2026/27 BUDGET HIGHLIGHTS

KWAZULU-NATAL PROVINCE
TREASURY
REPUBLIC OF SOUTH AFRICA

2026/27 PROVINCIAL REVENUE

PROVINCIAL RECEIPTS

R thousand/% of total receipts	Adjusted Appropriation	Medium- term Estimates		
	2025/26	2026/27	2027/28	2028/29
Transfers from National	**157 919 264**	**163 651 251**	**169 479 724**	**174 926 498**
Equitable share	130 147 713 80.2%	136 378 118 81.1%	142 177 502 81.6%	146 678 660 81.6%
Conditional grants	27 771 551 17.1%	27 273 133 16.2%	27 302 222 15.7%	28 247 838 15.7%
Own revenue	4 292 863 2.6%	4 477 404 2.7%	4 677 665 2.7%	4 844 418 2.7%
Total receipts	**162 212 127**	**168 128 655**	**174 157 389**	**179 770 916**

- The province receives **R163.651 billion** in National Transfers and **R4.477 billion** from Provincial Own Revenue.
- The National Transfers include an **Equitable Share** of **R136.378 billion,** and **Conditional Grants** of **R27.273 billion**.
- KZN's total receipts for the 2026/27 financial year amount to about **R168.129 billion**.

CONTINGENCY RESERVE

- The province has set aside **R149.849 million, R196.001 million** and **R324.642 million** over the next three years in the Contingency Reserve for unforeseen circumstances that may arise.

2026/27 PROVINCIAL EXPENDITURE

KZN TOTAL BUDGET
R168.035 BILLION

SOCIAL SERVICES
R135.315 BILLION

PROVINCIAL PAYMENTS

R thousand	Main Appropriation 2026/27	% of Total budget
Social services	**135 315 358**	**80.5%**
Education	71 193 373	42.4%
Health	60 293 520	35.9%
Social Development	3 828 465	2.3%
Economic services	**26 234 850**	**15.6%**
Transport	13 937 255	8.3%
Economic Development, Tourism and Environmental Affairs (EDTEA)	3 775 457	2.2%
Human Settlements	3 265 987	1.9%
Agriculture and Rural Development (DARD)	2 818 097	1.7%
Public Works and Infrastructure	2 438 054	1.5%
Administration	**6 485 158**	**3.9%**
Co-operative Governance and Traditional Affairs (COGTA)	2 033 330	1.2%
Sport, Arts and Culture (DSAC)	1 657 785	1.0%
Provincial Legislature	894 413	0.5%
Office of the Premier	856 202	0.5%
Provincial Treasury	756 071	0.4%
Community Safety and Liaison	287 357	0.2%

- The bulk of the province's budget is allocated towards the delivery of **social services**, which make up 80.5% of the budget in 2026/27. The Departments of Education and Health receive additional funds to address budget pressures, and ensure the continued delivery of essential goods and services such as Learner Teacher Support Material, National School Nutrition Programme, sanitary dignity programme, primary health care services, and emergency medical services. The Department of Social Development will focus on various social programmes, including substance abuse, victim empowerment, HIV and AIDS as well as Social relief for those in distress.
- **Economic services** receive 15.6% of the 2026/27 budget. The Department of Transport has been allocated additional resources for the repair and rehabilitation of the provincial road network damaged by severe weather conditions. The Department of Agriculture and Rural Development allocates funds to address the outbreak of Foot and Mouth Disease in the province.
- The departments responsible for **administrative services** are allocated R6.485 billion, towards the implementation of electrification projects (COGTA), support to various arts and culture programmes (DSAC) and community policing (Community Safety and Liaison).

2026/27 BUDGET HIGHLIGHTS

KWAZULU-NATAL PROVINCE
TREASURY
REPUBLIC OF SOUTH AFRICA

ADDITIONAL BUDGET ALLOCATION

EDUCATION

R647.274 million towards **Compensation of employees**

HEALTH

R1.405 billion towards **Compensation of employees and goods and services**

TOP PRIORITIES FUNDED IN 2026/27

EDUCATION

Public Ordinary School	R58.482 billion
National School Nutrition Programme	R2.429 billion
Presidential Youth Employment Initiative	R70.068 million
Early Childhood Development grant	R769.769 million

HEALTH

Health care services	R45.994 billion
Construction and maintenance of health facilities	R1.944 billion

SOCIAL DEVELOPMENT

Youth Skills Development Programmes	R43.890 million
Services to Older Persons	R214.250 million
Services to Persons with Disabilities	R217.775 million
Substance abuse prevention	R122. 295 million

TRANSPORT

Provincial road network	R6.110 billion
Learner transport	R376.337 million
Subsidised public transport	R1.547 billion

