257 921	9 097 786	8 409 478	8 748 390
13. Social Development	246 450	125 788	191 003	145 518	145 518	171 525	162 971	170 305	177 936
14. Public Works	57 719	46 793	47 267	25 559	42 309	51 631	26 684	27 858	29 133
Total	15 985 779	16 049 969	17 649 384	18 633 487	19 353 430	19 268 879	19 519 148	18 105 261	18 798 877

5.6 Public Private Partnerships (PPP)

The following gives an update on the PPPs in KZN.

Inkosi Albert Luthuli Central Hospital (IALCH)

DOH entered into a PPP transaction in terms of which a 15-year concession contract in respect of the IALCH was signed in December 2001 between DOH and Impilo Consortium (Pty) Ltd. Financial closure occurred in February 2002, with the hospital opening its doors on 28 June 2002. As required by the contract, DOH had finalised the final works programme and the contract review. The term of this contract ended on 31 January 2017 and had to be extended by three years to allow DOH to finalise its exit strategy. The exit strategy has since been completed. In November 2019, DOH approached National Treasury for another extension for a further three years to allow the department to finalise the appointment of a new private party, to which, National Treasury extended the contract by only 18 months, ending 31 July 2021. Treasury Approval I (TA I) from National Treasury was then received in February 2021.

DOH was only able to select qualified bidders on 31 July 2021 and had not appointed a new private party at this stage. This resulted in DOH having to approach National Treasury again for an extension of a further 18 months ending 31 January 2023. The Request for Proposal for the appointment of a private party closed on 28 February 2022, eleven months before the expiry of the current extension.

There is a concern in terms of events that still need to transpire, such as the evaluation process, three Treasury approvals required (Revised TA I, TA IIB and TA III) and negotiation of the contract with a private party is a lengthy process which does not take less than four months. It is reported that the bid committees of the DOH have sat during January 2023, and that a preferred bidder is thus expected to be announced during the last quarter of 2022/23. The process thereafter is expected to take at least 4 months.

KwaDukuza Municipality – Solid Waste Management project

The KwaDukuza Municipality identified the need to procure the most cost-effective service delivery mechanism regarding refuse removal. A team of Transaction Advisors was appointed to assist the municipality in undertaking Section 78 investigations. The feasibility study report is complete, and, as required by the Municipal Systems Act (Act No. 32 of 2000), the municipality finalised public participation and stakeholder consultation. Treasury Views and Recommendation 1 (TVR1) for the

project were received from National Treasury during 2016/17. All necessary approvals, Views and Recommendations were obtained (TVR2 and TVR3).

In October 2020, the municipality concluded a concession contract with Dolphin Coast Waste Management, having followed the requirements of Section 33 of the MFMA. The PPP unit will continue to provide technical support and will monitor and evaluate the current concession contract.

iLembe District Municipality – Water and Sanitation

In 1999, the Borough of Dolphin Coast (now iLembe District Municipality) and Siza Water Company entered into a concession agreement whereby Siza Water Company would oversee, manage and implement the provision of water and sanitation services on a concession basis.

This is a closed project, with a concession period of 30 years and the contract reviewable on a five-year basis. The district municipality has recently finalised the five-year plan ending 2024. With only seven years left before the end of this concession contract, both the PPP unit and the Government Technical Advisory Centre (GTAC) are negotiating an early commencement of the exit strategy to allow the municipality to explore various options available to them before the end of the contract. The process of a full contract review is currently being finalised, which process will inform the final five-year plan and the exit strategy that will be developed. The PPP unit will continue to provide technical support and will monitor and evaluate the current concession contract.

City of uMhlathuze – Water re-use project

The City of uMhlathuze is a large and growing economic region with many significant industrial concerns, and is dependent on an adequate supply of water to sustain itself and its residents. uMhlathuze undertook preparatory work in the form of water resource studies and master planning that resulted in recognising the importance of securing an adequate water supply to underpin its planned growth.

A feasibility study has been completed, and the views and recommendations from National Treasury and Provincial Treasury have been solicited, with the project being given the go-ahead. The procurement documentation is currently being finalised, with the municipality expected to go to the market in 2023/24. The PPP unit will continue with its compliance monitoring, support and evaluation function to assess the implementation of Section 120 of the MFMA.

City of uMhlathuze – Airport relocation

The uMhlathuze Municipality is concerned about the long-term sustainability of the Richards Bay airport and has undertaken a pre-feasibility study, primarily in response to this concern. The situation has been exacerbated by ongoing difficulties presented by the current concession arrangement under which the airport is operated and managed, which is scheduled to end soon. On a technical level, the main concerns relate to the ability of the airport to meet the International Civil Aviation Organisation requirements for compliance of new aircraft types to be introduced on feeder routes in South Africa during the analysis period, as well as the limitation at the current airport for expansion due to its location. A Transaction Advisor has been appointed, and the feasibility study investigation has commenced and will be finalised during 2022/23. The PPP unit will continue with its compliance monitoring, support and evaluation function to assess the implementation of Section 120 of the MFMA.

King Shaka International Airport Public Transport Link

EDTEA identified the need to develop a public transport system linking King Shaka International Airport (KSIA) to Durban and surrounding areas. The King Shaka Public Transport Link (Transport Link) forms part of a holistic and integrated transport network and the need to advance the use of public transport in the province. The Transport Link project is also envisaged to address and support the goal of improving the citizens' standard of living in and around Durban through infrastructure development. Procurement processes were undertaken for the appointment of a Transaction Advisor. The preferred and reserved bidder was gazetted, and one bidder was not satisfied with the evaluation outcome and challenged the process. The matter is being handled by both EDTEA and Provincial Treasury, as both departments are respondents to the court challenge.

5.7 Transfers

5.7.1 Transfers to public entities (listed in terms of Schedule 3 of the PFMA) and other entities

Table 5.13 shows the transfers made by departments to public entities as listed in Schedule 3 of the PFMA, as well as to other entities. More detail on the transfers is provided under each Vote's chapter.

There are 15 active provincial public entities, of which two are listed in the PFMA as Schedule 3D entities, 11 as Schedule 3C entities, and two are currently unlisted. In 2023/24, the province plans to transfer R2.499 billion to public entities. The transfers to public entities reflect inflationary growth over the MTEF and provide for operational costs, as well as specific capital projects, and various support initiatives to facilitate economic recovery and to restore investor confidence. Furthermore, the province will transfer R5.377 billion to other entities in 2023/24.

Table 5.13 : Summary of transfers to public entities (listed i.t.o Schedule 3 of the PFMA) and other entities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22		2022/23		2023/24	2024/25	2025/26
Transfers to public entities	2 439 128	2 404 525	2 474 782	2 437 768	2 523 618	2 523 618	2 499 058	2 607 948	2 724 471
Vote 1 : Office of the Premier	22 586	30 654	46 163	24 888	24 888	24 888	25 983	27 152	28 368
Zulu Royal House Trust	22 586	30 654	46 163	24 888	24 888	24 888	25 983	27 152	28 368
Vote 3 : Agriculture and Rural Dev.	195 747	190 647	210 776	219 962	219 962	219 962	213 444	223 073	233 067
Agri-business Development Agency	133 653	190 647	210 776	219 962	219 962	219 962	213 444	223 073	233 067
Mjindi Farming (Pty) Ltd	62 094	-	-	-	-	-	-	-	-
Vote 4 : Economic Dev, Tourism and Enviro. Affairs	2 154 491	2 126 336	2 138 483	2 126 904	2 212 754	2 212 754	2 195 277	2 290 845	2 393 475
Dube TradePort Corporation	478 268	399 652	477 537	490 991	488 991	488 991	504 531	527 235	550 855
Ezemvelo KwaZulu-Natal Wildlife	769 438	986 992	881 657	854 830	854 830	854 830	893 255	933 451	975 270
KwaZulu-Natal Film Commission	90 538	83 548	84 082	83 855	85 705	85 705	93 657	92 124	96 251
KwaZulu-Natal Gaming and Betting Board	44 771	55 788	51 361	50 552	50 552	50 552	52 776	55 151	57 622
KwaZulu-Natal Liquor Authority	84 680	83 586	87 382	88 340	88 340	88 340	89 252	93 268	97 446
KwaZulu-Natal Tourism Authority	199 887	111 091	142 342	157 202	162 702	162 702	150 890	157 680	164 744
KwaZulu-Natal Sharks Board	79 587	73 377	70 245	71 443	71 443	71 443	69 663	72 798	76 059
Trade and Investment KwaZulu-Natal	102 321	83 415	98 306	99 836	168 336	168 336	99 116	94 171	98 390
Ithala Development Finance Corporation	164 717	161 812	138 382	119 910	131 910	131 910	112 022	129 728	135 540
Richards Bay Industrial Development Zone	140 284	87 075	107 189	109 945	109 945	109 945	130 115	135 239	141 298
Vote 10 : Sport, Arts and Culture	66 304	56 888	66 360	66 014	66 014	66 014	64 354	66 878	69 561
KZN Amafa and Research Institute	57 163	50 944	57 786	57 515	57 515	57 515	57 354	59 878	62 561
The Playhouse Company	9 141	5 944	8 574	8 499	8 499	8 499	7 000	7 000	7 000
Vote 11 : COGTA	-	-	13 000	-	-	-	-	-	-
Agri-business Development Agency	-	-	13 000	-	-	-	-	-	-
Transfers to other entities	4 934 197	5 786 865	5 431 526	5 231 036	4 854 558	5 058 027	5 376 866	5 601 583	5 886 908
1. Office of the Premier	-	-	50 000	-	-	-	100 000	-	-
2. Provincial Legislature	40 297	40 313	317	300	300	300	313	327	342
3. Agriculture and Rural Development	188 382	175 379	152 293	115 954	109 935	109 935	89 892	142 617	147 586
4. Economic Dev., Tourism and Enviro. Affairs	245 785	104 326	372 816	150 130	151 652	151 652	131 207	121 700	127 152
5. Education	2 003 796	3 347 209	2 517 035	2 579 765	2 261 075	2 233 564	2 602 560	2 781 963	2 951 791
6. Provincial Treasury	1 113	527	1 111	1 658	1 459	1 367	1 599	1 354	1 415
7. Health	53 427	57 294	57 478	62 048	63 440	63 440	64 778	67 693	70 726
8. Human Settlements	246 759	172 925	166 701	171 965	175 724	175 724	169 849	170 852	172 561
9. Community Safety and Liaison	-	-	-	-	-	-	-	-	-
10. Sport, Arts and Culture	91 912	51 487	81 280	81 917	91 107	91 107	100 495	93 638	94 375
11. Co-operative Governance and Traditional Affairs	99 000	-	-	58 000	3 000	3 000	-	-	-
12. Transport	1 398 113	1 250 250	1 428 269	1 335 845	1 335 845	1 568 541	1 393 663	1 456 254	1 521 494
13. Social Development	565 613	587 155	604 226	673 454	661 021	659 397	722 510	765 185	799 466
14. Public Works	-	-	-	-	-	-	-	-	-
Total	7 373 325	8 191 390	7 906 308	7 668 804	7 378 176	7 581 645	7 875 924	8 209 531	8 611 379

The province will continue with the implementation of the Rationalisation of public entities process. In line with the Rationalisation of public entities recommendations, a key milestone achieved includes the review and amendment of legislation (founding mandates) of eight entities. The KZN Sharks Board (KZNSB) and EKZNW are set to merge. The implementation of the merger is subject to the enactment of the Ezemvelo KZN Wildlife Bill, 2023. The Provincial Executive Council approved the publication of the KZN Tourism and Audio-Visual Agency Bill in December 2022. The Bill combines the KwaZulu-Natal Film Commission (KZNFC) and the KZN Tourism Authority (TKZN) to establish the KwaZulu-Natal Tourism and Audio-Visual Agency (KZNTAVA). The KZN Economic Regulatory Authority Bill, 2023, which proposes to combine the Boards of the KZN Gaming and Betting Board (KZNGBB) and KZN Liquor Authority (KZNLA) has also been drafted. The Bills are at the final draft stage and are expected to be submitted to the Provincial Executive Council for in principle approval, after which they will be subjected to the provincial legislative processes. Due to the uncertainty in respect of when the Bills will be enacted, the impact thereof has not yet been incorporated into the 2023/24 MTEF budget.

