

Summary of the 2025/26 Adjustments Estimate

1. Introduction

Table 1 provides a summary of the 2025/26 Adjustments Estimate. The main appropriation, appropriated by the KwaZulu-Natal Legislature, amounted to R158.478 billion, including a statutory amount of R99.286 million allocated under Vote 2: Provincial Legislature. The Adjustments Estimate process allows for amendments to be made to the main appropriation, and these amendments are contained in the 2025/26 Adjustments Estimate. The detail is provided per Vote in this publication and is summarised in this summary.

Table 1 : Provincial budget summary

R thousand	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Current payments	135 646 065	3 314	-	(188 846)	160 313	2 532 791	2 507 572	138 153 637
Transfers and subsidies	13 671 952	175 000	-	(149 938)	(182 195)	900 765	743 632	14 415 584
Payment of capital assets	9 160 032	86 400	-	338 585	21 882	717 660	1 164 527	10 324 559
Payment of financial assets	-	-	-	199	-	-	199	199
Total expenses	158 478 049	264 714	-	-	-	4 151 216	4 415 930	162 893 979
Total receipts	158 753 574	-	-	-	-	3 458 552	3 458 552	162 212 126
Surplus/(Deficit) before financing	275 525	(264 714)	-	-	-	(692 664)	(957 378)	(681 853)
Financing of which:								
Provincial roll-overs	-	264 714	-	-	-	-	264 714	264 714
Allocations from Contingency reserves	-	-	-	-	-	278 085	278 085	-
Allocations from provincial cash resources	2 560	-	-	-	-	475 306	475 306	477 866
Suspension to ensuing years	-	-	-	-	-	14 000	14 000	14 000
Surplus/(Deficit) after financing	278 085	-	-	-	-	74 728	74 728	74 728

The 2025/26 adjustments appropriation is increased by R4.416 billion, to an adjusted budget of R162.894 billion. The province received additional funding from National Treasury to supplement in-year budget pressures and fund disasters that occurred in the province (R3.459 billion) which makes up the bulk of the adjustments. The remaining adjustments are funded from provincial cash resources available in the Provincial Revenue Fund (PRF). When the 2025/26 Main Budget was tabled, an amount of R278.085 million was budgeted for as a Contingency Reserve. This amount, together with R11.338 million in own revenue over-collections, from recalled funds from various municipalities, and funds held in the PRF, and the positive audited net financial position of R311.882 million realised at the end of 2024/25, together with funds held in the PRF to fund urgent priorities meant that a total amount of R1.032 billion was available as provincial cash resources for allocation in this Adjustments Estimate. These are discussed in detail in the individual Vote chapters. The sources of funding for this Adjustments Estimate are explained further under Section 2 of this summary.

The provincial cash resources were allocated to various provincial commitments, including conditional grants roll-overs (R189.714 million), 2025 wage agreement pressures (R19.793 million), the payment of property rates (R196.300 million) and for the operational costs of Ithala Soc Limited (R300 million), among others. The own revenue of R3.006 million and R5 million was allocated back to Vote 8: Human Settlements and Vote 11: COGTA to cater for spending pressures as a result of previous budget cuts.

2. Sources of funding

The funding of additional expenditure of departments through the 2025/26 Adjustments Estimate is derived from additional funding provided by National Treasury, provincial cash resources, the Contingency Reserve, as well as approved conditional grant roll-overs, as follows:

- Additional allocation received from National Treasury towards Health and Education budget pressures, as well as disaster relief funding for various departments – R3.459 billion.
- Conditional grant roll-overs – R189.714 million.
- Provincial cash resources – R842.775 million.

2.1 Transfers from National

Table 2 provides details of the adjusted provincial receipts for 2025/26, which is funding received from National Treasury in respect of the provincial equitable share allocation, as well as conditional grants. National Treasury provided additional funding to the province through the Provincial Equitable Share (R2.053 billion) and conditional grants (R1.405 million). These allocations are detailed in the individual departmental chapters.

