#KZNBUDGET23/24

2023/24 KZN BUDGET HIGHLIGHTS

KWAZULU-NATAL PROVINCE
TREASURY
REPUBLIC OF SOUTH AFRICA

MACROECONOMIC OUTLOOK - SUMMARY

The global economic recovery path was disrupted by the geopolitical tension between Russia and Ukraine early in 2022, with spillovers to the global growth through its effects on commodity and energy-related markets, supply chains, inflation, and financial conditions.

Similarly, economic activity in South Africa and KZN alike, was affected by unfavourable external conditions combined with prolonged electricity challenges and disastrous flooding earlier in 2022.

Both SA and KZN show a low recovery in employment level whilst the structural unemployment rate remains the biggest challenge.

MACROECONOMIC INDICATORS: 2021 - 2024

	GDP Growth Rate				Consumer price inflation	Unemployment rate
	2021	2022 e	2023 f	2024 f	2022	
World	6.2%	3.4%	2.9%	3.1%	8.8%	6.2%
South Africa	4.9%	2.5%	0.9%	1.5%	6.9%	32.9%
KwaZulu-Natal	3.8%	2.2%	0.6%	1.6%	8.1%	30.6%

DEVELOPMENT INDICATORS

Food Poverty Line	SA	32.5%	KZN	40.9%
Human Development Index	SA	0.64	KZN	0.60
Gini-Coefficient	SA	0.63	KZN	0.63
Functional literacy rate	SA	89.2%	KZN	87.3%

KZN FISCAL FRAMEWORK

KZN total receipts for 2023/24 amount to about R146.153 billion, with a greater proportion emanating from National transfers in terms of equitable share and conditional grants

Total transfers from national amount to R142.267 billion in 2023/24, which constitutes 97.3% of KZN total receipts.

The bulk of national transfers are equitable share (R115.948 billion) at 79.3% of the provincial receipts, while conditional grants (R26.32 billion) accounts for 18.0% of KZN total receipts. Provincial own revenue is estimated at R3.885 billion (2.7% of total receipts).

Contingency Reserve, which allows us to respond in-year when unforeseen circumstances arise, remains in place and amounts to R126.8 million, R115.7 million and R138.4 million over 2023/24, 2024/25 and 2025/26 respectively.

ANALYSIS OF PROVINCIAL TOTAL RECEIPTS, 2022/23 - 2025/26

	Adjusted Appropriation	Medium-term Estimates		
R Thousand/% Of Total Receipts	2022/23	2023/24	2024/25	2025/26
Transfer From National	142 748 859	142 267 444	143 752 886	149 852 322
Equitable Share	116 697 493	115 947 671	118 858 268	123 812 221
	79.7%	79.3%	80.4%	80.4%
Conditional Grants	26 051 366	26 319 773	24 894 618	26 040 101
	17.8%	18.0%	16.8%	16.9%
Own Revenue	3 761 099	3 885 359	4 038 583	4 220 123
	2.6%	2.7%	2.7%	2.7%
Total Reciepts	**146 509 958**	**146 152 803**	**147 791 469**	**154 072 445**

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KZN TOTAL BUDGET R146.041 BILLION

SOCIAL SERVICES R114.585 BILLION

Vote 1: Office of the Premier - receives an additional **R100 million** once-off in 2023/24 for the KZN Youth Empowerment Fund.

Vote 2: Provincial Legislature - receives an additional **R100 million** per annum towards increasing funding for political parties these funds will mainly be used to increase the constituency allowance.

Vote 3: Agriculture and Rural Development - receives **R2.5 billion**, to support farmers to cultivate 20 864 hectares of grain in 2023/24.

Vote 4: EDTEA - receives **R3.406 billion** for the improvement of the provincial economy.

Vote 5: Education – EIG grant increases by **R379 million** bringing the total grant to **R2.9 billion** for new schools, repairs and maintenance of existing schools. NSNP grant – budget is **R2.1 billion**, this is for school feeding programme.

Vote 8: Human Settlements – has a total budget of **R4.3 billion**, for the provision of housing to various sectors of the population, including rural areas and informal settlements.

Vote 9: Community Safety and Liaison - receives additional **R11.6 million** once-off in 2023/24 for the establishment of Community Safety Intervention unit.