Furthermore, the KZN Growth Fund Agency Bill, to convert the current KZN Growth Fund Trust (KZNGFT) to a provincial public entity, and the Moses Kotane Research Institute Bill, to convert the non-profit company to a PFMA Schedule 3C provincial public entity, are in the final stages of review and will be subjected to the provincial legislative processes. It is anticipated that these two Bills will be enacted in 2023/24.

5.7.2 Transfers to local government

Table 5.14 provides a summary of provincial transfers to local government by category, with Table 5.15 presenting a summary by grant type.

Table 5.14 : Summary of transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
Category A	716 384	647 086	714 696	1 158 234	936 694	946 889	703 993	776 237	800 209
Category B	1 084 365	837 982	1 091 448	2 735 040	913 955	1 267 909	753 977	767 148	763 304
Category C	117 136	9 460	157 032	101 888	88 871	88 871	4 917	1 917	1 917
Unallocated	180	-	-	-	-	-	5 500	-	-
Total	1 918 065	1 494 528	1 963 176	3 995 162	1 939 520	2 303 669	1 468 387	1 545 302	1 565 430

Category A (metropolitan council) refers to municipalities that have exclusive municipal executive and legislative authority within their areas. The transfers to the eThekweni Metro relate to payments of property rates, the Community Library Services grant, municipal clinics, among others.

Category B (local municipality) refers to a municipality that shares municipal executive and legislative authority with a Category C (defined below) municipality.

Category C (district municipality) refers to municipalities that have municipal executive and legislative authority in an area that includes more than one local municipality.

Table 5.15 : Summary of transfers to local government by department and grant type

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
Vote 3 : Agriculture and Rural Dev.	30	4	-	4	4	4	6	6	6
OSCA - Rates and Taxes	30	4	-	4	4	4	6	6	6
Vote 4 : Economic Dev., Tourism and Enviro. Affairs	44 900	56 525	71 433	65 300	72 500	72 500	48 300	-	-
Revitalisation of City Centre	-	300	-	-	-	-	-	-	-
Infrastructure Economic Development	-	14 500	14 017	16 300	16 300	16 300	20 300	-	-
Municipal Employment Initiative	-	-	3 000	15 500	15 500	15 500	6 000	-	-
KwaMajomela Light Manuf. Centre	2 100	3 500	7 821	-	-	-	-	-	-
Margate Airport	3 000	4 000	-	5 000	5 000	5 000	2 000	-	-
Newcastle Airport	-	-	2 000	3 000	3 000	3 000	-	-	-
Mkhuze Airport	30 000	-	31 000	-	-	-	-	-	-
Pietermaritzburg Airport	-	2 500	-	3 000	3 000	3 000	3 000	-	-
Richards Bay Airport	-	-	-	1 000	1 000	1 000	-	-	-
Prince Mangosuthu Buthelezi Airport	-	-	-	500	500	500	2 000	-	-
uTshwayelo	-	-	1 720	1 000	1 000	1 000	-	-	-
Mtubatuba Agro-processing Facility	-	1 750	-	-	-	-	-	-	-
Estcourt Community Bridge - Dalton	-	5 000	-	-	-	-	-	-	-
Long Term Development Strategy	-	1 000	2 000	2 000	2 000	2 000	1 000	-	-
Tourism Route Strategy - various munic.	2 100	-	-	-	-	-	-	-	-
Cultural Village	700	-	-	-	-	-	-	-	-
Mkhuze Falls	2 500	3 000	-	-	-	-	-	-	-
Howick Falls	-	5 000	-	-	-	-	-	-	-
Mtubatuba Tourist Centre	-	1 750	-	-	-	-	-	-	-
Jozini Information Centre	-	1 500	-	-	-	-	-	-	-
uMzumbe Trails	2 000	-	-	-	-	-	-	-	-
Sibhudu Caves & KwaShushu Hotspring	1 000	-	1 000	-	-	-	-	-	-
Drakensberg Extravaganza	-	6 500	-	-	-	-	-	-	-
Balele Game Reserve	-	-	-	3 500	6 500	6 500	3 000	-	-
Koppie Alleen Guesthouse: Mahlalela Com. Trust	1 500	-	2 500	-	-	-	-	-	-
Mtubatuba Information Centre	-	-	6 000	6 500	6 500	6 500	3 000	-	-
Highover Game Reserves	-	-	-	3 000	3 000	3 000	-	-	-
Beach Development	-	-	-	5 000	5 000	5 000	2 500	-	-
Greenest Municipality Competition	-	6 225	375	-	1 700	1 700	5 500	-	-
Natural Resource Management Competition	-	-	-	-	2 500	2 500	-	-	-
Vote 7 : Health	222 892	199 352	249 303	256 596	264 083	264 083	275 373	286 945	299 800
Subsidy: Municipal clinics	222 892	199 352	249 303	256 596	264 083	264 083	275 373	286 945	299 800

Table 5.15 : Summary of transfers to local government by department and grant type

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2019/20	2020/21	2021/22	Appropriation	Appropriation	Estimate	2023/24	2024/25	2025/26
Vote 8 : Human Settlements	85 974	104 318	70 505	2 332 091	129 639	163 726	94 289	124 639	124 639
Accredited municipalities	17 758	32 190	45 505	34 289	44 289	44 289	44 289	44 289	44 289
CRU programme	-	51 501	25 000	45 000	85 350	85 350	50 000	80 350	80 350
HSDG	-	-	-	1 532 962	-	34 087	-	-	-
ISUPG	-	-	-	719 840	-	-	-	-	-
Rates and taxes	379	524	-	-	-	-	-	-	-
Title deeds restoration prog.	67 837	20 103	-	-	-	-	-	-	-
Vote 10 : Sport, Arts and Culture	314 857	305 412	335 324	327 182	329 205	329 205	318 893	335 722	351 824
Art Centres (Operational costs)	1 911	956	1 911	1 911	2 867	2 867	1 911	1 911	1 911
Museum subsidies	12 438	15 443	13 012	11 530	11 530	11 530	12 220	12 758	13 335
Provincialisation of libraries	207 863	212 392	190 763	190 075	190 075	190 075	193 802	202 329	206 904
Community Library Services grant	51 503	45 184	58 999	68 468	69 535	69 535	68 468	74 661	83 507
Maintenance grant	450	900	900	2 311	2 311	2 311	1 860	2 475	2 475
Infrastructure	40 692	30 537	69 739	52 887	52 887	52 887	40 632	41 588	43 692
Vote 11 : COGTA	218 620	-	188 020	78 000	178 100	178 100	15 700	36 560	-
Dev. Planning and Shared Serv	4 350	-	-	-	-	-	-	-	-
Municipal Excellence awards	-	-	-	-	2 000	2 000	-	-	-
Schemes Support programme	6 050	-	-	-	-	-	-	-	-
Spatial Dev. Framework Support	4 450	-	-	-	-	-	-	-	-
Building Plans Info. Mgt System	2 500	-	-	-	-	-	-	-	-
Geospatial Database Development	1 500	-	-	-	-	-	-	-	-
GIS Functionality	2 600	-	-	-	-	-	-	-	-
Corridor Development programme	5 000	-	-	11 200	11 200	11 200	-	-	-
Small Town Rehabilitation programme	66 500	-	33 920	45 800	67 900	67 900	15 700	36 560	-
Construction of TSCs and CSCs	17 000	-	-	-	-	-	-	-	-
CSC Infrastructure Support	-	-	7 500	-	-	-	-	-	-
Co-operative support for LED	-	-	-	-	10 000	10 000	-	-	-
Massification prog (incl. elec. projects)	86 670	-	22 600	5 000	20 000	20 000	-	-	-
Water intervention programme	-	-	124 000	-	57 000	57 000	-	-	-
Disaster Management projects	22 000	-	-	16 000	10 000	10 000	-	-	-
Vote 12 : Transport	-	-	-	-	30 000	30 000	-	-	-
Int. public transport facility	-	-	-	-	30 000	30 000	-	-	-
Vote 14 : Public Works	1 030 792	828 917	1 048 591	935 989	935 989	1 266 051	715 826	761 430	789 161
Property rates	1 030 792	828 917	1 048 591	935 989	935 989	1 266 051	715 826	761 430	789 161
Total	1 918 065	1 494 528	1 963 176	3 995 162	1 939 520	2 303 669	1 468 387	1 545 302	1 565 430

5.8 Personnel numbers and costs

Table 5.16 provides personnel numbers and the total personnel costs. Over the 2023/24 MTEF, National Treasury has provided provinces with the budget for the cost of living adjustment and this was allocated to all Votes.

Table 5.16 : Summary of personnel numbers and costs by Vote

Personnel numbers	As at	As at	As at	As at	As at	As at	As at
	31 March 2019	31 March 2020	31 March 2021	31 March 2022	31 March 2023	31 March 2024	31 March 2025
1. Office of the Premier	544	558	548	565	631	631	631
2. Provincial Legislature	273	285	282	282	282	282	282
3. Agriculture and Rural Development	2 616	2 589	2 868	3 125	3 204	3 204	3 204
4. Economic Development, Tourism and Enviro Affairs	726	866	875	947	1 030	1 119	1 119
5. Education	115 705	135 162	198 115	199 006	202 722	138 222	138 222
6. Provincial Treasury	536	591	473	582	582	582	582
7. Health	77 431	80 453	82 400	80 600	80 600	80 600	80 600
8. Human Settlements	660	615	593	661	676	677	676
9. Community Safety and Liaison	181	210	225	225	223	223	223
10. Sport, Arts and Culture	1 074	987	1 185	1 204	1 286	1 286	1 286
11. Co-operative Governance and Traditional Affairs	1 927	2 311	1 928	2 041	2 251	2 251	2 262
12. Transport	4 023	3 949	3 557	3 920	6 019	6 019	6 019
13. Social Development	6 265	6 470	6 539	6 392	6 392	6 392	6 392
14. Public Works	1 633	1 595	1 527	1 500	1 611	1 611	1 611
Total	213 594	236 641	301 115	301 050	307 509	243 099	243 109
Total personnel cost (R thousand)	81 133 639	83 097 655	88 764 230	92 005 855	89 763 853	91 165 240	94 774 505
Unit cost (R thousand)	380	351	295	306	292	375	390

5.9 Information on training

Table 5.17 provides a summary of the amounts spent by department on training.

Table 5.17 : Summary of payments and estimates on training by Vote

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
1. Office of the Premier	1 247	1 466	1 343	2 719	2 384	2 804	2 979	2 869	2 553
2. Provincial Legislature	1 820	234	930	3 212	3 212	2 825	3 353	3 504	3 661
3. Agriculture and Rural Development	5 628	7 487	9 841	13 637	14 445	13 975	13 000	13 007	13 322
4. Economic Development, Tourism and Enviro Affairs	21 934	5 442	3 624	18 190	13 816	13 779	16 456	18 815	19 658
5. Education	55 278	102 967	107 216	402 067	306 679	296 965	372 138	388 883	406 304
6. Provincial Treasury	2 038	787	732	3 469	3 388	2 253	3 009	3 097	3 507
7. Health	1 304 573	1 265 197	1 362 187	1 390 235	1 433 010	1 474 841	1 481 009	1 549 473	1 652 396
8. Human Settlements	4 958	2 908	1 597	1 815	9 760	8 799	5 482	2 166	2 267
9. Community Safety and Liaison	522	180	157	1 733	1 133	1 133	1 433	1 498	1 565
10. Sport, Arts and Culture	11 061	2 968	3 387	7 187	7 187	6 584	6 325	5 755	6 013
11. Co-operative Governance and Traditional Affairs	962	51	1 088	1 839	1 839	1 537	1 444	1 622	2 123
12. Transport	10 203	2 476	995	11 163	11 163	11 474	9 609	12 669	13 236
13. Social Development	17 840	3 488	15 344	13 402	18 122	16 598	17 501	18 262	19 079
14. Public Works	7 196	6 782	6 151	11 959	12 824	12 606	12 209	12 689	13 257
Total	1 445 260	1 402 433	1 514 592	1 882 627	1 838 962	1 866 173	1 945 947	2 034 309	2 158 941

Table 5.18 reflects departmental payments on training per programme over the seven-year period.