Table 2 : Summary of provincial receipts

R thousand	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Transfer receipts from National	154 460 711	-	-	-	-	3 458 552	3 458 552	157 919 263
Equitable share	128 094 529					2 053 183	2 052 123	130 146 652
Conditional grants	26 366 182					1 405 369	1 405 369	27 771 551
Vote 3: Agriculture and Rural Development	380 329	-	-	-	-	31 874	31 874	412 203
CASP grant	277 479					31 874	31 874	309 353
Ilima/Letsema Projects grant	83 692					-	-	83 692
Land Care grant	14 760					-	-	14 760
EPWP Integrated Grant for Provinces	4 398					-	-	4 398
Vote 4: Economic Dev., Tourism & Enviro Affairs	6 161	-	-	-	-	-	-	6 161
EPWP Integrated Grant for Provinces	6 161					-	-	6 161
Vote 5: Education	5 326 951	-	-	-	-	779 875	779 875	6 106 826
Education Infrastructure grant	2 489 596					432 689	432 689	2 922 285
HIV and AIDS (Life-Skills Education) grant	69 280					-	-	69 280
Maths, Science and Technology (MST) grant	74 445					-	-	74 445
National School Nutrition Programme (NSNP) grant	2 335 101					-	-	2 335 101
Learners with Profound Intellectual Disabilities grant	38 431					-	-	38 431
Early Childhood Development (ECD) grant	308 627					347 186	347 186	655 813
EPWP Integrated Grant for Provinces	11 471					-	-	11 471
Vote 7: Health	12 179 401	-	-	-	-	294 180	294 180	12 473 581
District Health Programmes grant	7 466 119					95 180	95 180	7 561 299
National Health Insurance grant	89 818					-	-	89 818
EPWP Integrated Grant for Provinces	21 391					-	-	21 391
Human Resources and Training grant	788 597					-	-	788 597
National Tertiary Services grant	2 289 556					-	-	2 289 556
Health Facility Revitalisation grant	1 517 920					199 000	199 000	1 716 920
EPWP Integrated Grant for Provinces	6 000					-	-	6 000
Vote 8: Human Settlements	3 113 571	-	-	-	-	(1 060)	(1 060)	3 112 511
Human Settlements Development grant	2 599 445					(863)	(863)	2 598 582
EPWP Integrated Grant for Provinces	5 243					-	-	5 243
ISU Partnership grant	508 883					(197)	(197)	508 686
Vote 9: Community Safety and Liaison	5 324	-	-	-	-	-	-	5 324
Social Sector EPWP Incentive Grant for Provinces	5 324					-	-	5 324
Vote 10: Sport, Arts and Culture	317 568	-	-	-	-	-	-	317 568
EPWP Integrated Grant for Provinces	2 261					-	-	2 261
Community Library Services grant	197 862					-	-	197 862
Mass Participation and Sport Development grant	114 343					-	-	114 343
EPWP Integrated Grant for Provinces	3 102					-	-	3 102
Vote 11: COGTA	3 440	-	-	-	-	-	-	3 440
EPWP Integrated Grant for Provinces	3 440					-	-	3 440
Vote 12: Transport	5 009 802	-	-	-	-	300 500	300 500	5 310 302
Provincial Roads Maintenance grant	3 462 816					300 500	300 500	3 763 316
EPWP Integrated Grant for Provinces	54 593					-	-	54 593
Public Transport Operations grant	1 492 393					-	-	1 492 393
Vote 13: Social Development	18 217	-	-	-	-	-	-	18 217
EPWP Incentive Grant for Provinces	18 217					-	-	18 217
Vote 14: Public Works and Infrastructure	5 418	-	-	-	-	-	-	5 418
EPWP Integrated Grant for Provinces	5 418					-	-	5 418
Provincial own receipts	4 292 863							4 292 863
Total	158 753 574	-	-	-	-	3 458 552	3 458 552	162 212 126
Total new receipts								3 458 552

National Treasury allocated R3.459 billion to KwaZulu-Natal in the 2025/26 Adjustments Estimate to address critical budget pressures and disaster relief needs. These allocations were made in response to fiscal constraints and urgent service delivery requirements needed in the province.

2.1.1 Additions to the Provincial Equitable Share

- **Health** received an additional allocation of R1.390 billion. The funds are allocated against *Compensation of employees* for the continued employment of community service doctors and interns and *Goods and services* for procurement of essential goods and services and to reduce accruals.

- **Education** received an additional allocation of R640.876 million. The funds are directed to address spending pressures, primarily under *Compensation of employees*, ensuring continued delivery of education services despite fiscal consolidation cuts.
- **Public Works and Infrastructure** received an additional allocation of R20.762 million as a disaster relief allocation for repair of government buildings.

2.1.2 Additions to Conditional Grants

- The **Comprehensive Agricultural Support Programme (CASP) grant** under Vote 3: DARD received an additional allocation of R31.874 million as a disaster relief allocation for the reconstruction and rehabilitation of provincial infrastructure damaged by rainfall.
- The **Early Childhood Development (ECD) grant** under Vote 5: Education received an additional allocation of R347.186 million to increase the per child per day subsidies (from R17 to R24 for centre-based programmes and from R6 to R9 for non-centre-based programmes) and to expand early learning access for approximately 700 000 additional children under five years of age.
- The **Education Infrastructure grant (EIG)** under Vote 5: Education received an additional allocation of R432.689 million as a disaster relief allocation for repairing damaged school facilities.
- The **District Health Programmes grant** under Vote 7: Health received an additional allocation of R95.180 million as an emergency measure following the withdrawal of PEPFAR funding administered by USAID. This ensured continuity of HIV/AIDS-related programmes.
- The **Health Facility Revitalisation grant** under Vote 7: Health received an additional allocation of R199 million as disaster relief funds for restoring healthcare infrastructure.
- The **Provincial Roads Maintenance grant** under Vote 12: Transport received an additional allocation of R300.500 million as a disaster relief allocation for road rehabilitation.

There was also a correction made by National Treasury under the Human Settlements Development grant (HSDG) and the Informal Settlements Upgrading Partnership grant (ISUPG). In this regard, National Treasury noted that these two grants erroneously received a top-up of R863 000 and R197 000, respectively. These funds should have been allocated under the equitable share against *Compensation of employees*. As such, the HSDG is reduced by R863 000 and the ISUPG is reduced by R197 000 against *Transfers and subsidies to: Households*, while the department's equitable share allocation is increased by R1.060 million which was allocated to *Compensation of employees*.