Vote 12: Transport - PRMG grant receives an increase of **R575.1million** bringing the total for this grant in 2023/24 to **R3.4 billion**, this grant is for maintenance of the road infrastructure network. The Department also provides Learner Transport at **R266.4 million**. The number of schools to be assisted in 2023/24 is 402 schools with 73 933 learners.

Vote 14: Public Works – has set a target of 135 238 work opportunities and 62 479 Full Time Equivalents through EPWP for 2023/24.

SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES, 2023/24

R thousand	Main Appropriation 2023/24	% of Total Budget
Social Services	**114 585 053**	**78.5%**
Education	60 637 286	41.5%
Health	50 687 512	34.7%
Social Development	3 260 255	2.2%
Economic Services	**24 970 482**	**17.1%**
Transport	12 966 847	8.9%
Human Settlements	4 342 997	3.0%
EDTEA	3 406 530	2.3%
Agric. & Rural Dev.	2 515 153	1.7%
Public Works	1 738 955	1.2%
Administration	**6 485 429**	**4.4%**
COGTA	2 443 013	1.7%
Sport, Arts & Culture	1 492 804	1.0%
Office of the Premier	872 057	0.6%
Prov. Legislature	748 037	0.5%
Provincial Treasury	678 910	0.5%
Community Safety & Liaison	250 608	0.2%

INFRASTRUCTURE

R19.519 billion of 2023/24 KZN total budget is allocated to infrastructure

Existing infrastructure assets receive the largest share (R11.104 billion). This includes maintenance and repair (R3.735 billion), upgrades and additions (R2.911 billion), and refurbishment and rehabilitation (R4.458 billion).

The four largest infrastructure budget by Department:

- **TRANSPORT** R9.098 BILLION
- **HUMAN SETTLEMENTS** R3.821 BILLION
- **EDUCATION** R3.468 BILLION
- **HEALTH** R2.244 BILLION

The Departments will implement projects across all districts in the province, with the largest projects to be implemented in uMgungundlovu District and eThekwini Metro at R3.02 billion (15.5%) and R2.26 billion (11.6%), respectively. The ECE publication lists all the projects that will be rolled out.

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AMANQAMPUNQAMPU

ESABELOMALI SESIFUNDAZWE 2023/24

KWAZULU-NATAL PROVINCE
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SESISONKE ISABELO
R146.041 BILLION

IZIDINGO ZEMIPHAKATHI
R114.585 BILLION

Vote 1: Ihhovisi likaNdunankulu – lithola isabelo esengeziwe esingu **R100 million** kunyaka ka 2023/24 kuphela ezobhekelela ukuxhaswa kwentsha ngezimali (KZN Youth Empowerment Fund).

Vote 2: Isishayamthetho sesiFundazwe – sithola isabelo esengeziwe esingu **R100 million** ebhekele ukukhushulwa koxhaso lwamaqembu epolitiki. Le mali izosetshenziselwa izindleko zamahhovisi osopolitiki (constituency offices) ezindaweni abajutshwe kuzona.

Vote 3: Ezolimo nokuthuthukiswa kwezindawo zasemakhaya – yabelwe **uR2.5 billion**,ukulekelela abalimi ukuthi balime indawo engama hectares angu 20 864 wombila nokunhlamvana kunyaka ka 2023/24.

Vote 4: UMnyango wezokuThuthukiswa koMnotho, ezokuVakasha nezeMvelo - wabelwe **u-R3.406 billion** ukuthuthukisa umnotho wesiFundazwe.

Vote 5: Ezemfundo – isibonelo esibizwa nge EIG grant sikhuphuka ngo **R379 million**, kuthi isiyonke ibe ngu **R2.9 billion** yezikole ezintsha, nokulungiswa kwezikole ebezivele zikhona. Isibonelelo esibizwa nge NSNP grant – sizothola u **R2.1 billion**, kanti sona sibhekelele ukondliwa kwabafundi ezikoleni.

Vote 8: Ezokuhlaliswa Kwabantu – wabelwe **uR4.3 billion**, ozosetshenziswa ukwakhela abantu izindlu, kuhlanganisa izindawo zasemakhaya nasemijondolo.