Table 5.18 : Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
Number of staff	213 594	236 641	301 115	301 050	301 050	301 050	307 509	243 099	243 109
Number of personnel trained	73 956	74 894	77 355	78 811	78 811	78 811	78 408	78 097	78 197
of which									
Male	34 697	35 202	36 209	36 981	36 901	36 901	36 786	36 670	36 570
Female	39 259	39 692	41 146	41 830	41 910	41 910	41 622	41 427	41 627
Number of training opportunities	80 548	84 520	85 566	85 917	85 858	85 858	85 883	85 883	85 300
of which									
Tertiary	22 758	8 703	8 739	8 766	8 728	8 728	8 732	8 732	8 733
Workshops	39 514	6 160	6 974	7 155	7 150	7 150	7 160	7 160	6 576
Seminars	607	607	637	648	642	642	645	645	645
Other	17 669	69 050	69 216	69 348	69 338	69 338	69 346	69 346	69 346
Number of bursaries offered	11 799	12 380	2 999	3 075	3 089	3 089	3 144	3 647	4 230
Number of interns appointed	1 790	1 820	1 765	1 896	1 885	1 885	1 846	1 807	1 817
Number of learnerships appointed	509	480	524	522	522	522	522	522	497
Number of days spent on training	5 203	4 933	5 528	5 712	5 697	5 697	5 952	5 952	5 952

6. MEASURING PERFORMANCE IN GOVERNMENT

The Department of Performance, Monitoring and Evaluation (DPME) is the lead department regarding measuring government performance. From 2015/16, the responsibility of collecting and assessing departments' non-financial data at provincial level devolved from Provincial Treasury to OTP. As a result, OTP is also the responsible department for the assessment of Strategic Plans (SPs) and Annual Performance Plans (APPs).

Uniform budget and programme structures for 2023/24 are applicable to each department. Note that OTP, Provincial Treasury, and DOPW do not fully comply with the uniform structures at this stage. However, these deviations were approved by National Treasury.

In 2022/23, the Departments of Arts and Culture, as well as Sport and Recreation merged to form one single department called DSAC, bringing KZN in line with the national uniform structure. In addition, the ECD function, which previously was housed within DSD, was moved to DOE, also in line with a similar movement at national level in line with a proclamation by the President in the 2019 SONA.

The province is currently engaged in implementing the recommendations of the rationalisation process comprising, but not limited to, the merger of TKZN and the KZNFC, KZNSB and EKZNW, as well as combining the Accounting Authorities of the KZNLA and the KZNGBB. The Bills for these mergers will be submitted to the Provincial Executive Council and, once approved in principle, they will be subjected to the provincial legislative processes, but the impact thereof has not yet been incorporated into the 2023/24 MTEF budget.

Furthermore, the KZN Growth Fund Agency Bill, to convert the current KZNGFT to a provincial public entity, and the Moses Kotane Research Institute Bill, to convert the non-profit company to a PFMA Schedule 3C provincial public entity, are in the final stages of review and will be subjected to the provincial legislative processes.

As with the uniform budget structures, performance information is also standardised in a number of sectors. Currently these include DOE, DOH, DSD, COGTA, DARD, DOHS, DCSL, DOT, DOPW and the new DSAC and these standardised measures are included in each chapter of the *EPRE*. With regard to OTP, the Provincial Legislature, EDTEA, and Provincial Treasury, these departments do not have standardised measures but a selection of their measures, as set out in their APPs, are included in each chapter.

ANNEXURE – OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE

Table 1.A : Details of provincial own receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22		2022/23		2023/24	2024/25	2025/26
Tax receipts	2 591 366	2 446 193	2 725 530	2 820 818	2 820 818	2 863 790	2 943 681	3 065 138	3 202 456
Casino taxes	604 611	291 526	464 108	587 528	587 528	577 962	613 379	640 981	669 697
Horse racing taxes	94 221	117 371	133 621	92 844	92 844	102 410	96 929	101 291	105 829
Liquor licences	26 112	22 921	23 840	30 406	30 406	30 406	31 744	33 172	34 658
Motor vehicle licences	1 866 422	2 014 375	2 103 961	2 110 040	2 110 040	2 153 012	2 201 629	2 289 694	2 392 272
Sale of goods and services other than capital assets	476 132	347 262	401 476	504 573	504 573	501 192	494 661	513 162	536 056
Sale of goods and services produced by dept. (excl. capital assets)	475 411	345 693	400 749	503 238	503 238	500 419	493 267	511 707	534 536
Sales by market establishments	34 556	30 917	29 530	50 529	50 529	31 589	51 168	52 938	55 123
Administrative fees	91 276	57 953	87 549	66 465	66 465	104 092	69 984	70 387	73 538
Other sales	349 579	256 823	283 670	386 244	386 244	364 738	372 115	388 382	405 875
<i>of which</i>									
Commission	71 749	81 316	86 289	88 075	88 075	89 092	91 970	96 010	100 297
Health patient fees	173 580	95 096	132 872	173 048	173 048	136 905	163 048	170 221	177 847
Tuition fees	7 928	4 264	13 308	8 630	8 630	8 660	9 044	9 451	9 876
Other	96 326	79 278	74 661	79 185	79 185	92 239	78 518	81 823	86 435
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	721	1 569	727	1 335	1 335	773	1 394	1 455	1 520
Transfers received from:	380	235	1 017	-	-	327	-	1 233	1 288
Other governmental units	-	-	-	-	-	-	-	685	716
Universities and technikons	-	-	-	-	-	-	-	7	7
Foreign governments	-	-	2	-	-	-	-	234	244
International organisations	-	-	-	-	-	-	-	307	321
Public corporations and private enterprises	380	-	1 015	-	-	327	-	-	-
Households and non-profit institutions	-	235	-	-	-	-	-	-	-
Fines, penalties and forfeits	26 550	25 099	71 272	42 925	42 925	63 552	45 234	45 271	47 299
Interest, dividends and rent on land	616 844	394 230	286 695	296 895	296 895	323 044	303 911	311 989	326 077
Interest	616 489	393 914	286 399	296 491	296 491	322 781	303 552	311 620	325 691
Dividends	35	-	34	41	41	-	43	43	45
Rent on land	320	316	262	363	363	263	316	326	341
Sale of capital assets	25 206	19 889	33 092	20 218	20 218	37 547	20 948	21 546	23 110
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Other capital assets	25 206	19 889	33 092	20 218	20 218	37 547	20 948	21 546	23 110
Transactions in financial assets and liabilities	111 058	143 280	127 148	75 670	75 670	94 774	76 924	80 244	83 837
Total	3 847 536	3 376 188	3 646 230	3 761 099	3 761 099	3 884 226	3 885 359	4 038 583	4 220 123