2.2 National Treasury allocations for the 2025 wage agreement

National Treasury indicated when the 2025/26 main budget was set, that departments should budget for a 4.6 per cent cost of living adjustment. Many departments found this difficult to achieve as a result of the fiscal consolidation budget cuts made against their budgets over the last few MTEF periods. The 2025 wage agreement was then implemented at a 5.5 per cent increase, which is 0.9 per cent higher than the percentage National Treasury had indicated the province should budget for. This left a portion that is unfunded. Further exacerbating the situation is that not all departments could budget for the 4.6 per cent prescribed increase, but also because the increase that was implemented was higher at 5.5 per cent, and this adds significant pressure to the provincial budget. During the main budget, National Treasury allocated funds to the province to cover the 0.9 per cent wage agreement gap. In this regard, KZN received R918.608 million and allocated R848.664 million to the social sector departments in the 2025/26 main budget, given their existing budget pressures, to address the wage agreement gap. The balance of R69.944 million was kept in the Contingency Reserve, and this Adjustments Estimate sees allocations made to Vote 2: Provincial Legislature (R17.787 million) and to Vote 8: Human Settlements (R2.006 million) towards the cost of implementing the 2025 wage agreement. Most of the other departments were able to cover this cost because of savings from vacant posts.

3. 2025/26 Net financial position

Some allocations are made from provincial cash resources in this Adjustments Estimate. These provincial cash resources became available for allocation from various sources:

- The first source is from the under-spending from the prior year, offset by the revenue under-collection from that year. As a result, the province has R311.882 million in the provincial bank account available for allocation.
- The second source is the Contingency Reserve of R278.085 million.
- Thirdly, an amount of R300 million was held in the provincial bank account to back a guarantee which has since expired. These funds were thus available for allocation. Also, an amount of R24.339 million was returned to the provincial bank account by the KZN Growth Fund Agency (KZNGFA) with respect to unspent KZN Youth Empowerment funds and this amount was available for allocation.
- Fourthly, Vote 6: Provincial Treasury requested R20.177 million to be suspended from their baseline during the 2024/25 budget for allocation back to the Vote in 2025/26.
- Fifthly, some departments over-collected their revenue targets in-year and requested that these funds be allocated back to them.
- Finally, funds totalling R154.785 million are made available from various departments and public entities towards addressing Vote 7: Health budget pressures. In this regard, R64.785 million was moved from various departments and public entities' budgets in 2025/26 to Vote 7: Health. Also, R90 million was paid into the PRF by the KZNGFA for allocation to Vote 7: Health.

There were several competing needs and the allocations made fall in line with the available resource envelope. The following departments receive additional funds in this Adjustments Budget, or unspent equitable share funds relating to the prior year are rolled over for spending in the current year, noting that the conditional grant roll-overs are detailed in Section 4 of this Summary.

The provincial cash resources were used to fund the following:

- **Vote 1: Office of the Premier** receives R105.739 million, as follows:
 - R6.400 million for transfer to the Zulu Royal House Trust with respect to legal fees for His Majesty, the King, as well as to provide for the new beneficiaries, in line with the current royal household's needs.
 - R99.339 million for the continued implementation of the KZN Youth Empowerment Fund. These funds were rolled over from the prior year, both from unspent funds under the Office of the Premier (R75 million), as well as from the KZNGFA (R24.339 million).
- **Vote 2: Provincial Legislature** receives R60.794 million for the following:
 - R1.967 million relates to the revenue over-collection from the prior year which is allocated back to the Legislature in line with the Financial Management for Parliament and Provincial Legislatures Act (FMPPLA) and the PFMA.
 - R20.313 million relates to the operational under-spending from the year before which the Legislature may retain in line with FMPPLA. It is noted that the Legislature under-spent against the Members' remuneration by R7.528 million and these unspent funds have to be returned to the Provincial Revenue Fund.
 - R20.727 million of the cash available is ear-marked to finance the Legislature's operational over-spending from 2023/24 after the Standing Committee on Oversight (STACOV) authorised this unauthorised expenditure.
 - R17.787 million is allocated to the Legislature for the 2025 wage agreement. The Legislature sector bargaining council agreed on an annual wage increase of 4.8 per cent for the Legislature staff and this allocation covers the costs of implementing these increases.

