



BUDGET FRAMEWORK

- KZN total receipts for 2024/25 financial year amount to **R150.7 billion**, with the largest proportion received from National transfers in the form of equitable share and conditional grants.
- Total transfers from National, amount to R146.5 billion in 2024/25, which constitutes 97.2% of KZN's total receipts.
- The bulk of national transfers are equitable share (R121.1 billion) at 80.4% of the provincial receipts, while conditional grants (R25.4 billion) account for 16.8% of KZN's total receipts. Provincial own revenue is estimated at R4.2 billion (2.8% of total receipts).

KZN Fiscal Framework, 2023/24 – 2026/27

R thousand/% of total receipts	Adjusted Appropriation	Medium-term Estimates		
	2023/24	2024/25	2025/26	2026/27
Transfer from national	142 267 444	146 541 000	151 410 642	157 418 604
<i>Equitable share</i>	115 947 671 79.3%	121 145 053 80.4%	126 359 814 81.1%	131 972 012 81.5%
<i>Conditional grants</i>	26 319 773 18.0%	25 395 947 16.8%	25 050 828 16.1%	25 446 592 15.7%
Own revenue	3 885 359 2.7%	4 176 860 2.8%	4 359 745 2.8%	4 543 709 2.8%
Total receipts	146 152 803	150 717 860	155 770 387	161 962 313

Source: KZN Provincial Treasury, 2024

KZN TOTAL BUDGET R150.488 billion

	Main Appropriation 2024/25	% of Total budget
SOCIAL SERVICES	R120.197 bn	79,9%
Education	R62.989 bn	41,9%
Health	R53.797 bn	35,7%
Social Development	R3.411bn	2,3%

- **Education** – the budget will be spent on 5 785 ordinary schools serving 2 682 940 learners and 75 public special schools serving 21 286 learners. The budget will also provide for the school security programme and the **national school nutrition programme (NSNP)**.
- **Health** - the budget will be spent on the delivery of primary health care services to approximately 89.5% uninsured KZN population (10.560 million of the total 12.423 million).
- **Social Development** – the budget will be used to provide care and support services to vulnerable groups (elderly, disabled and those in social distress).

2024/25 KZN BUDGET HIGHLIGHTS



	Main Appropriation 2024/25	% of Total budget
ECONOMIC SERVICES	R24.413 bn	16,2%
Transport	R13.024 bn	8,70%
Human Settlements	R3.530 bn	2,30%
EDTEA	R3.460 bn	2,30%
Agric. & Rural Dev.	R2.608 bn	1,70%
Public Works	R1.792 bn	1,20%

	Main Appropriation 2024/25	% of Total budget
ADMINISTRATION	R5.878 bn	3,90%
COGTA	R1.850 bn	1,20%
Sport, Arts & Culture	R1.537 bn	1,00%
Office of the Premier	R784.153 mn	0,50%
Prov. Legislature	R782.115 mn	0,50%
Provincial Treasury	R680.901 mn	0,50%
Community Safety & Liaison	R243.343 mn	0,20%

- **Transport** – the budget will be spent on the continued upgrade, rehabilitation and new construction of the provincial road network.

- **EDTEA** – the budget will be spent towards supporting various programmes such as the Special Economic Zones (SEZs) and industrial economic hubs, economic transformation, black industrialisation, the Operation Vula programme as well as SMME development, amongst others.

- **Agricultural and Rural Development** - budget will be spent towards local economic development initiatives such as provision of seeds, 22 310 planted hectares as well as 34 infrastructure development projects.

- **Office of the Premier** – The budget will be spent on cross-cutting and transversal activities, such as OSS, integrity management, youth development, the Nerve Centre, and support to the Royal Household, amongst others.

- **Sport, Arts and Culture** – budget will be used to develop and promote arts, culture, museum, archive, library, sport and recreation services, among others.

Contingency Reserves, which allows the Province to respond in-year when unforeseen circumstances arise.

This reserve remains in place amounting to R236.419 million, R227.115 million and R225.486 million over 2024/25, 2025/26 and 2026/2, respectively.

INFRASTRUCTURE

R17.102 billion (11.3%) of 2024/25 KZN'svt total budget is allocated to infrastructure

Existing Infrastructure assets receive the largest share (R8.986 billion). This includes maintenance and repair (R3.083 billion), and refurbishment and rehabilitation (R2.983 billion), upgrades and additions (R2.921 billion).

2024/25 KZN BUDGET HIGHLIGHTS



Transport
R8.109 bn 47.4%



Human Settlements
R3.141 bn 18.4%



Education
R2.862 bn 16.7%



Health
R2.205 bn 12.9%

- The departments will implement projects across all districts in the Province, with uMgungundlovu District and eThekweni Metro receiving the largest share of the infrastructure budget for 2024/25 at R2.989 billion (17.5%) and R2.066 billion (12.1%), respectively.
- The eThekweni Metro has 686 projects, and uMgungundlovu District has 506 projects. The Estimates of Capital Expenditure (ECE) publication lists all the projects that will be rolled out and available on website: www.kzntreasury.gov.za.

ECONOMIC INDICATORS

- The persistent global supply chain bottlenecks and tighter monetary policy implemented to contain inflation weighed down global growth in 2023.
- The global outlook remains uncertain owing to numerous downside risks, such as low global trade growth as well as geopolitical conflicts.
- Domestically, growth was disrupted mainly by structural challenges such as electricity load-shedding alongside deteriorating ports and rail infrastructure.
- The economic prospects are also negatively affected by the disastrous flooding that has become frequent in some parts of the country, thereby causing damage to economic and social infrastructure.
- On a positive note, both SA and provincial economies are projected to pick up marginally in 2024 and 2025, supported by the expected improvement in energy supply.

	GDP growth rate				Consumer price inflation	Unemployment rate
	2022	2023	2024	2025		
	Estimates		Forecast		2023	
World	3,5%	3,1%	3,1%	3,2%	6,8%	5,1%
South Africa	1,9%	0,6%	1,2%	1,3%	6,0%	32,4%
KwaZulu-Natal	1,1%	0,7%	1,1%	2,3%	6,7%	30,4%

SA and KZN: Average unemployment rate over three quarters



DEVELOPMENT INDICATORS

- Approximately 31.9% of the South African population (19.8 million) still lived below the food poverty line in 2022.
- KZN reported about 40.5% of people living below the food poverty line during the same period. The Province had the highest number of social grant beneficiaries at about 4.17 million as at the first quarter of 2023, which translates to 22% of national total grant recipients (18.97 million).
- SA (0.65) and KZN (0.62) continue to maintain the middle level of Human Development Index (HDI). Despite various government programs aimed at addressing past injustices, the challenge of income inequality remains high, as the Gini-coefficient is estimated at 0.61 for both SA and KZN.
- Encouragingly, the functional literacy rate for people aged 15 years and above who have completed grade seven was reported at 89.8% and 88.1% in SA and KZN in 2022, compared to 82.4% and 79.8% in 2012, respectively.

Development Indicators: 2012 - 2022

Development Indicators				
Indicator	South Africa		KwaZulu-Natal	
	2012	2022	2012	2022
Food poverty line	22,2%	31,9%	28,1%	40,5%
Human Development Index	0,61	0,65	0,56	0,62
Gini-Coefficient	0,64	0,61	0,63	0,61
Functional literacy: age 15+, completed grade 7 or higher	82,4%	89,8%	79,8%	88,1%

Source: S&P Global, 2023