Overview of Provincial Revenue and Estimates

Table 1.B : Details of payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23	2022/23	2022/23	2023/24	2024/25	2025/26
Current payments	109 321 945	112 323 820	118 441 973	118 485 969	124 668 793	125 943 563	122 335 448	124 354 796	129 528 874
Compensation of employees	81 133 639	83 097 655	88 764 230	86 141 855	90 217 958	92 005 855	89 763 853	91 165 240	94 774 505
Salaries and wages	70 134 006	71 715 074	77 187 365	74 514 199	78 349 333	80 229 204	77 381 940	78 422 960	81 449 068
Social contributions	10 999 633	11 382 581	11 576 865	11 627 656	11 868 625	11 776 651	12 381 913	12 742 280	13 325 437
Goods and services	28 179 577	29 225 107	29 675 497	32 343 337	34 449 633	33 935 263	32 570 980	33 188 871	34 753 658
Administrative fees	62 977	72 359	132 374	50 458	118 316	154 566	61 199	60 506	63 151
Advertising	169 908	233 995	217 520	238 211	261 748	220 697	253 730	263 446	284 619
Minor assets	112 361	63 168	59 992	132 419	187 564	144 706	237 710	177 164	184 931
Audit cost: External	135 972	114 770	133 586	131 356	201 096	203 152	168 908	178 258	185 150
Bursaries: Employees	25 035	28 865	18 508	20 915	31 018	29 987	33 176	35 006	36 581
Catering: Departmental activities	169 329	125 398	124 425	175 295	194 281	187 503	187 582	192 380	200 995
Communication (G&S)	285 913	285 369	341 552	365 148	402 673	395 592	384 715	390 892	407 133
Computer services	735 491	777 131	853 607	798 497	818 354	837 164	916 523	1 009 248	1 060 972
Cons. & prof serv: Business and advisory services	1 405 542	1 355 658	1 358 890	1 539 328	1 515 899	1 370 992	1 587 425	1 377 886	1 861 433
Infrastructure and planning	220 038	218 703	198 417	228 731	183 563	183 858	241 071	313 739	296 169
Laboratory services	2 314 472	2 423 100	2 845 608	2 670 142	2 981 829	2 982 111	2 557 333	2 789 861	3 216 763
Scientific and technological services	-	-	-	-	-	905	-	-	-
Legal services	170 291	131 819	166 811	209 015	198 160	206 676	176 812	186 840	195 646
Contractors	2 545 722	2 006 746	2 618 794	3 420 024	4 512 821	4 111 353	3 010 112	2 578 360	2 792 618
Agency and support / outsourced services	2 669 526	2 672 415	3 082 771	3 210 620	3 389 977	3 493 612	3 419 652	3 576 147	3 757 890
Entertainment	107	9	1 045	898	976	837	1 399	841	878
Fleet services (including govt motor transport)	850 965	714 488	819 740	889 695	937 200	1 089 733	931 465	974 954	1 019 861
Housing	-	-	-	-	-	64	-	-	-
Inventory: Clothing material and accessories	55 852	428 225	97 161	115 753	122 912	119 625	96 649	97 715	85 667
Inventory: Farming supplies	357 164	214 797	192 920	80 304	115 575	117 816	54 724	58 473	62 817
Inventory: Food and food supplies	121 236	112 858	127 465	143 932	138 184	138 724	152 202	155 912	166 150
Inventory: Chemicals, fuel, oil, gas, wood and coal	196 791	147 935	173 527	210 499	330 192	357 494	305 150	336 476	351 550
Inventory: Learner and teacher support material	845 424	742 305	666 301	603 486	697 174	822 120	652 238	682 144	712 877
Inventory: Materials and supplies	96 399	98 109	110 465	1 177 520	128 680	126 121	116 249	106 314	112 073
Inventory: Medical supplies	1 922 206	2 069 441	2 369 903	1 937 511	1 986 248	2 242 395	1 538 327	1 764 818	1 809 196
Inventory: Medicine	4 197 856	4 732 793	4 086 942	4 547 797	4 534 212	4 403 365	4 610 373	5 124 221	5 115 120
Medas inventory interface	(34 231)	138 969	-	-	-	-	550	-	-
Inventory: Other supplies	689 889	781 283	616 967	763 145	752 255	824 851	1 027 791	943 579	990 016
Consumable supplies	357 342	1 189 939	541 762	476 194	489 820	412 498	401 670	422 852	440 876
Consumable: Stationery, printing and office supplies	225 744	181 426	190 177	295 457	262 442	223 440	246 797	261 230	275 536
Operating leases	586 165	718 692	798 064	766 512	793 215	738 038	784 898	736 331	772 264
Property payments	4 261 969	4 594 424	4 677 794	4 494 255	5 463 197	5 126 466	5 340 595	5 495 481	5 638 543
Transport provided: Departmental activity	462 700	455 108	526 523	580 164	564 797	568 709	362 439	386 996	407 222
Travel and subsistence	930 658	618 142	700 500	848 320	877 324	950 968	937 718	968 061	1 015 031
Training and development	127 096	67 019	71 244	333 981	360 825	246 868	211 425	208 229	217 021
Operating payments	740 824	672 552	620 493	761 562	747 846	743 063	1 437 958	837 623	869 132
Venues and facilities	131 525	24 481	108 233	96 085	110 373	111 104	93 188	102 408	111 665
Rental and hiring	33 319	12 616	25 516	30 108	38 887	47 090	31 227	34 480	36 112
Interest and rent on land	8 729	1 058	2 246	777	1 202	2 445	615	685	711
Interest	8 729	686	2 246	659	1 084	2 336	598	667	692
Rent on land	-	372	-	118	118	109	17	18	19
Transfers and subsidies to	13 731 625	13 307 768	13 869 119	12 527 657	13 791 077	14 608 766	13 856 570	13 937 507	14 555 520
Provinces and municipalities	1 941 231	1 515 405	1 996 894	4 031 868	1 993 318	2 355 909	1 510 300	1 578 192	1 599 765
Provinces	18 416	20 877	27 218	25 806	29 815	28 247	31 413	32 890	34 335
Provincial Revenue Funds	310	229	294	317	317	317	-	351	361
Provincial agencies and funds	18 106	20 648	26 924	25 489	29 498	27 930	31 413	32 539	33 974
Municipalities	1 922 815	1 494 528	1 969 676	4 006 062	1 963 503	2 327 662	1 478 887	1 545 302	1 565 430
Municipalities	1 918 035	1 494 524	1 963 176	3 995 158	1 939 516	2 303 665	1 468 381	1 545 296	1 565 424
Municipal agencies and funds	4 780	4	6 500	10 904	23 987	23 997	10 506	6	6
Departmental agencies and accounts	2 348 201	2 316 474	2 386 680	2 502 596	2 458 815	2 458 818	2 487 443	2 582 969	2 692 427
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	2 348 201	2 316 474	2 386 680	2 502 596	2 458 815	2 458 818	2 487 443	2 582 969	2 692 427
Higher education institutions	100	-	5 361	5 016	5 016	5 016	6 382	1 280	1 280
Foreign governments and international organisations	297	313	317	300	300	300	313	327	342
Public corporations and private enterprises	2 034 623	1 669 648	1 817 620	1 672 602	1 681 030	1 913 847	1 718 004	1 851 352	1 932 387
Public corporations	399 850	252 187	250 596	233 280	245 480	241 855	245 562	268 392	280 285
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	399 850	252 187	250 596	233 280	245 480	241 855	245 562	268 392	280 285
Private enterprises	1 634 773	1 417 461	1 567 024	1 439 322	1 435 550	1 671 992	1 472 442	1 582 960	1 652 102
Subsidies on production	1 382 096	1 233 733	1 401 107	1 309 303	1 309 303	1 542 146	1 367 009	1 428 401	1 492 393
Other transfers	252 677	183 728	165 917	130 019	126 247	129 846	105 433	154 559	159 709
Non-profit institutions	3 134 132	4 340 332	3 872 772	3 651 074	3 391 624	3 362 897	3 933 306	4 044 854	4 258 185
Households	4 273 041	3 465 596	3 789 475	664 201	4 260 974	4 511 979	4 200 822	3 878 533	4 071 134
Social benefits	439 951	441 649	444 387	305 157	336 961	384 305	321 009	336 662	351 283
Other transfers to households	3 833 090	3 023 947	3 345 088	359 044	3 924 013	4 127 674	3 879 813	3 541 871	3 719 851
Payments for capital assets	6 928 281	8 108 720	8 731 717	9 271 280	7 967 658	8 056 751	9 759 643	9 287 596	9 750 372
Buildings and other fixed structures	5 298 747	6 825 746	7 211 254	7 835 211	6 486 846	6 541 701	8 614 781	8 032 753	8 337 115
Buildings	3 323 625	4 498 703	3 411 600	3 927 223	3 373 664	3 426 966	4 112 060	3 953 147	4 197 376
Other fixed structures	1 975 122	2 327 043	3 799 654	3 907 988	3 113 182	3 114 735	4 502 721	4 079 606	4 139 739
Machinery and equipment	1 602 731	1 260 367	1 499 595	1 418 322	1 449 831	1 482 766	1 124 401	1 227 072	1 394 349
Transport equipment	401 091	471 742	507 736	364 593	467 212	402 488	302 057	375 280	393 184
Other machinery and equipment	1 201 640	788 625	991 859	1 053 729	982 619	1 080 278	822 344	851 792	1 001 165
Heritage assets	15	80	1 324	-	3 700	3 914	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	73	382	630	630	630	630	688	719
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	26 788	22 454	19 162	17 117	26 651	27 740	19 831	27 083	18 189
Payments for financial assets	20 390	156 241	19 536	-	6 540	7 696	-	-	-
Total	130 002 241	133 896 549	141 062 345	140 284 906	146 434 068	148 616 776	145 951 661	147 579 899	153 834 766
Statutory payments	115 704	87 381	89 003	89 842	95 015	95 015	89 303	95 847	99 286
Total (including statutory payments)	130 117 945	133 983 930	141 151 348	140 374 748	146 529 083	148 711 791	146 040 964	147 675 746	153 934 052
Unauth. Exp. (1st charge) not available for spending	-	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	130 117 945	133 983 930	141 151 348	140 374 748	146 529 083	148 711 791	146 040 964	147 675 746	153 934 052

Table 1.C : Information relating to conditional grants

Vote and Grant	2019/20				2020/21				2021/22				2022/23				Medium-term Estimates			
	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Actual Transfer	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Revised Transfer Estimate	Revised Exp Estimate	2022/23	2023/24	2024/25	2025/26		
R thousand																				
Vote 3 : Agriculture and Rural Development	288 413	288 413	308 641	308 017	308 017	291 077	305 573	305 573	311 748	311 748	310 613	311 748	311 748	311 748	325 205	412 809	412 809	399 232		
CASAP grant	199 351	199 351	220 332	203 509	203 509	194 438	214 053	214 053	218 604	218 604	215 759	218 604	218 604	218 604	230 574	318 552	318 552	300 752		
IlimalLetsema Projects grant	71 802	71 802	68 352	83 311	83 311	75 692	73 799	73 799	75 424	75 424	73 799	75 424	75 424	75 424	76 685	80 130	80 130	83 720		
Land Care grant	12 418	12 418	15 115	12 550	12 550	12 550	13 022	13 022	13 022	13 022	13 022	13 110	13 110	13 110	13 310	14 127	14 127	14 760		
EPWP Integrated Grant for Provinces	4 842	4 842	4 842	4 647	4 647	4 647	4 699	4 699	4 699	4 699	4 699	4 610	4 610	4 610	4 636	-	-	-		
Provincial Disaster Relief grant	-	-	-	4 000	4 000	3 750	-	-	-	-	-	-	-	-	-	-	-	-		
Vote 4 : Economic Development, Tourism and Enviro Affairs	5 529	5 529	4 988	4 988	4 988	5 080	5 080	5 080	6 402	6 402	6 402	6 402	6 402	6 402	6 909	6 909	6 909	-		
EPWP Integrated Grant for Provinces	5 529	5 529	4 988	4 988	4 988	5 080	5 080	5 080	6 402	6 402	6 402	6 402	6 402	6 402	6 909	6 909	6 909	-		
Vote 5 : Education	4 210 402	4 210 402	4 246 120	4 088 777	4 088 777	3 854 613	4 615 029	4 615 029	4 717 549	4 717 549	4 717 549	4 821 546	4 821 546	4 821 546	5 421 802	4 909 474	4 909 474	5 190 721		
Education Infrastructure grant (EIG)	2 287 162	2 287 162	2 287 162	1 912 594	1 912 594	1 927 646	2 235 614	2 235 614	2 325 614	2 325 614	2 325 614	2 483 015	2 483 015	2 483 015	2 934 750	2 330 240	2 330 240	2 134 643		
HIV and AIDS (Life-Skills Education) grant	62 155	62 155	72 570	47 362	47 362	47 480	61 450	61 450	61 450	61 450	61 450	61 183	61 183	61 183	62 910	68 678	68 678	68 620		
National School Nutrition Programme (NSNP) grant	1 621 291	1 621 291	1 628 447	1 727 246	1 727 246	1 573 575	1 831 605	1 831 605	1 931 362	1 931 362	1 931 362	1 952 777	1 952 777	1 952 777	2 006 691	2 168 791	2 168 791	2 282 782		
Maths, Science and Technology grant	64 638	64 638	67 200	60 632	60 632	60 632	67 855	67 855	67 855	67 855	67 855	70 244	70 244	70 244	70 193	73 457	73 457	76 748		
Social Sector EPWP Incentive Grant for Provinces	24 814	24 814	30 441	22 842	22 842	22 975	28 543	28 543	28 543	28 543	28 543	30 508	30 508	30 508	31 796	-	-	-		
EPWP Integrated Grant for Provinces	2 028	2 028	2 028	2 180	2 180	2 182	2 110	2 110	2 110	2 110	2 110	2 193	2 193	2 193	1 985	-	-	-		
Learners with Profound Intellectual Disabilities grant	32 279	32 279	42 237	32 586	32 586	33 000	32 576	32 576	32 576	32 576	32 576	34 423	34 423	34 423	34 534	35 524	35 524	36 750		
Early Childhood Development (ECD) grant	116 035	116 035	116 035	283 335	283 335	192 093	265 276	265 276	265 276	265 276	268 038	187 203	266 750	266 750	198 875	235 775	235 775	291 178		
Vote 7 : Health	9 770 858	9 770 858	9 759 102	10 954 135	10 954 135	10 865 043	11 142 868	11 045 753	11 142 868	11 142 868	11 142 868	11 860 441	11 860 441	11 879 807	11 470 691	11 777 223	11 777 223	12 304 842		
District Health Programmes grant	5 840 629	5 840 629	5 840 629	6 833 651	6 833 651	6 801 774	7 263 697	7 166 582	7 263 697	7 263 697	7 263 697	7 547 069	7 547 069	7 547 069	7 087 769	7 406 077	7 406 077	7 737 869		
Health Facility Revitalisation grant	1 353 497	1 353 497	1 353 358	1 271 414	1 271 414	1 271 414	1 247 730	1 247 730	1 247 730	1 247 730	1 247 730	1 389 913	1 389 913	1 389 913	1 462 122	1 427 110	1 427 110	1 491 044		
Health Professions Training and Development grant	370 863	370 863	370 863	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
National Tertiary Services grant	1 895 149	1 895 149	1 895 149	2 015 775	2 015 775	2 015 775	1 955 628	1 955 628	1 955 628	1 955 628	1 955 628	2 045 854	2 045 854	2 045 854	2 000 300	2 090 132	2 090 132	2 183 770		
National Health Insurance grant	55 376	55 376	38 499	60 945	60 945	58 073	50 415	50 415	50 415	50 415	50 415	84 726	84 726	84 726	126 332	106 063	106 063	110 815		
Human Papillomavirus Vaccine grant	32 303	32 303	37 553	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
EPWP Integrated Grant for Provinces	10 313	10 313	10 313	10 903	10 903	10 903	12 689	12 689	12 689	12 689	12 689	11 736	11 736	11 736	8 614	-	-	-		
Social Sector EPWP Incentive Grant for Provinces	20 998	20 998	20 998	-	-	260	21 228	21 228	21 228	21 228	21 228	26 293	26 293	26 293	21 107	-	-	-		
Human Resources Capacitation grant	191 730	191 730	191 730	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
HR and Training grant	-	-	-	622 529	622 529	591 481	591 481	591 481	591 481	591 481	591 481	754 850	754 850	754 850	764 447	747 841	747 841	781 344		
Provincial Disaster Relief grant	-	-	-	138 918	138 918	116 363	-	-	-	-	-	-	-	-	-	-	-	-		
Vote 8 : Human Settlements	3 850 852	3 850 852	3 815 157	3 155 236	3 155 236	3 155 206	3 282 937	3 282 937	3 282 937	3 282 937	3 282 937	4 024 355	4 024 355	4 024 355	3 930 148	3 602 330	3 602 330	3 763 714		
Human Settlements Development grant	3 583 907	3 583 907	3 634 357	3 020 763	3 020 763	3 020 733	2 455 021	2 455 021	2 455 021	2 455 021	2 455 018	2 935 224	2 935 224	2 935 224	3 132 253	2 776 615	2 776 615	2 901 007		
Provincial Emergency Housing grant	151 243	151 243	65 148	86 095	86 095	86 095	106 392	106 392	106 392	106 392	106 392	325 764	325 764	325 764	-	-	-	-		
EPWP Integrated Grant for Provinces	15 090	15 090	15 040	11 638	11 638	11 638	7 149	7 149	7 149	7 149	7 149	6 499	6 499	6 499	7 689	-	-	-		
Title Deeds Restoration grant	100 612	100 612	100 612	36 740	36 740	36 740	-	-	-	-	-	-	-	-	-	-	-	-		
Informal Sett. Upgrading Part. Grant for Prov.	-	-	-	-	-	-	714 375	714 375	714 375	714 375	714 375	756 868	756 868	756 868	790 226	825 715	825 715	862 707		
Vote 9 : Community Safety and Liaison	7 007	7 007	7 007	7 891	7 891	7 891	4 161	4 161	4 161	4 161	4 218	3 046	3 046	3 046	3 847	-	-	-		
Social Sector EPWP Incentive Grant for Provinces	7 007	7 007	7 007	7 891	7 891	7 891	4 161	4 161	4 161	4 161	4 218	3 046	3 046	3 046	3 847	-	-	-		
Vote 10 : Sport, Arts and Culture	293 647	293 647	264 817	205 589	205 589	190 386	283 849	283 849	283 849	283 849	278 066	288 557	288 557	288 557	294 877	303 909	303 909	318 488		
Mass Participation and Sport Development grant	104 673	104 673	104 673	38 219	38 219	38 219	94 208	94 208	94 208	94 208	94 208	97 278	97 278	97 278	101 488	107 021	107 021	112 789		
Community Library Services grant	184 417	184 417	155 587	167 370	167 370	152 167	185 572	185 572	185 572	185 572	179 789	186 891	186 891	186 891	189 050	196 888	196 888	205 709		
EPWP Integrated Grant for Provinces	2 110	2 110	2 110	-	-	-	1 960	1 960	1 960	1 960	1 960	2 108	2 108	2 108	2 078	-	-	-		
Social Sector EPWP Incentive Grant for Provinces	2 447	2 447	2 447	-	-	-	2 109	2 109	2 109	2 109	2 109	2 280	2 280	2 280	2 261	-	-	-		
Vote 11 : Co-op. Governance and Traditional Affairs	3 858	3 858	3 858	2 777	2 777	2 777	1 994	1 994	1 994	1 994	1 994	1 993	1 993	1 993	1 960	-	-	-		
EPWP Integrated Grant for Provinces	3 858	3 858	3 858	2 777	2 777	2 777	1 994	1 994	1 994	1 994	1 994	1 993	1 993	1 993	1 960	-	-	-		
Provincial Disaster Relief grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Vote 12 : Transport	3 122 557	3 122 557	3 125 026	3 152 805	3 152 805	3 140 176	3 478 698	3 478 698	3 478 698	3 478 698	3 478 698	4 687 564	4 687 564	4 687 564	4 831 591	3 888 873	3 888 873	4 063 084		
Provincial Roads Maintenance grant	1 882 781	1 882 781	1 882 781	1 843 325	1 843 325	1 843 325	2 090 534	2 090 534	2 090 534	2 090 534	2 090 534	3 309 978	3 309 978	3 309 978	3 394 685	2 460 472	2 460 472	2 570 701		
Public Transport Operations grant	1 168 099	1 168 099	1 168 099	1 246 362	1 246 362	1 233 733	1 314 912	1 314 912	1 314 912	1 314 912	1 314 912	1 309 303	1 309 303	1 309 303	1 367 009	1 428 401	1 428 401	1 492 393		
EPWP Integrated Grant for Provinces	71 677	71 677	74 146	63 118	63 118	63 118	73 252	73 252	73 252	73 252	73 252	68 283	68 283	68 283	69 897	-	-	-		
Vote 13 : Social Development	34 913	34 913	38 146	48 148	48 148	48 148	42 558	42 558	42 558	42 558	42 558	37 672	37 672	37 672	28 846	-	-	-		
Social Sector EPWP Incentive Grant for Provinces	34 913	34 913	34 913	48 148	48 148	48 148	42 558	42 558	42 558	42 558	42 558	37 672	37 672	37 672	28 846	-	-	-		
Provincial Disaster Relief grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Vote 14 : Public Works	4 726	4 726	4 726	4 243	4 243	4 243	5 465	5 465	5 465	5 465	5 465	8 042	8 042	8 042	3 897	-	-	-		