PUBLIC WORKS AND INFRASTRUCTURE

Municipal Property Rates	R1.299 billion

HUMAN SETTLEMENTS

Housing Development	R2.796 billion

COGTA

Traditional Affairs	R718.555 million
Local Economic Development	R120.752 million

SPORT, ARTS AND CULTURE

Arts and Culture	R238.075 million
Library Services	R265.060 million
Sport and Recreation	R374.595 million

AGRICULTURE AND RURAL DEVELOPMENT

Extension and Advisory Services	R755.450 million
Producer support services	R322.916 million
Food Security	R114.692 million
Animal Health	R256.476 million

ECONOMIC DEV. TOURISM AND ENVIRO. AFFAIRS

Enterprise Development	R204.763 million
Trade and Investment Promotion	R657.689 million
Tourism	R409.122 million
Environmental Affairs	R1.358 billion

2026/27 BUDGET HIGHLIGHTS

KWAZULU-NATAL PROVINCE
TREASURY
REPUBLIC OF SOUTH AFRICA

INFRASTRUCTURE

KZN TOTAL INFRASTRUCTURE BUDGET R18 379 BILLION

EXISTING INFRASTRUCTURE ASSET R11.048 BILLION

- The largest share of infrastructure budget will be spent on Existing Infrastructure Assets in the form of maintenance and repairs (R3.869 billion), refurbishment and rehabilitation (R3.780 billion), and upgrades and additions (R3.397 billion).

TRANSPORT R9.059 BILLION | **HUMAN SETTLEMENTS R2.826 BILLION** | **EDUCATION R3.417 BILLION** | **HEALTH R2.197 BILLION**

- The departments will implement projects across all districts in the province, with eThekwini Metro, uMgungundlovu and King Cetshwayo Districts receiving the largest share of the infrastructure budget for 2026/27 MTEF at R2.257 billion, R2.372 billion, and R2.370 billion, respectively.
- The eThekwini Metro has 935 projects, uMgungundlovu and King Cetshwayo Districts have 694, and 776 projects.
- The Estimates of Capital Expenditure (ECE) publication lists of all the projects will be rolled out.

ECONOMIC INDICATORS

- Global growth remained steady at 3.3% in 2025, despite trade tensions, geopolitical uncertainty, and supply chain disruptions. The IMF expects growth to maintain the current momentum this year, before decelerating slightly to 3.2% in 2027.
- The national economy is expected to strengthen further to 1.4% in 2026 and 1.9% in 2027, amid continuous momentum on economic reforms focusing on electricity supply and logistics.
- The South African economy picked up marginally in 2025, with an estimated growth of 1.3%, supported by more reliable electricity supply, a bumper agricultural harvest, and improved business confidence.
- In line with the national trend, the provincial economy grew to 1.1% in 2025 and is projected to regain momentum and expand by 1.4% in 2026, supported by ongoing improvements in infrastructure and other critical sectors.

MACROECONOMIC OUTLOOK- SUMMARY

	GDP growth rate			Consumer price inflation	Unemployment rate
	2025	2026	2027		
	Estimate	Forecast		2025	
World	3.3%	3.3%	3.2%	4.1%	4.9%
South Africa	1.3%	1.4%	1.9%	3.2%	32.4%
KwaZulu-Natal	**1.1%**	**1.6%**	**2.0%**	**3.4%**	**32.4%**

2026/27 BUDGET HIGHLIGHTS

KWAZULU-NATAL PROVINCE
TREASURY
REPUBLIC OF SOUTH AFRICA

DEVELOPMENT INDICATORS

- SA and KZN alike continue to grapple with high poverty rates, as evidenced by the share of people living below the poverty line.
- Unemployment continues to surge without any notable decline, with an increase of 6.9 percentage points from 24.5% in Q4:2015 to 31.4% in Q4:2025.
- About 4.247 million people in KZN were social grant recipients as at the third quarter of 2025, which translates to 22.25% of national total grant recipients (19.089 million).
- The Human Development Index was estimated at 0.73 for SA and 0.70 for KZN in 2023.
- The challenge of income inequality remains high, as the Gini-coefficient is estimated at 0.67 in SA and 0.66 in KZN.
- The functional literacy rate for people aged 15 years and above reached 90.3% in SA and 88.9% in KZN in 2024.

DEVELOPMENT INDICATORS- SUMMARY

Indicator	South Africa		KwaZulu-Natal	
	2013	2023	2013	2023
Human Development Index	0.71	0.73	0.67	0.70
Gini-Coefficient	0.69	0.67	0.68	0.66
	2014	2024	2014	2024
Food poverty line	22.6	17.6	29.3	27.3
Functional literacy: age 15+, completed grade 7 or higher	83.1	90.3	80.7	88.9