- **Vote 4: Economic Development, Tourism and Environmental Affairs (EDTEA)** receives R300 million for transfer to the Ithala Development Finance Corporation (IDFC) towards the operating costs of Ithala Soc Limited. Ithala has shown some distress since all its operations were frozen following a provisional liquidation order by the Prudential Authority. This has meant that Ithala Soc Limited was completely reliant on the provincial fiscus to pay its operating costs such as salaries, rentals and municipal costs for its 38 branches and head office. The funds are also allocated towards critical IT costs, legal fees, security costs, among others.
- **Vote 8: Human Settlements** receives the following:
 - R3.006 million and this relates to revenue received in the current year which the department requested to retain towards offsetting budget pressures in their operational expenditure. These funds were collected from various municipalities where projects were completed and unspent balances remained, from the sale of units at Ridgeview Gardens, among others.
 - R2.006 million towards implementing the 2025 wage agreement where the percentage departments were meant to budget for was 4.6 per cent whereas the agreement was reached at 5.5 per cent. Due to limited equitable share operational funds, this department required an allocation in this regard.
- **Vote 10: Sport, Arts and Culture** received R2.429 million for the operational costs of the Enyokeni Precinct. The National Department of Sport, Arts and Culture constructed this precinct which has been used for the *Umkhosi Womhlanga* and *Umkhosi Woselwa*. This centre requires operational funding now that it is completed specifically for staffing, cleaning, security and utilities, as well as for some furniture, equipment and vehicle requirements. The department will fund this cost from within their baseline going forward.
- **Vote 11: COGTA** receives a total of R24.640 million, as follows:
 - R8.332 million relates to funds that the department over-collected against their revenue budget mainly as a result of recalling unspent balances from various municipalities from completed projects or where projects have shown no progress. The department will use these recalled funds to offset some of their budget pressures brought about by historic budget cuts, among others.
 - R16.308 million is allocated to repair 17 Traditional Administrative Centres that were damaged by storms between December 2024 and June 2025 where the applications for additional funding to the National Disaster Management Centre were unsuccessful.
- **Vote 13: Social Development** receives R40 million to refurbish seven state facilities that provide care to children. The funds are allocated to safeguard the rights and dignity of the children cared for by these centres. The funds will be allocated to the department in 2026/27 to allow sufficient time for the procurement processes to be completed this year and for the renovations to commence early next year.
- **Vote 14: Public Works and Infrastructure** receives R193.600 million towards budget pressures in the payment of property rates. This allocation takes into account that the baseline for these payments requires correcting, as well as the fact that there was an escalation in municipal property rates as a result of the implementation of the new General Valuation Rolls by some municipalities. Failure to meet these obligations would result in undue hardship to various state facilities such as schools and hospitals. There is some work being done as part of the Provincial Financial Recovery Plan to reduce the property rates bill, in part by selling state properties that are no longer being used, but also negotiating better rates with various municipalities and this should have an impact on the future provincial property rates bill.

3.1 Suspension of funds

Vote 6: Provincial Treasury suspended an amount of R14 million from its Main Budget in 2025/26, to be reallocated in 2026/27. The funds will directed towards the implementation of the Provincial Financial Recovery Plan, the enhancement of security systems, and the acquisition of Audit and Risk Management computer systems.

Also, R20 million was suspended from Vote 11: COGTA to Vote 14: Public Works and Infrastructure to repair the Legislature Assembly (LA) Building in Ulundi following the damage sustained by the building during the heavy rainfalls in December 2024 and January 2025.

4. 2024/25 unspent conditional grants

This section provides more detail in terms of the unspent conditional grants approved for roll-over, as well as the amounts that have to be paid back to National Treasury where approval for roll-over was not received. In aggregate, the province recorded net under-expenditure of R190.098 million on the conditional grants received for 2024/25. These funds cannot be used for any other purpose and, if not rolled over, then the unspent portion must be surrendered to the National Revenue Fund. National Treasury approved the roll-over of R189.714 million, which means that not the full amount under-spent was approved for roll-over. In this regard, R385 000 was not approved for roll-over and must be surrendered to National Treasury. This is detailed here:

- The **Human Settlements Development grant** under Vote 8: Human Settlements under-spent by R100 million at the end of 2024/25, and the full amount was approved for roll-over towards the committed Aloe Ridge Social Housing project in the Msunduzi Municipality.
- The **Learners with Profound Intellectual Disabilities (LPID) grant** under Vote 5: Education under spent by R3.317 million and R3.314 million was approved for roll-over towards committed funds for the payment of invoices relating to assistive devices for which payment could not be made in the prior year as the supplier had not delivered the items.
- The **Comprehensive Agricultural Support Programme (CASP) grant** under Vote 3: DARD under spent by R86.400 million and the full amount was approved for roll-over towards the development of a fresh produce agri-hub at the Richards Bay Industrial Development Zone.

5. Summary of adjustments allocations

Table 3 provides a summary of the additional funds allocated to the various provincial departments from provincial cash resources and forms the basis of the 2025/26 Adjustments Estimate.

Further details of these adjustments, which resulted in an overall increase of R4.416 billion, are provided under the specific department's chapter. These adjustments include conditional grants roll-overs, suspension of funds, as well as additional funding provided to departments.

The adjustments per category are discussed as follows:

Roll-overs: The total amount rolled over from 2024/25 to 2025/26 relates to the conditional grant roll-overs, as well as the equitable share roll-overs. The amount rolled over in this regard was R264.714 million, as detailed earlier.

Other adjustments: Funds were allocated to various provincial pressures, with these being funded from provincial cash resources and additional PES funding from National Treasury for existing budget pressures. These are detailed in Section 3 of this Summary.

Further to the additional allocation received by the departments, as highlighted in the above sections, departments have moved funds between programmes, sub-programmes and economic classifications. In most instances, these movements are within the prescripts governing the limitations to which Accounting Officers and Provincial Treasury may approve the movement of funds to utilise savings in one area to offset excess expenditure in another area.

In cases where these limitations are exceeded, the approval of the Legislature is required, and these are therefore highlighted in this Adjustments Estimate. These movements are fully explained under each Vote in Section 2 of this document.