Table 1.D : Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22		2022/23		2023/24	2024/25	2025/26
A KZN2000 eThekweni	716 384	647 086	714 696	1 158 234	936 694	946 889	703 993	776 237	800 209
Total: Ugu Municipalities	106 201	49 359	124 294	280 169	113 927	152 286	63 771	68 742	58 335
B KZN212 uMdoni	22 029	17 403	29 017	63 875	23 173	36 238	23 604	30 038	16 079
B KZN213 uMzumbi	13 198	292	10 232	45 987	2 396	2 000	6 320	5 554	7 075
B KZN214 uMuziwabantu	7 845	2 329	9 887	45 313	7 815	20 790	8 491	8 864	9 309
B KZN216 Ray Nkonyeni	42 494	29 335	49 458	104 526	68 943	81 658	25 356	24 286	25 872
C DC21 Ugu District Municipality	20 635	-	25 700	20 468	11 600	11 600	-	-	-
Total: uMgungundlovu Municipalities	202 309	172 633	242 968	394 555	220 303	306 398	159 560	157 198	165 320
B KZN221 uMshwathi	11 858	7 857	23 292	59 089	21 646	19 814	17 646	17 997	18 804
B KZN222 uMngeni	7 684	7 016	7 404	16 572	8 526	7 157	11 186	16 445	17 183
B KZN223 Mpofana	4 536	3 333	3 699	8 097	5 850	9 267	2 616	2 731	2 854
B KZN224 iMpendle	4 720	4 798	4 357	5 897	5 551	4 757	3 514	2 728	2 851
B KZN225 Msunduzi	149 953	134 673	148 778	265 032	125 338	203 684	111 361	110 846	115 615
B KZN226 Mkhambathini	5 266	4 712	20 697	18 800	20 061	21 962	2 899	3 026	3 162
B KZN227 Richmond	14 242	5 244	16 741	21 068	13 331	19 757	10 338	3 425	4 851
C DC22 uMgungundlovu District Municipality	4 050	5 000	18 000	-	20 000	20 000	-	-	-
Total: uThukela Municipalities	149 824	95 806	105 762	230 268	103 621	77 704	95 107	93 224	98 917
B KZN235 Okhahlamba	16 860	15 248	8 725	45 505	22 891	21 320	14 305	11 301	12 621
B KZN237 iNkosi Langalibalele	34 525	35 535	26 696	44 586	32 523	20 091	31 691	33 086	34 568
B KZN238 Alfred Duma	80 889	45 023	70 341	88 613	48 207	36 293	49 111	48 837	51 728
C DC23 uThukela District Municipality	17 550	-	-	51 564	-	-	-	-	-
Total: uMzinyathi Municipalities	86 455	70 930	86 198	129 435	66 511	94 566	56 196	56 604	60 116
B KZN241 eNdameni	19 090	19 802	21 733	19 019	19 781	23 530	17 549	18 322	19 142
B KZN242 Nquthu	30 559	28 230	34 347	16 220	16 220	38 009	16 757	18 244	19 550
B KZN244 uMsinga	18 609	7 514	13 261	28 575	8 642	6 510	9 922	9 021	9 913
B KZN245 uMvoti	14 097	15 384	9 357	58 121	7 868	12 517	10 968	11 017	11 511
C DC24 uMzinyathi District Municipality	4 100	-	7 500	7 500	14 000	14 000	1 000	-	-
Total: Amajuba Municipalities	56 764	38 849	88 880	691 621	74 486	84 135	65 012	68 044	58 995
B KZN252 Newcastle	35 547	20 718	55 920	640 000	40 636	42 699	47 289	52 445	43 481
B KZN253 eMadlangeni	5 974	5 178	12 058	11 985	14 810	12 152	9 328	6 085	6 357
B KZN254 Dannhauser	10 783	12 953	15 802	39 636	9 140	19 384	8 395	9 514	9 157
C DC25 Amajuba District Municipality	4 460	-	5 100	-	9 900	9 900	-	-	-
Total: Zululand Municipalities	140 126	112 590	130 143	242 490	100 754	181 451	89 658	93 546	95 516
B KZN261 eDumbe	35 297	13 745	15 354	38 576	19 277	35 235	7 866	8 212	8 580
B KZN262 uPhongolo	16 444	13 549	16 807	77 111	17 993	27 035	7 250	18 362	22 291
B KZN263 AbaQulusi	25 235	23 465	27 830	28 795	16 084	31 957	27 998	20 552	16 230
B KZN265 Nongoma	16 021	14 626	14 510	58 080	10 236	20 506	10 569	11 034	11 529
B KZN266 Ulundi	38 968	42 749	45 910	37 517	30 797	60 351	32 064	33 475	34 975
C DC26 Zululand District Municipality	8 161	4 456	9 732	2 411	6 367	6 367	3 911	1 911	1 911
Total: uMkhanyakude Municipalities	119 897	74 793	129 466	202 027	79 481	97 362	64 728	63 630	57 097
B KZN271 uMhlabyalingana	22 712	16 961	22 321	64 502	25 748	23 911	22 900	19 210	19 170
B KZN272 Jozini	14 890	15 080	20 996	39 624	13 351	22 134	15 244	15 915	16 628
B KZN275 Mtubatuba	35 707	20 552	37 160	42 578	21 039	25 672	18 686	20 260	13 585
B KZN276 Big Five Hlabisa	15 888	22 200	17 989	37 664	8 343	14 645	7 898	8 245	7 714
C DC27 uMkhanyakude District Municipality	30 700	-	31 000	17 659	11 000	11 000	-	-	-
Total: King Cetshwayo Municipalities	155 571	124 735	152 331	221 824	78 835	186 554	83 684	85 038	96 499
B KZN281 uMfolozi	26 191	25 949	21 711	4 470	4 791	32 029	5 954	5 126	3 379
B KZN282 uMhlathuze	42 283	37 989	50 466	128 726	47 924	44 825	45 908	47 734	59 223
B KZN284 uMlalazi	33 911	20 480	19 522	33 954	11 029	20 137	12 289	11 786	12 592
B KZN285 Mthonjaneni	8 498	7 844	3 603	14 193	4 807	9 545	4 964	5 182	5 414
B KZN286 Nkandla	42 408	32 469	57 029	40 477	10 280	80 014	14 563	15 204	15 885
C DC28 King Cetshwayo District Municipality	2 280	4	-	4	4	4	6	6	6
Total: iLembe Municipalities	96 667	68 376	97 634	249 274	101 414	91 697	40 441	42 143	42 155
B KZN291 Mandeni	8 999	14 240	9 222	27 614	17 652	15 571	5 497	5 739	5 996
B KZN292 KwaDukuza	40 564	24 036	19 170	110 749	25 515	23 799	16 523	17 172	16 065
B KZN293 Ndwedwe	12 686	14 230	19 639	59 445	22 755	8 004	3 926	4 099	4 283
B KZN294 Maphumulo	24 218	15 870	23 603	51 466	19 492	28 323	14 495	15 133	15 811
C DC29 iLembe District Municipality	10 200	-	26 000	-	16 000	16 000	-	-	-
Total: Harry Gwala Municipalities	87 687	39 371	90 804	195 265	63 494	84 627	40 737	40 896	32 271
B KZN433 Greater Kokstad	28 620	20 030	16 125	48 751	11 744	25 175	9 865	20 265	9 670
B KZN434 uBuhlebezwe	11 308	4 829	10 156	96 879	13 843	11 554	9 090	7 402	7 734
B KZN435 uMzimkhulu	14 577	5 671	19 669	27 874	26 174	24 894	16 454	7 666	8 777
B KZN436 Dr Nkosazana Dlamini Zuma	18 182	8 841	10 854	19 479	11 733	23 004	5 328	5 563	6 090
C DC43 Harry Gwala District Municipality	15 000	-	34 000	2 282	-	-	-	-	-
Unallocated	180	-	-	-	-	-	5 500	-	-
Total	1 918 065	1 494 528	1 963 176	3 995 162	1 939 520	2 303 669	1 468 387	1 545 302	1 565 430