Vote 9: Ezokuphepha nokuXhunyaniswa Komphakathi – uthola eyengeziwe engu **R11.6 million** kunyaka ka 2023/24 kuphela ukuze usungule uphiko oluzobizwa nge Community Safety Intervention unit.

Vote 12: Ezokuthutha – isibonelelo esibizwa nge PRMG grant sithola eyengeziwe engu **R575.1 million** okwenza ukuthi uma seyiyonke ibe ngu **R3.4 billion** kulo nyaka. Lesi sibonelelo ngesokulungiswa kwemigwaqo. Lomnyango uphinde ubhekelele ngezokuthuthwa kwabafundi (Learner Transport) ngesamba esingu **R266.4 million**. Inani lezikole ezidinga ukusizwa kulonyaka zingu 402 schools ezinabafundi abangu 73 933 sebebonke.

Vote 14: Imisebenzi Yomphakathi – lomnyango uhlele ukwakha amathuba emisebenzi angu 135 238 kanye nangu 62 479 okungabantu abazoqashwa ngokuphelele ngokohlelo lwe EPWP kulonyaka.

IZABELO ZEMINYANGO EZIFINGQIWE: 2023/24

(R thousand) R-000	Isabelo Esiphelele 2023/24	% - Yesabelo Esiphelele
Eyezenhlalakahle	**114 585 053**	**78.5%**
Ezemfundo	60 637 286	41.5%
Ezempilo	50 687 512	34.7%
Ukuthuthukiswa Komphakathi	3 260 255	2.2%
Eyezomnotho	**24 970 482**	**17.1%**
Ezokuthutha	12 966 847	8.9%
Ezokuhlaliswa kwaBantu	4 342 997	3.0%
wezokuThuthukiswa koMnotho, ezokuVakasha nezeMvelo	3 406 530	2.3%
Ezolimo, Nezindawo Zasemakhaya	2 515 153	1.7%
Imisebenzi Yomphakathi	1 738 955	1.2%
Eyezokuphatha	**6 485 429**	**4.4%**
Ezokubusa ngokubambisana, Ubuholi Bomdabu	2 443 013	1.7%
Ezemidlalo, Amaciko, Nosiko	1 492 804	1.0%
Ihhovisi LikaNdunankulu	872 057	0.6%
Isishayamthetho SesiFundazwe	748 037	0,5%
OwezokuGcinwa KwaMafa	678 910	0.5%
Ezokuphepha Nokuxhunyaniswa	250 608	0.2%

EZENGQALASIZINDA

R19.519 billion ku 2023/24 imali ezophuma kwisabelomali sesiFundazwe ezobhekelela ezengqalasizinda.

Ingqalasizinda ekhona ithola isabelo esikhulu esingu R11.104 billion. Lokhu kuhlanganisa eyokulungiswa nokuvuselelwa kwayo engu R3.735 billion, eyokuthuthukiswa kwayo engu R2.911 billion, kanye neyokuhlunyeleliswa engu R4.458 billion.

Iminyango emine ebhekele ingqalasizinda yabelwe kanje:

- **EZOKUTHUTHA** – **R9.098 BILLION**
- **EZOKUHLALISWA KWABANTU** – **R3.821 BILLION**
- **EZEMFUNDO** – **R3.468 BILLION**
- **EZEMPILO** – **R2.244 BILLION**

Le minyango izoba nezinhlelo zengqalasizinda kuzo zonke iziFunda kwaZulu-Natal. Izinhlelo ezinkulu zengqalasizinda ezilinganiselwa ku R3.02 billion (15.5%) kanye no R2.26 billion (11.6%) zizogxila eMgungundlovu naseThekwini. Ibhuku lethu elibizwa ngokuthi phecelezi *i-Estimate of Capital Expenditure* (ECE) linazo zonke izinhlelo zengqalasizinda ezizokwenziwa yiminyango eyehlukene kulonyaka wezimali.