Table 3 : Summary of adjustments for 2025/26

R thousand	Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments	Total adjustment
Vote 1: Office of the Premier	75 000	-	-	-	20 722	95 722
Funds moved to budget pressures in Vote 7: Health					(10 017)	(10 017)
KZN Youth Empowerment Fund	75 000					75 000
Budget pressures in ZRHT (legal fees & beneficiary list)					6 400	6 400
Funds returned from KZNGFA for KZN Youth Empowerment Fund					24 339	24 339
Vote 2: Provincial Legislature	-	-	-	-	40 067	40 067
Unspent operational funds from 24/25					20 313	20 313
Revenue over-collection from 24/25					1 967	1 967
Wage agreement funds (held in Contingency Reserve)					17 787	17 787
Vote 3: Agriculture and Rural Development	86 400	-	-	-	31 874	118 274
CG roll-over: CASP grant	86 400					86 400
Disaster funding ito S6(1)(b) of the Appropriation Act: CASP grant					31 874	31 874
Vote 4: Economic Dev., Tourism & Enviro Affairs	-	-	-	-	270 200	270 200
Ithala SOC Ltd - operational funds					300 000	300 000
Funds moved to budget pressures in Vote 7: Health, of which:						-
From Vote 4: EDTEA					(17 500)	(17 500)
Reducing the transfer to TIKZN					(1 000)	(1 000)
Reducing the transfer to DTPC					(7 700)	(7 700)
Reducing the transfer to RBIDZ					(2 100)	(2 100)
Reducing the transfer to KZNTAFA					(1 500)	(1 500)
Vote 5: Education	3 314	-	-	-	1 424 751	1 424 065
CG roll-over: LPID grant	3 314					3 314
Additional PES funding from National Treasury for existing budget pressures					640 876	640 876
Additional ECD grant funding from National Treasury for increase in subsidy					347 186	347 186
EIG - Disaster funding ito S31 of the PFMA					354 000	354 000
EIG - Disaster funding ito S6(1)(b) of the Appropriation Act					78 689	78 689
Vote 6: Provincial Treasury	-	-	-	-	788	788
Savings susp. from 24/25 for office configuration, OSS proj, Internal Audit & Prov Fin Recov					20 177	20 177
Funds moved to budget pressures in Vote 7: Health					(5 389)	(5 389)
Funds suspended to 2026/27 for Provincial Financial Recovery Plan					(14 000)	(14 000)
Vote 7: Health	-	-	-	-	1 839 450	1 839 450
District Health Programmes grant (Replace PEPFAR funding)					95 180	95 180
Funds moved from other Votes & public entities to budget pressures in DOH					64 785	64 785
Funds surrendered by KZN Growth Fund Agency for budget pressures in DOH					90 000	90 000
Additional PES funding from National Treasury for existing budget pressures					1 390 485	1 390 485
HFRG - Disaster funding ito S6(1)(b) of the Appropriation Act					199 000	199 000
Vote 8: Human Settlements	100 000	-	-	-	1 712	101 712
Funds moved to budget pressures in Vote 7: Health					(3 300)	(3 300)
Revenue retention from unspent balances, FLISP, etc.					3 006	3 006
CG roll-over - HSDG	100 000					100 000
Wage agreement funds (held in Contingency Reserve)					2 006	2 006
Correction by NT under HSDG's COE					(863)	(863)
Correction by NT under ISUPG's COE					(197)	(197)
Correction by NT - COE funds from HSDG and ISUPG added to PES					1 060	1 060
Vote 9: Community Safety and Liaison	-	-	-	-	-	-
Vote 10: Sport, Arts and Culture	-	-	-	-	(2 171)	(2 171)
Funds moved to budget pressures in Vote 7: Health					(4 600)	(4 600)
Operational costs for Enyokeni Precinct					2 429	2 429
Vote 11: Co-operative Governance and Traditional Affairs	-	-	-	-	1 186	1 186
Funds moved to budget pressures in Vote 7: Health					(3 454)	(3 454)
Funds suspend to DPWI to repair Legislature Assembly Building in Ulundi					(20 000)	(20 000)
Revenue retention from funds recalled from uMhlatuze Water and municipalities					5 000	5 000
Revenue over-collection from 24/25					3 332	3 332
Disaster repairs of Traditional Administrative Centres					16 308	16 308
Vote 12: Transport	-	-	-	-	300 500	300 500
PRMG Disaster funding ito S6(1)(b) of the Appropriation Act					300 500	300 500
Vote 13: Social Development	-	-	-	-	(2 097)	(2 097)
Funds moved to budget pressures in Vote 7: Health					(2 097)	(2 097)
Vote 14: Public Works and Infrastructure	-	-	-	-	228 234	228 234
Funds moved to budget pressures in Vote 7: Health					(6 128)	(6 128)
Funds suspend from COGTA to repair Legislature Assembly Building in Ulundi					20 000	20 000
Provincial equitable share - disaster funding ito S6(1)(b) of the Appropriation Act					20 762	20 762
Shortfall in property rates					193 600	193 600
Total	264 714	-	-	-	4 151 216	4 415 930

6. Expenditure

Tables 4 and 5 present a summary of the adjusted appropriation by Vote and economic classification, after taking all adjustments into account.