Table 1.E(a) : Details of payments and estimates by functional area

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
General Public Services									
Executive and Legislature	874 367	785 711	853 492	904 612	1 011 792	1 004 919	1 012 231	1 057 588	1 094 117
Office of the Premier	48 183	36 052	38 030	40 349	42 725	42 725	42 531	44 680	43 602
Provincial Legislature	826 184	749 659	815 462	864 263	969 067	962 194	969 700	1 012 908	1 050 515
Financial and Fiscal Services	608 235	507 499	554 533	651 511	636 911	622 478	647 608	672 823	700 438
Provincial Treasury	608 235	507 499	554 533	651 511	636 911	622 478	647 608	672 823	700 438
General Services (Public Works, Local Govt.)	5 047 867	4 263 518	4 974 812	4 964 988	5 072 578	5 384 783	5 613 257	5 164 718	5 383 039
Total: General Public Services	6 530 469	5 556 728	6 382 837	6 521 111	6 721 281	7 012 180	7 273 096	6 895 129	7 177 594
Public Order and Safety									
Police Services	233 783	184 276	232 419	236 867	242 191	242 191	250 608	248 068	258 224
Community Safety and Liaison	233 783	184 276	232 419	236 867	242 191	242 191	250 608	248 068	258 224
Total: Public Order and Safety	233 783	184 276	232 419	236 867	242 191	242 191	250 608	248 068	258 224
Economic Affairs									
General Economic Affairs	2 169 026	1 789 986	2 199 081	2 245 191	2 258 759	2 258 759	2 190 645	2 333 535	2 425 164
Economic Dev, Tourism and Enviro Affairs	2 169 026	1 789 986	2 199 081	2 245 191	2 258 759	2 258 759	2 190 645	2 333 535	2 425 164
Agriculture	2 384 152	2 352 700	2 445 812	2 378 819	2 437 038	2 435 788	2 393 225	2 590 253	2 663 461
Agriculture and Rural Development	2 384 152	2 352 700	2 445 812	2 378 819	2 437 038	2 435 788	2 393 225	2 590 253	2 663 461
Transport	8 883 535	8 365 104	11 116 606	11 945 734	12 464 606	12 464 606	12 310 466	11 771 571	12 267 770
Transport	8 883 535	8 365 104	11 116 606	11 945 734	12 464 606	12 464 606	12 310 466	11 771 571	12 267 770
Total: Economic Affairs	13 436 713	12 507 790	15 761 499	16 569 744	17 160 403	17 159 153	16 894 336	16 695 359	17 356 395
Environmental Protection									
Environmental Affairs and Conservation	1 030 630	1 200 630	1 125 751	1 148 212	1 153 331	1 153 331	1 197 269	1 229 068	1 284 127
Total: Environmental Protection	1 030 630	1 200 630	1 125 751	1 148 212	1 153 331	1 153 331	1 197 269	1 229 068	1 284 127
Housing and Community Amenities									
Housing Development	4 261 359	3 547 458	3 713 205	4 123 328	4 464 562	4 464 562	4 342 997	4 036 425	4 215 571
Human Settlements	4 261 359	3 547 458	3 713 205	4 123 328	4 464 562	4 464 562	4 342 997	4 036 425	4 215 571
Total: Housing and Community Amenities	4 261 359	3 547 458	3 713 205	4 123 328	4 464 562	4 464 562	4 342 997	4 036 425	4 215 571
Health									
Outpatient services	14 981 388	17 402 462	19 481 384	19 543 703	19 912 018	20 207 538	18 666 069	19 833 850	20 688 673
Hospital Services	29 742 762	31 598 249	30 818 858	29 631 206	31 195 959	32 030 441	31 604 097	32 506 053	33 810 434
Total: Health	44 724 150	49 000 711	50 300 242	49 174 909	51 107 977	52 237 979	50 270 166	52 339 903	54 499 107
Recreation, Culture and Religion									
Sporting and Recreational Affairs	1 414 946	1 070 184	1 358 167	1 471 898	1 499 048	1 499 048	1 475 470	1 559 957	1 626 226
Sport, Arts and Culture	599 732	422 122	603 753	641 776	639 290	639 290	645 549	678 464	708 434
Sport, Arts and Culture	815 214	648 062	754 414	830 122	859 758	859 758	829 921	881 493	917 792
Total: Recreation, Culture and Religion	1 414 946	1 070 184	1 358 167	1 471 898	1 499 048	1 499 048	1 475 470	1 559 957	1 626 226
Education									
Pre-primary and Primary Phases	27 200 450	28 908 403	28 283 650	27 330 407	28 578 280	29 370 394	27 906 223	29 081 291	30 398 784
Secondary Education Phase	18 070 237	18 852 299	18 948 689	18 151 049	19 630 054	19 542 227	19 809 570	20 505 357	21 332 820
Subsidiary Services to Education	8 136 257	8 105 692	9 854 792	10 467 282	10 548 750	10 546 697	11 203 191	9 448 578	9 887 530
Education not defined by level	1 970 034	1 918 104	1 938 229	2 001 906	2 111 649	2 103 634	2 176 029	2 274 550	2 397 644
Total: Education	55 376 978	57 784 498	59 025 360	57 950 644	60 868 733	61 562 952	61 095 013	61 309 776	64 016 778
Social protection									
Social Services and Population Development	3 108 917	3 131 655	3 251 868	3 178 035	3 311 557	3 380 395	3 242 009	3 362 061	3 500 030
Total: Social protection	3 108 917	3 131 655	3 251 868	3 178 035	3 311 557	3 380 395	3 242 009	3 362 061	3 500 030
Total	130 117 945	133 983 930	141 151 348	140 374 748	146 529 083	148 711 791	146 040 964	147 675 746	153 934 052

Table 1.E(b) : Details of function

Function	Category	Department	Programme
General Public Services	Legislative	Office of the Premier Provincial Legislature	Administration Administration Parliamentary Business Members Remuneration Office of the MEC
		All departments	Administration
	General Services	Office of the Premier	Institutional Development Policy and Governance Administration Administration Property Management Provision of Buildings, Structures and Equipmt.
		Transport Public Works	Administration Administration Property Management Provision of Buildings, Structures and Equipmt.
	General Policy and Administration	Co-operative Governance and Traditional Affairs	Administration Local Governance Development and Planning Traditional Institutional Management
	Financial and Fiscal Services	Provincial Treasury	Administration Sustainable Resource Management Financial Management Internal Audit
Public Order and Safety	Police Services	Community Safety and Liaison	Administration Civilian Oversight
Economic Affairs	General Economic Affairs	Economic Dev, Tourism and Enviro Affairs	Administration Integrated Econ Dev Services Trade and Sector Development Business Regulation and Governance Economic Planning
	Agriculture	Agriculture and Rural Development	Administration Agriculture Rural Development
	Transport	Transport	Transport Infrastructure Transport Operations Transport Regulations Community Based Programme
Environmental Protection	Environmental Protection	Economic Dev, Tourism and Enviro Affairs	Environmental Affairs
Housing and Community Amenities	Housing Development	Human Settlements	Administration Housing Needs, Research and Planning Housing Development Housing Asset Management, Property Mgt.
Health	Outpatient services NEC	Health	District Health Services Health Facilities Management
	Hospital Services	Health	Administration District Health Services Emergency Medical Services Provincial Hospital Services Central Hospital Services Health Sciences and Training Health Care Support Services Health Facilities Management
Recreational, Culture and Religion	Sporting and recreational affairs services	Sport, Arts and Culture	Administration Cultural Affairs Libraries and Archive Services Sport and Recreation
Education	Pre-primary and Primary Levels	Education	Public Ordinary School Education Early Childhood Development
	Secondary Education Phase	Education	Public Ordinary School Education
	Education Services not defined by level	Education	Public Special School Education Independent School Subsidies
		Agriculture and Rural Development	Agriculture (Structured Agric Training)
	Subsidiary services to education	Health	Health Sciences and Training
		Education	Administration Public Ordinary School Education Public Special School Education Early Childhood Development Infrastructure Development Examination and Education Related Services
Social Protection	Social Security Services	Social Development	Administration
	Social Services and Population Development	Social Development	Social Welfare Services Children and Families Restorative Services Development and Research