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ESABELOMALI SESIFUNDAZWE 2023/24

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EZOMNOTHO NGOKUFINGQIWE

- Ukuthuthuka komnotho emhlabeni kuphazanyiswe yimpi ephakathi kwe Russia ne Ukraine ekuqaleni kuka 2022, nokube nomthelela ekukhuleni komnotho wonke, kwathikameza ikakhulukazi imikhakha yezomnotho ehlanganisa izimakethe zempahla kanye nezamandla, ezokudayiselana, ukukhula kwentengo kanye nokuntengantenga kwezimali.
- Kanjalo-ke ezomnotho kuleli kanye nakwisiFundazwe iKwaZulu-Natal (KZN) zaphazamiseka ngezimo ezingezinhle zomhlaba kuhlangene nokwantuleka kukagesi kanye nomonakalo owadalwa yizikhukhula zanyakenye okuyizinto zonke ezicindezela ukukhula komnotho.
- Kodwa-ke kuzwelonke naKwaZulu-Natal, kuvela ukuthi izinga lokuqashwa kwabantu liyenyuka kancane yize isenkulu inkinga yokutholakala kwemisebenzi kuleli.

IZINKOMBA ZOMNOTHO: 2021 – 2024

	Ukukhula Komnotho				Ukunyuka Kwentengo Yezimpahla	Inani labantu abangasebenzi
	2021	2022 e	2023 f	2024 f	2022	
Umhlaba Wonke	6.2%	3.4%	2.9%	3.1%	8.8%	6.2%
Ningizimu Afrika	4.9%	2.5%	0.9%	1.5%	6.9%	32.9%
KwaZulu-Natal	3.8%	2.2%	0.6%	1.6%	8.1%	30.6%

IZINKOMBA ZENTUTHUKO

Indlala nobubha	SA	32.5%	KZN	40.9%
Intuthuko kubantu	SA	0.64	KZN	0.60
Izinga lokungalingani	SA	0.63	KZN	0.63
Inani labantu abakwazi ukufunda nokubhala	SA	89.2%	KZN	87.3%

EZEZIMALI ZESIFUNDAZWE

- Ibalelwa ku-R146.153 billion isiyonke imali etholwe yilesi siFundazwe ebhekele unyaka wezimali ka 2023/24, kanti eningi yayo ivela kuHulumeni kazwelonke okuyisabelo esingenamigomo (Equitable Share) kanye nezibonelelo ezinemigomo (Conditional Grants).
- Isiyonke evela kuzwelonke ingu-R142.267 billion ku 2023/24, nokwenza iphesenti elingu 97.3% yezimali ze-KwaZulu-Natal seziphelele.
- Imali eningi eyisabelo esivela kuHulumeni kazwelonke yilena ebizwa nge Equitable Share (R115.948 billion) eyenza u 79.3% yokutholwe yisiFundazwe, bese enye ibe yizibonelelo ezibizwa ngama Conditional Grants (R26.32 billion) yona-ke eyenza u 18% kokutholwe yisiFundazwe.
- Eqoqwe yisiFundazwe ebizwa nge Provincial Own Revenue yona ingu R3.885 billion nokwenza u 2.7% yezimali zesiFundazwe seziphelele.
- **Imali ebhekelele izimo eziphuthumayo (Contingency Reserve)**, okuyimali esiza isiFundazwe uma kuvela obekungalindelekile maphakathi nonyaka-zimali, ihlelwe kanje: R126.8 million, R115.7 million kanye no R138.4 million onyakeni wezimali ka 2023/24, 2024/25 kanye 2025/26.

UKUHLAZIYWA KWEZIMALI ZESIFUNDAZWE: 2022/23 – 2025/26

R-000 / % Iemali Yesifundazwe Isiphelele	Ukwabiwa Okubuyekeziwe	Isabelo Saphakathi Nonyakamali		
	2022/23	2023/24	2024/25	2025/26
Inani eliphuma kuHulumeni kaZwelonke	142 748 859	142 267 444	143 752 886	149 852 322
Isabelo Esingenamigomo	116 697 493	115 947 671	118 858 268	123 812 221
	79.7%	79.3%	80.4%	80.4%
Izibonelelo Ezinemibandela	26 051 366	26 319 773	24 894 618	26 040 101
	17.8%	18.0%	16.8%	16.9%
Imali eqoqwa isiFundazwe	3 761 099	3 885 359	4 038 583	4 220 123
	2.6%	2.7%	2.7%	2.7%
Imali YesiFundazwe Isiphelele	**146 509 958**	**146 152 803**	**147 791 469**	**154 072 445**