Table 4 : Expenditure summary by Vote

R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
1. Office of the Premier	817 875	75 000	-	-	-	20 722	95 722	913 597
2. Provincial Legislature	751 510	-	-	-	-	40 067	40 067	791 577
3. Agriculture and Rural Development	2 757 443	86 400	-	-	-	31 874	118 274	2 875 717
4. Economic Dev., Tourism and Enviro Affairs	3 606 998	-	-	-	-	270 200	270 200	3 877 198
5. Education	66 690 206	3 314	-	-	-	1 420 751	1 424 065	68 114 271
6. Provincial Treasury	710 190	-	-	-	-	788	788	710 978
7. Health	56 211 801	-	-	-	-	1 839 450	1 839 450	58 051 251
8. Human Settlements	3 549 877	100 000	-	-	-	1 712	101 712	3 651 589
9. Community Safety and Liaison	275 716	-	-	-	-	-	-	275 716
10. Sport, Arts and Culture	1 598 141	-	-	-	-	(2 171)	(2 171)	1 595 970
11. Co-operative Governance and Traditional Affairs	1 931 153	-	-	-	-	1 186	1 186	1 932 339
12. Transport	13 827 066	-	-	-	-	300 500	300 500	14 127 566
13. Social Development	3 613 297	-	-	-	-	(2 097)	(2 097)	3 611 200
14. Public Works and Infrastructure	2 037 490	-	-	-	-	228 234	228 234	2 265 724
Sub-total	158 378 763	264 714	-	-	-	4 151 216	4 415 930	162 794 693
Statutory payments	99 286	-	-	-	-	-	-	99 286
Total	158 478 049	264 714	-	-	-	4 151 216	4 415 930	162 893 979
Amount to be voted							4 415 930	

Table 5 : Expenditure summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
Current payments	135 546 779	3 314	-	(192 786)	160 313	2 531 731	2 502 572	138 049 351
Compensation of employees	101 064 578	-	-	626 384	-	1 124 574	1 750 958	102 815 536
Goods and services	34 481 490	3 314	-	(819 430)	160 313	1 407 157	751 354	35 232 844
Interest and rent on land	711	-	-	260	-	-	260	971
Transfers and subsidies to:	13 671 952	175 000	-	(145 998)	(182 195)	901 825	748 632	14 420 584
Provinces and municipalities	1 776 429	-	-	9 807	9 120	190 853	209 780	1 986 209
Departmental agencies and accounts	2 837 459	-	-	(111 027)	521	(4 100)	(114 606)	2 722 853
Higher education institutions	4 960	-	-	-	-	-	-	4 960
Foreign governments and international organisations	342	-	-	308	-	-	308	650
Public corporations and private enterprises	1 983 331	75 000	-	11 147	10 474	321 239	417 860	2 401 191
Non-profit institutions	3 710 098	-	-	(145 425)	(181 110)	347 186	20 651	3 730 749
Households	3 359 333	100 000	-	89 192	(21 200)	46 647	214 639	3 573 972
Payments for capital assets	9 160 032	86 400	-	338 585	21 882	717 660	1 164 527	10 324 559
Buildings and other fixed structures	7 836 620	86 400	-	332 483	45 505	691 131	1 155 519	8 992 139
Machinery and equipment	1 298 214	-	-	4 659	(183)	26 529	31 005	1 329 219
Heritage assets	-	-	-	1 438	-	-	1 438	1 438
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	350	-	-	5	-	-	5	355
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	24 848	-	-	-	(23 440)	-	(23 440)	1 408
Payments for financial assets	-	-	-	199	-	-	199	199
Sub-total	158 378 763	264 714	-	-	-	4 151 216	4 415 930	162 794 693
Statutory payments	99 286	-	-	-	-	-	-	99 286
Total	158 478 049	264 714	-	-	-	4 151 216	4 415 930	162 893 979
Amount to be voted							4 415 930	

It is noted that the following definitions/guidelines are applicable to determine the type/category of adjustments reflected under the various columns in all Expenditure tables in this document:

Roll-overs: Funds from 2024/25 that were committed but not spent in that year and are to be re-appropriated in 2025/26.

Unforeseeable/unavoidable: Expenditure that could not be anticipated at the time of finalising the 2025/26 main budget.

Virement: The utilisation of savings or under-spending under one main division/ sub-division/ economic classification of a Vote toward the defrayment of excess expenditure under another main division/ sub-division/economic classification of the same Vote. That is, the original purpose of the funds has changed.

Shifts: The re-allocation of funds incorrectly allocated during the 2025/26 EPRE budget process, or where the funds are shifted due to the re-classification of expenditure (e.g., in line with SCOA definitions). This also includes functions shifted within a Vote to follow the internal transfer of functions (e.g., from one programme to another). That is, the original purpose of the funds remains the same.

Other adjustments: Any additional funding allocated to the department during the year, other than roll-overs. This category also includes funds shifted between Votes to follow the transfer of functions (i.e., function shifts between departments), funds suspended to other financial years, etc.

The amount reflected against *Statutory payments* is the remuneration of the Members of the Legislature.

7. Infrastructure

Tables 6 and 7 show the summary of the adjusted infrastructure budgets by Vote and main category. Further details are provided under each Vote in Section 2. Table 7 also reflects adjustments against the various categories by nature of investment. In aggregate, infrastructure spending is set to increase to R19.326 billion from the main budget of R18.248 billion that was set for 2025/26. This reflects an increase of R1.078 billion. There are some virements out of the capital infrastructure categories of some departments, and these are detailed in the individual Vote's chapters.