Table 1.F : Donor and agency funding - payments

Name of Donor/ Agency Organisation	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2019/20	2020/21	2021/22				2023/24	2024/25	2025/26
R thousand	20 546	20 648	11 370	28 102	28 186	26 953	29 457	4 657	-
Donor funding	20 546	20 648	11 370	28 102	28 186	26 953	29 457	4 657	-
Economic Development, Tourism and Enviro Affairs	19 840	19 920	10 961	20 840	20 840	19 607	20 932	4 657	-
Swiss Donor Funds - SECO	19 840	19 920	10 961	20 840	20 840	19 607	20 932	4 657	-
Health	706	728	409	7 262	7 346	7 346	8 525	-	-
Astra Zeneca	-	-	-	-	26	26	-	-	-
Atlantic Philanthropies	701	728	174	-	-	-	-	-	-
CDC Award	-	-	235	7 262	7 262	7 262	8 525	-	-
COGTA	3	-	-	-	-	-	-	-	-
Conforth Investments	-	-	-	-	32	32	-	-	-
Impumelelo Trust Innovation	-	-	-	-	24	24	-	-	-
SA Breweries	2	-	-	-	-	-	-	-	-
MASEA Awards	-	-	-	-	2	2	-	-	-
Agency funding	16 709	21 574	22 365	36 701	47 218	35 291	1 925	-	-
Office of the Premier	4 538	14 649	13 089	10 000	10 000	8 674	1 925	-	-
NSF	1 332	248	-	-	-	-	-	-	-
MERSETA	3 206	14 401	13 089	10 000	10 000	8 674	1 925	-	-
Health	12 171	1 666	9 276	26 701	26 617	26 617	-	-	-
HWSETA Learnership: Bethesda Sub-Campus	-	11	-	-	9	9	-	-	-
HWSETA Learnership: Edendale Campus	-	-	-	-	61	61	-	-	-
HWSETA Learnership: Head Office	-	-	-	-	-	-	-	-	-
HWSETA Learnership: HIV and AIDS Support	-	-	-	-	45	45	-	-	-
HWSETA Learnership: King Edward Sub-Campus	-	-	-	-	-	-	-	-	-
HWSETA Learnership: Ngwelezane	-	-	-	-	261	261	-	-	-
HWSETA Learnership: Nkandla	-	-	-	-	26	26	-	-	-
HWSETA Learnership: Pharmacy	1	-	-	-	-	-	-	-	-
HWSETA Learnership: Prince Mshiyeni Hospital/St Aidans	50	4	49	-	10	10	-	-	-
HWSETA Learnership: Social and Auxilliary	-	-	-	-	-	-	-	-	-
HWSETA Learnership: Dental/Oral Hygiene	-	-	-	1 085	1 085	1 085	-	-	-
HWSETA Learnership: Sign Language Training	-	-	-	-	-	-	-	-	-
HWSETA Learnership: Social Environmental Health	-	-	-	50	50	50	-	-	-
HWSETA Learnership: Tradesman RPL	-	-	-	-	-	-	-	-	-
HWSETA Learnership: TVET Graduates	765	540	3 192	-	-	-	-	-	-
HWSETA - Bridging for enrolled nurse training	90	-	-	315	315	315	-	-	-
HWSETA	-	-	624	13 777	12 618	12 618	-	-	-
PSETA	-	-	-	222	222	222	-	-	-
HWSETA: isiZulu training	14	-	-	-	-	-	-	-	-
HWSETA: Ad hoc projects	1 497	228	-	107	107	107	-	-	-
HWSETA: Interns	-	600	811	1 124	1 748	1 748	-	-	-
HWSETA: NHI Leaders and Gov. Prog.	6 574	181	4 448	-	-	-	-	-	-
HWSETA: Healthcare Quality and Patient Safety	3 020	-	-	-	39	39	-	-	-
HWSETA: Nursing	160	102	152	10 021	10 021	10 021	-	-	-
Transport	-	5 259	-	-	10 601	-	-	-	-
RTMC	-	5 018	-	-	10 601	-	-	-	-
eThekweni Metro	-	241	-	-	-	-	-	-	-
Total	37 255	42 222	33 735	64 803	75 404	62 244	31 382	4 657	-

Table 1.G(i) : Details of transfers to local government: 2023/24

Municipality	Vote 3			Vote 4				Vote 7	Vote 8		Vote 10						Vote 11	Vote 14	Total																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
	3.1	4.1	4.2	4.3	4.4	4.5	4.6		8.1	8.2	10.1	10.2	10.3	10.4	10.5	10.6																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
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Table 1.G(i) : Details of transfers to local government: 2023/24 (continued)

Municipality	Vote 3			Vote 4			Vote 7	Vote 8		Vote 10					Vote 11	Vote 14	Total		
	3.1	4.1	4.2	4.3	4.4	4.5		4.6	8.1	8.2	10.1	10.2	10.3	10.4				10.5	10.6
R thousand	6	2 000	-	-	-	-	-	-	4 429	1 292	-	18 428	9 671	-	1 030	-	46 828	83 684	
King Cetshwayo Municipalities	-	1 000	-	-	-	-	-	-	-	-	-	1 964	1 223	-	1 030	-	737	5 954	
uMfolozi	-	-	-	-	-	-	-	-	4 429	249	-	9 593	2 747	-	-	-	28 890	45 908	
uMhlatuze	-	-	-	-	-	-	-	-	-	1 043	-	4 909	562	-	-	-	4 775	12 289	
uMlalazi	-	1 000	-	-	-	-	-	-	-	-	-	981	254	-	-	-	3 729	4 964	
Mthonjaneni	-	-	-	-	-	-	-	-	-	-	-	981	4 885	-	-	-	8 697	14 563	
Nkandla	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	
King Cetshwayo District Municipality	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	
iLembe Municipalities	-	-	-	-	-	-	-	-	1 772	249	-	9 817	5 935	-	-	-	22 668	40 441	
Mandeni	-	-	-	-	-	-	-	-	-	2 946	1 477	-	-	-	-	-	1 074	5 497	
KwaDukuza	-	-	-	-	-	-	-	-	1 772	249	-	5 890	762	-	-	-	7 850	16 523	
Ndwedwe	-	-	-	-	-	-	-	-	-	-	-	981	1 023	-	-	-	1 922	3 926	
Maphumulo	-	-	-	-	-	-	-	-	-	-	-	-	2 673	-	-	-	11 822	14 495	
iLembe District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Harry Gwala Municipalities	-	2 000	1 000	-	-	-	-	-	-	-	-	6 872	3 723	10 097	-	-	17 045	40 737	
Greater Kokstad	-	-	1 000	-	-	-	-	-	-	-	-	1 964	1 223	-	-	-	5 678	9 865	
uBuhlebezwe	-	2 000	-	-	-	-	-	-	-	-	-	981	254	-	-	-	5 855	9 090	
uMzimkhulu	-	-	-	-	-	-	-	-	-	-	-	981	1 023	10 097	-	-	4 353	16 454	
Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	-	-	-	2 946	1 223	-	-	-	1 159	5 328	
Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unallocated/unclassified	-	-	-	-	-	-	5 500	-	-	-	-	-	-	-	-	-	-	5 500	
Total	6	20 300	6 000	7 000	1 000	8 500	5 500	275 373	50 000	44 289	12 220	1 911	193 802	68 468	40 632	1 860	15 700	715 826	1 468 387

Key	Grant Name	Key	Grant Name
3.1	OSCA - Rates and taxes	8.2	Accredited municipalities
4.1	Informal Economy Infrastructure	10.1	Museum subsidies
4.2	Municipal Employment Initiative	10.2	Art centres (operational costs)
4.3	Airports	10.3	Provincialisation of libraries
4.4	Economic Development Plan	10.4	Community library services grant
4.5	Tourism programmes	10.5	Infrastructure
4.6	Greenest Municipality Competition	10.6	Maintenance grant
7.1	Municipal clinics	11.1	Small Town Rehabilitation programme
8.1	CRU Programme and Municipal Rates and Taxes	14.1	Property rates

Table 1.G(ii) : Details of transfers to local government: 2024/25

Municipality	Vote 3					Vote 4					Vote 7	Vote 8		Vote 10					Vote 11	Vote 14	Total			
	3.1	4.1	4.2	4.3	4.4	4.5	4.6	7.1	8.1	8.2		10.1	10.2	10.3	10.4	10.5	10.6							
Municipality																								
R thousand																								
eThekweni								286 945	80 350	14 172	6 906		62 523	9 899				315 442		776 237				
Ugu Municipalities										2 214	497		21 980	6 150				22 901		68 742				
uMdoni													7 992	2 463				15 000		30 038				
uMzumbane																				5 554				
uMuziwabantu													1 024	1 011						8 864				
Ray Nkonyeni										2 214	497		12 964	2 676						5 935				
Ugu District Municipality																								
uMgungundlovu Municipalities										4 429	1 116		29 543	3 566				118 544		157 198				
uMshwathi													3 076	265				14 656		17 997				
uMngeni											260		4 102	530				11 553		16 445				
Mpotlana											260		2 050	265				156		2 731				
IMpendle													2 050	265				413		2 728				
Msunduzi										4 429	596		14 165	908				90 748		110 846				
Mkhambathini													1 024	1 068				934		3 026				
Richmond													3 076	265				84		3 425				
uMgungundlovu District Municipality																								
uThukela Municipalities										1 772	1 017		14 349	3 727	10 794			61 565		93 224				
Okhahlamba											260		2 051	1 067				7 923		11 301				
INkosi Langalibalele											497		6 149	796				25 644		33 086				
Alfred Duma										1 772	260		6 149	1 864	10 794			27 998		48 837				
uThukela District Municipality																								
uMzinyathi Municipalities											856		9 227	5 500				41 021		56 604				
eNdameni											596		4 103	1 277				12 346		18 322				
Nquthu													2 050	2 886				13 308		18 244				
uMsinga													1 024	1 072				6 925		9 021				
uMvoti											260		2 050	265				8 442		11 017				
uMzinyathi District Municipality																								
Amajuba Municipalities										15 501	497		9 348	5 903	20 000			16 795		68 044				
Newcastle										15 501	497		7 300	2 709	20 000			6 438		52 445				
eMladlangeni													1 024	1 012				4 049		6 085				
Dannhauser													1 024	2 182				6 308		9 514				
Amajuba District Municipality																								
Zululand Municipalities											260	1 911	9 845	6 122	10 794	415		5 000		93 546				
eDumbe													2 050	1 489				4 673		8 212				
uPhongolo													2 050	530	10 794			4 988		18 362				
AbaQulusi											260		3 697	1 277		415		5 000		20 552				
Nongoma													1 024	1 758				8 252		11 034				
Ulundi													1 024	1 068				31 383		33 475				
Zululand District Municipality												1 911						1 911		1 911				
uMkhanyakude Municipalities													8 852	12 863				6 300		63 630				
uMhlabyalingana													2 050	1 012				16 148		19 210				
Jozini													1 024	6 637				8 254		15 915				
Mtubatuba													3 728	2 444				6 300		20 260				
Big Five Hlabisa													2 050	2 770				3 425		8 245				
uMkhanyakude District Municipality																								

Table 1.G(ii) : Details of transfers to local government: 2024/25 (continued)

Municipality	Vote 3						Vote 7	Vote 8		Vote 10						Vote 11	Vote 14		Total	
	3.1	4.1	4.2	4.3	4.4	4.5		4.6	7.1	8.1	8.2	10.1	10.2	10.3	10.4		10.5	10.6		11.1
R thousand																				
King Cetshwayo Municipalities	6	-	-	-	-	-	-	-	-	4 429	1 349	-	19 239	10 097	-	1 030	-	-	48 888	85 038
uMfolozi	-	-	-	-	-	-	-	-	-	-	-	-	2 050	1 277	-	1 030	-	-	769	5 126
uMhlatuze	-	-	-	-	-	-	-	-	-	4 429	260	-	10 016	2 868	-	-	-	-	30 161	47 734
uMlalazi	-	-	-	-	-	-	-	-	-	-	1 089	-	5 125	587	-	-	-	-	4 985	11 786
Mthonjaneni	-	-	-	-	-	-	-	-	-	-	-	-	1 024	265	-	-	-	-	3 893	5 182
Nkandla	-	-	-	-	-	-	-	-	-	-	-	-	1 024	5 100	-	-	-	-	9 080	15 204
King Cetshwayo District Municipality	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6
iLembe Municipalities	-	-	-	-	-	-	-	-	-	1 772	260	-	10 249	6 197	-	-	-	-	23 665	42 143
Mandeni	-	-	-	-	-	-	-	-	-	-	-	-	3 076	1 542	-	-	-	-	1 121	5 739
KwaDukuza	-	-	-	-	-	-	-	-	-	1 772	260	-	6 149	796	-	-	-	-	8 195	17 172
Ndwedwe	-	-	-	-	-	-	-	-	-	-	-	-	1 024	1 068	-	-	-	-	2 007	4 099
Maphumulo	-	-	-	-	-	-	-	-	-	-	-	-	-	2 791	-	-	-	-	12 342	15 133
iLembe District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Harry Gwala Municipalities	-	-	-	-	-	-	-	-	-	-	-	-	7 174	4 637	-	1 030	10 260	17 795	40 896	-
Greater Kokstad	-	-	-	-	-	-	-	-	-	-	-	-	2 050	2 027	-	-	10 260	5 928	20 265	-
uBuhlebezwe	-	-	-	-	-	-	-	-	-	-	-	-	1 024	265	-	-	-	6 113	7 402	-
uMzimkhulu	-	-	-	-	-	-	-	-	-	-	-	-	1 024	1 068	-	1 030	-	4 544	7 666	-
Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	-	-	-	-	3 076	1 277	-	-	-	1 210	5 563	-
Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	6	-	-	-	-	-	-	80 350	44 289	12 758	1 911	202 329	74 661	41 588	2 475	36 560	761 430	1 545 302	-	-

