

OFFICE OF THE MEC

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## KZN FINANCE MEC HOLDS SUCCESSFUL MEETING WITH TRADE UNIONS

KwaZulu-Natal MEC for Finance, Mr. Francois Rodgers, successfully met with provincial representatives of the Public Servants Association (PSA), the National Health and Allied Workers' Union (Nehawu), Police and Prisons Civil Rights Union (Popcru) as well as the National Professional Teachers' Organisation of South Africa (Naptosa) on Tuesday in the KwaZulu-Natal (KZN) Treasury ministry office in Pietermaritzburg on Tuesday.

Collectively, these unions represent over 162 000 workers in the province.

In essence, the meeting served to engage union leaders on the budget process.

In line with MEC Rodgers' open door policy, the meeting also dealt frankly with the fiscal challenges facing provincial government departments.

## MEC Rodgers said:

"The province experienced budget cuts amounting over R60 billion over a four-year period. We are still struggling to get out of fiscal quagmire that culminated out of these cuts."

"In addition, the Government of Provincial Unity (GPU) has found financial leakages that are having a negative impact on the province's finances. Challenges include payments to ghost employees, staff loans as well as corruption and wasteful expenditure in the supply chain."

MEC Rodgers unpacked that despite the challenges, provincial Treasury was hard at work, focused on efforts to raise additional revenue. Goals include taxing online gaming, improving collections on vehicles licenses and fines, as well as refining policies on casino taxes and liquor licenses.

MEC Rodgers clarified that while KZN faced financial constraints, challenges were not insurmountable. He emphasised that priority attention would still be given to frontline departments i.e. Education, Health and Social Development.

In addition, provincial Treasury will in May launch a new electronic procurement system and a provincial dashboard to monitor in year spending and cashflows. These technological tools are aimed at aiding efforts to reduce corruption as well as irregular, fruitless and wasteful expenditure. These tools would further enhance oversight.

It was emphasised that while the GPU entered office with a projected R10 billion over-expenditure in June 2024, this figure had been reduced to just over R800 million by March 2025.



MEC Rodgers intimated, however, that accruals and debt to service providers remained a concern. A long-term solution to address this challenge is expected to be devised in the 2025-2026 financial year.

The unions appreciated the transparency by MEC Rodgers. They further stated their support for programmes aimed at the establishment of an ethical and capable state.

MEC Rodgers and provincial Treasury will maintain a close working relationship with labour representatives in KZN, to collectively find fiscal solutions to the current challenges.

## ENDS.

Issued by KZN Treasury. For clarity, contact Spokesperson and Media Liaison Officer, Nkosikhona Duma on 071 383 0388.