Table 6 : Summary of infrastructure expenditure by Vote

R thousand	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Office of the Premier	20 140	-	-	-	-	-	-	20 140
2. Provincial Legislature	11 635	-	-	1 570	-	1 600	3 170	14 805
3. Agriculture and Rural Development	242 680	86 400	-	40 700	-	-	127 100	369 780
4. Economic Dev., Tourism and Enviro Affairs	42 035	-	-	1 539	21 202	-	22 741	64 776
5. Education	3 066 425	-	-	-	-	432 689	432 689	3 499 114
6. Provincial Treasury	26 733	-	-	(4 817)	-	-	(4 817)	21 916
7. Health	2 403 908	-	-	(187 933)	-	199 000	11 067	2 414 975
8. Human Settlements	3 144 815	100 000	-	-	-	(1 060)	98 940	3 243 755
9. Community Safety and Liaison	12 500	-	-	-	-	-	-	12 500
10. Sport, Arts and Culture	214 019	-	-	7 125	-	-	7 125	221 144
11. Co-operative Governance and Traditional Affairs	52 086	-	-	13 917	51 620	18 680	84 217	136 303
12. Transport	8 798 110	-	-	-	-	300 500	300 500	9 098 610
13. Social Development	183 661	-	-	(33 288)	-	-	(33 288)	150 373
14. Public Works and Infrastructure	29 133	-	-	(11 743)	-	40 762	29 019	58 152
Total	18 247 880	186 400	-	(172 930)	72 822	992 171	1 078 463	19 326 343
Amount to be voted								1 078 463

Table 7 : Summary of infrastructure expenditure by category

R thousand	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
Existing infrastructure assets	10 105 650	-	-	(251 910)	(2 500)	990 859	736 449	10 842 099
Maintenance and repair: Current	3 577 406	-	-	(446 336)	(2 005)	302 100	(146 241)	3 431 165
Upgrades and additions: Capital	2 699 707	-	-	409 601	(1 347)	-	408 254	3 107 961
Refurbishment and rehabilitation: Capital	3 828 537	-	-	(215 175)	852	688 759	474 436	4 302 973
New infrastructure assets: Capital	1 308 376	86 400	-	138 057	46 000	2 372	272 829	1 581 205
Infrastructure transfers	3 069 824	100 000	-	(1 425)	29 322	(1 060)	126 837	3 196 661
Infrastructure transfers: Capital	3 018 758	100 000	-	(2 925)	29 322	(1 060)	125 337	3 144 095
Infrastructure transfers: Current	51 066	-	-	1 500	-	-	1 500	52 566
Infrastructure: Payments for fin assets	-	-	-	-	-	-	-	-
Infrastructure: Leases	525 588	-	-	52 818	-	-	52 818	578 406
Non infrastructure¹	3 238 442	-	-	(110 470)	-	-	(110 470)	3 127 972
Total	18 247 880	186 400	-	(172 930)	72 822	992 171	1 078 463	19 326 343
Capital infrastructure	10 855 378	186 400	-	329 558	74 827	690 071	1 280 856	12 136 234
Current infrastructure	4 154 060	-	-	(392 018)	(2 005)	302 100	(91 923)	4 062 137
Amount to be voted								1 078 463

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

The details of the adjustments made to the infrastructure budget are provided in each Vote's chapter in Section 2.

8. Transfers to local government

Table 8 gives a summary of the transfers to local government. Details of these transfers are provided under each Vote in Section 2. Transfers to municipalities are set to increase by R209.121 million, with a significant amount of this relating to additional funds allocated to Vote 14: Public Works and Infrastructure for the payment of property rates.

The bulk of the transfers in the table are administered by Vote 14: Public Works and Infrastructure (R1.160 billion), Vote 10: Sport, Arts and Culture (R408.142 million), Vote 7: Health (R299.987 million), Vote 8: Human Settlements (R49.471 million), Vote 4: EDTEA (R25.852 million), Vote 11: COGTA (R8.120 million) and Vote 6 : Provincial Treasury (R1 million). These are explained below the table.