Key	Grant Name	Key	Grant Name
3.1	OSCA - Rates and taxes	8.2	Accredited municipalities
4.1	Informal Economy Infrastructure	10.1	Museum subsidies
4.2	Municipal Employment Initiative	10.2	Art centres (operational costs)
4.3	Airports	10.3	Provincialisation of libraries
4.4	Economic Development Plan	10.4	Community library services grant
4.5	Tourism programmes	10.5	Infrastructure
4.6	Greenest Municipality Competition	10.6	Maintenance grant
7.1	Municipal clinics	11.1	Small Town Rehabilitation programme
8.1	CRU Programme and Municipal Rates and Taxes	14.1	Property rates

Table 1.G(iii) : Details of transfers to local government: 2025/26

Municipality	Vote 3						Vote 7	Vote 8		Vote 10						Vote 11	Vote 14	Total														
	3.1	4.1	4.2	4.3	4.4	4.5		4.6	7.1	8.1	8.2	10.1	10.2	10.3	10.4				10.5	10.6												
R thousand																																
eThekweni	-	-	-	-	-	-	-	299 800	80 350	14 172	7 215	-	65 324	10 156	-	-	-	323 192	14.1	-	-	-	-	-	-	-	-	-	-	-	800 209	
Ugu Municipalities	-	-	-	-	-	-	-	-	-	2 214	519	-	23 976	7 698	-	-	-	23 928	23 928	-	-	-	-	-	-	-	-	-	-	-	58 335	
uMdoni	-	-	-	-	-	-	-	-	-	-	-	-	8 717	2 573	-	-	-	4 789	4 789	-	-	-	-	-	-	-	-	-	-	-	16 079	
uMzumbane	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5 803	5 803	-	-	-	-	-	-	-	-	-	-	-	7 075	
uMuziwabantu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7 135	7 135	-	-	-	-	-	-	-	-	-	-	-	9 309	
Ray Nkonyeni	-	-	-	-	-	-	-	-	-	2 214	519	-	14 142	2 796	-	-	-	6 201	6 201	-	-	-	-	-	-	-	-	-	-	-	25 872	
Ugu District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-	4 429	1 167	-	30 868	4 999	-	-	-	123 857	123 857	-	-	-	-	-	-	-	-	-	-	-	165 320	
uMshwathi	-	-	-	-	-	-	-	-	-	-	-	-	3 214	277	-	-	-	15 313	15 313	-	-	-	-	-	-	-	-	-	-	-	18 804	
uMngeni	-	-	-	-	-	-	-	-	-	-	272	-	4 286	554	-	-	-	12 071	12 071	-	-	-	-	-	-	-	-	-	-	-	17 183	
Mpofana	-	-	-	-	-	-	-	-	-	-	272	-	2 142	277	-	-	-	163	163	-	-	-	-	-	-	-	-	-	-	-	2 854	
iMpendle	-	-	-	-	-	-	-	-	-	-	-	-	2 142	277	-	-	-	432	432	-	-	-	-	-	-	-	-	-	-	-	2 851	
Msunduzi	-	-	-	-	-	-	-	-	-	4 429	623	-	14 800	949	-	-	-	94 814	94 814	-	-	-	-	-	-	-	-	-	-	-	115 615	
Mkhambathini	-	-	-	-	-	-	-	-	-	-	-	-	1 070	1 116	-	-	-	976	976	-	-	-	-	-	-	-	-	-	-	-	3 162	
Richmond	-	-	-	-	-	-	-	-	-	-	-	-	3 214	1 549	-	-	-	88	88	-	-	-	-	-	-	-	-	-	-	-	4 851	
uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
uThukela Municipalities	-	-	-	-	-	-	-	-	-	1 772	1 063	-	14 990	4 709	11 030	1 030	-	64 323	64 323	-	-	-	-	-	-	-	-	-	-	-	98 917	
Okhahlamba	-	-	-	-	-	-	-	-	-	-	272	-	2 142	1 929	-	-	-	8 278	8 278	-	-	-	-	-	-	-	-	-	-	-	12 621	
iNkosi Langalibalele	-	-	-	-	-	-	-	-	-	-	519	-	6 424	832	-	-	-	26 793	26 793	-	-	-	-	-	-	-	-	-	-	-	34 568	
Alfred Duma	-	-	-	-	-	-	-	-	-	1 772	272	-	6 424	1 948	11 030	1 030	-	29 252	29 252	-	-	-	-	-	-	-	-	-	-	-	51 728	
uThukela District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-	-	895	-	9 640	6 723	-	-	-	42 858	42 858	-	-	-	-	-	-	-	-	-	-	-	60 116	
eNdameni	-	-	-	-	-	-	-	-	-	-	623	-	4 286	1 334	-	-	-	12 899	12 899	-	-	-	-	-	-	-	-	-	-	-	19 142	
Nquthu	-	-	-	-	-	-	-	-	-	-	-	-	2 142	3 504	-	-	-	13 904	13 904	-	-	-	-	-	-	-	-	-	-	-	19 550	
uMsinga	-	-	-	-	-	-	-	-	-	-	-	-	1 070	1 608	-	-	-	7 235	7 235	-	-	-	-	-	-	-	-	-	-	-	9 913	
uMvoti	-	-	-	-	-	-	-	-	-	-	272	-	2 142	277	-	-	-	8 820	8 820	-	-	-	-	-	-	-	-	-	-	-	11 511	
uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Amajuba Municipalities	-	-	-	-	-	-	-	-	-	15 501	519	-	9 767	5 661	10 000	-	-	17 547	17 547	-	-	-	-	-	-	-	-	-	-	-	58 995	
Newcastle	-	-	-	-	-	-	-	-	-	15 501	519	-	7 627	3 108	10 000	-	-	6 726	6 726	-	-	-	-	-	-	-	-	-	-	-	43 481	
eMladlangeni	-	-	-	-	-	-	-	-	-	-	-	-	1 070	1 057	-	-	-	4 230	4 230	-	-	-	-	-	-	-	-	-	-	-	6 357	
Dannhauser	-	-	-	-	-	-	-	-	-	-	-	-	1 070	1 496	-	-	-	6 591	6 591	-	-	-	-	-	-	-	-	-	-	-	9 157	
Amajuba District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Zululand Municipalities	-	-	-	-	-	-	-	-	-	-	272	1 911	10 286	7 669	13 112	415	-	61 851	61 851	-	-	-	-	-	-	-	-	-	-	-	95 516	
eDumbe	-	-	-	-	-	-	-	-	-	-	-	-	2 142	1 556	-	-	-	4 882	4 882	-	-	-	-	-	-	-	-	-	-	-	8 580	
uPhongolo	-	-	-	-	-	-	-	-	-	-	-	-	2 142	1 826	13 112	-	-	5 211	5 211	-	-	-	-	-	-	-	-	-	-	-	22 291	
AbaQulusi	-	-	-	-	-	-	-	-	-	-	272	-	3 862	1 334	-	415	-	10 347	10 347	-	-	-	-	-	-	-	-	-	-	-	16 230	
Nongoma	-	-	-	-	-	-	-	-	-	-	-	-	1 070	1 837	-	-	-	8 622	8 622	-	-	-	-	-	-	-	-	-	-	-	11 529	
Ulundi	-	-	-	-	-	-	-	-	-	-	-	-	1 070	1 116	-	-	-	32 789	32 789	-	-	-	-	-	-	-	-	-	-	-	34 975	
Zululand District Municipality	-	-	-	-	-	-	-	-	-	-	-	1 911	-	-	-	-	-	1 911	1 911	-	-	-	-	-	-	-	-	-	-	-	19 111	
uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-	-	-	-	6 448	13 439	-	-	-	37 210	37 210	-	-	-	-	-	-	-	-	-	-	-	57 097	
uMhlabuyalingana	-	-	-	-	-	-	-	-	-	-	-	-	1 242	1 057	-	-	-	16 871	16 871	-	-	-	-	-	-	-	-	-	-	-	19 170	
Jozini	-	-	-	-	-	-	-	-	-	-	-	-	1 070	6 934	-	-	-	8 624	8 624	-	-	-	-	-	-	-	-	-	-	-	16 628	
Mtubatuba	-	-	-	-	-	-	-	-	-	-	-	-	2 894	2 554	-	-	-	8 137	8 137	-	-	-	-	-	-	-	-	-	-	-	13 585	
Big Five Hlabisa	-	-	-	-	-	-	-	-	-	-	-	-	1 242	2 894	-	-	-	3 578	3 578	-	-	-	-	-	-	-	-	-	-	-	7 714	
uMkhanyakude District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Table 1.G(iii) : Details of transfers to local government: 2025/26 (continued)

Municipality	Vote 3										Vote 7		Vote 8		Vote 10					Vote 11	Vote 14	Total
	3.1	4.1	4.2	4.3	4.4	4.5	4.6	7.1	8.1	8.2	10.1	10.2	10.3	10.4	10.5	10.6	11.1	14.1				
R thousand	6	-	-	-	-	-	-	-	-	4 429	1 410	-	19 201	10 826	9 550	-	-	-	51 077	96 499		
King Cetshwayo Municipalities																						
uMfolozi										-	-	-	1 242	1 334	-	-	-	803	3 379			
uMhlatuze										4 429	272	-	10 464	2 996	9 550	-	-	31 512	59 223			
uMlalazi										-	1 138	-	5 355	891	-	-	-	5 208	12 593			
Mthonjaneni										-	-	-	1 070	277	-	-	-	4 067	5 414			
Nkandla										-	-	-	1 070	5 328	-	-	-	9 487	15 885			
King Cetshwayo District Municipality										-	-	-	-	-	-	-	-	-	6			
iLembe Municipalities	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24 725	42 155		
Mandeni										1 772	275	-	3 214	1 611	-	-	-	1 171	5 996			
KwaDukuza										-	-	-	4 624	832	-	-	-	8 562	16 065			
Ndwedwe										1 772	275	-	1 070	1 116	-	-	-	2 097	4 283			
Maphumulo										-	-	-	-	2 916	-	-	-	12 895	15 811			
iLembe District Municipality										-	-	-	-	-	-	-	-	-	-	-		
Harry Gwala Municipalities										-	-	-	7 496	5 152	-	1 030	-	18 593	32 271			
Greater Kokstad										-	-	-	2 142	1 334	-	-	-	6 194	9 670			
uBuhlebezwe										-	-	-	1 070	277	-	-	-	7 734	6 387			
uMzimkhulu										-	-	-	1 070	1 929	-	1 030	-	4 748	8 777			
Dr Nkosazana Dlamini Zuma										-	-	-	-	-	-	-	-	-	-	-		
Harry Gwala District Municipality										-	-	-	3 214	1 612	-	-	-	1 264	6 090			
Unallocated/unclassified										-	-	-	-	-	-	-	-	-	-	-		
Total	6	-	-	-	-	-	-	299 800	80 350	44 289	13 335	1 911	206 904	83 507	43 692	2 475	-	789 161	-	1 565 430		

Key	Grant Name	Key	Grant Name
3.1	OSCA - Rates and taxes	8.2	Accredited municipalities
4.1	Informal Economy Infrastructure	10.1	Museum subsidies
4.2	Municipal Employment Initiative	10.2	Art centres (operational costs)
4.3	Airports	10.3	Provincialisation of libraries
4.4	Economic Development Plan	10.4	Community library services grant
4.5	Tourism programmes	10.5	Infrastructure
4.6	Greenest Municipality Competition	10.6	Maintenance grant
7.1	Municipal clinics	11.1	Small Town Rehabilitation programme
8.1	CRU Programme and Municipal Rates and Taxes	14.1	Property rates

**ESTIMATES
OF
PROVINCIAL REVENUE
AND
EXPENDITURE**