Table 8 : Summary of transfers to local government

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments			
A	KZN2000 eThekwi	912 892	-	-	(19 813)	2 140	91 307	73 634	986 526
Total: Ugu Municipalities		61 617	-	-	9 022	(1 582)	4 836	12 276	73 893
B	KZN212 uMdoni	17 343	-	-	571	(263)	968	1 276	18 619
B	KZN213 uMzombe	7 882	-	-	7 880	(1 379)	1 173	7 674	15 556
B	KZN214 uMuzwabantu	10 076	-	-	-	(17)	1 442	1 425	11 501
B	KZN216 Ray Nkonyeni	26 316	-	-	571	77	1 253	1 901	28 217
C	DC21 Ugu District Municipality	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities		171 518	-	-	8 471	1 080	23 731	33 282	204 800
B	KZN221 uMshwathi	18 865	-	-	-	(61)	3 095	3 034	21 899
B	KZN222 uMngeni	18 497	-	-	-	251	2 439	2 690	21 187
B	KZN223 Mpofana	3 180	-	-	-	(38)	33	(5)	3 175
B	KZN224 iMpendle	4 590	-	-	(100)	215	(1 213)	(1 098)	3 492
B	KZN225 Msunduzi	116 253	-	-	8 000	799	19 162	27 961	144 214
B	KZN226 Mkhambathini	3 174	-	-	571	406	197	1 174	4 348
B	KZN227 Richmond	6 544	-	-	-	(77)	18	(59)	6 485
C	DC22 uMgungundlovu District Municipality	415	-	-	-	(415)	-	(415)	-
Total: uThukela Municipalities		114 620	-	-	571	(4 620)	15 000	10 951	125 571
B	KZN235 Okhahlamba	16 977	-	-	571	(5 155)	1 673	(2 911)	14 066
B	KZN237 iNkosi Langelibalele	35 227	-	-	-	405	5 415	5 820	41 047
B	KZN238 Alfred Duma	62 416	-	-	-	130	7 912	8 042	70 458
C	DC23 uThukela District Municipality	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities		60 037	-	-	2 562	(999)	12 661	14 224	74 261
B	KZN241 eNdumeni	20 032	-	-	-	(602)	4 607	4 005	24 037
B	KZN242 Nquthu	18 397	-	-	200	(113)	4 810	4 897	23 294
B	KZN244 uMsinga	9 979	-	-	1 142	(177)	1 462	2 427	12 406
B	KZN245 uMvoti	11 629	-	-	1 220	(107)	1 782	2 895	14 524
C	DC24 uMzinyathi District Municipality	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities		43 744	-	-	1 142	4 831	3 546	9 519	53 263
B	KZN252 Newcastle	27 442	-	-	571	118	1 359	2 048	29 490
B	KZN253 eMadlangeni	6 500	-	-	571	4 857	855	6 283	12 783
B	KZN254 Dannhauser	9 802	-	-	-	(144)	1 332	1 188	10 990
C	DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-
Total: Zululand Municipalities		115 909	-	-	7 745	5 379	12 498	25 622	141 531
B	KZN261 eDumbe	8 672	-	-	-	(151)	986	835	9 507
B	KZN262 uPhongolo	27 994	-	-	4 505	252	1 053	5 810	33 804
B	KZN263 Abaqulusi	16 328	-	-	571	190	2 091	2 852	19 180
B	KZN265 Nongoma	18 615	-	-	1 142	4 914	1 742	7 798	26 413
B	KZN266 Ulundi	42 081	-	-	571	174	6 626	7 371	49 452
C	DC26 Zululand District Municipality	2 219	-	-	956	-	-	956	3 175
Total: uMkhanyakude Municipalities		56 845	-	-	1 713	1 261	9 519	12 493	69 338
B	KZN271 uMhlabyalingana	19 277	-	-	-	(107)	3 409	3 302	22 579
B	KZN272 Jozini	15 052	-	-	571	1 585	1 743	3 899	18 951
B	KZN275 Inkosi uMtubatuba	14 693	-	-	-	(108)	1 644	1 536	16 229
B	KZN276 Big Five Hlabisa	7 823	-	-	1 142	(109)	2 723	3 756	11 579
C	DC27 uMkhanyakude District Municipality	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities		82 860	-	-	2 642	5 891	11 322	19 855	102 715
B	KZN281 uMfolozi	3 466	-	-	-	(87)	162	75	3 541
B	KZN282 uMhlatuze	49 787	-	-	1 571	3 097	7 369	12 037	61 824
B	KZN284 uMalazi	12 406	-	-	500	614	1 052	2 166	14 572
B	KZN285 Mthonjaneni	5 500	-	-	-	(86)	822	736	6 236
B	KZN286 Nkandla	11 701	-	-	571	2 353	1 917	4 841	16 542
C	DC28 King Cetshwayo District Municipality	-	-	-	-	-	-	-	-
Total: iLembe Municipalities		55 729	-	-	(6 560)	489	5 996	(75)	55 654
B	KZN291 Mandeni	6 104	-	-	-	892	236	1 128	7 232
B	KZN292 KwaDukuza	22 735	-	-	-	(108)	1 730	1 622	24 357
B	KZN293 Ndwedwe	10 970	-	-	(6 560)	(186)	424	(6 322)	4 648
B	KZN294 Maphumulo	15 920	-	-	-	(109)	2 606	2 497	18 417
C	DC29 iLembe District Municipality	-	-	-	-	-	1 000	1 000	1 000
Total: Harry Gwala Municipalities		53 921	-	-	1 713	1 861	3 764	7 338	61 259
B	KZN433 Greater Kokstad	11 013	-	-	571	2 062	1 259	3 892	14 905
B	KZN434 Johannes Phumani Phungula	8 841	-	-	-	(107)	1 291	1 184	10 025
B	KZN435 uMzimkhulu	27 047	-	-	571	775	959	2 305	29 352
B	KZN436 Dr Nkosazana Dlamini Zuma	6 197	-	-	571	(46)	255	780	6 977
C	DC43 Harry Gwala District Municipality	823	-	-	-	(823)	-	(823)	-
Unallocated		13 300	-	-	-	(6 611)	(3 389)	(10 000)	3 300
Total		1 742 992	-	-	9 210	9 120	190 791	209 121	1 952 113
Amount to be voted								209 121	

- **Public Works and Infrastructure's** allocation to *Transfers and subsidies to: Provinces and municipalities* relates to the payment of property rates.
- **Sport, Arts and Culture's** allocation to *Transfers and subsidies to: Provinces and municipalities* relates mainly to cultural events, library services, and sports infrastructure projects. These include allocations for art centres, community libraries, fitness centres, and sports fields across various municipalities.
- **Health** allocates funds to *Transfers and subsidies to: Provinces and municipalities* in respect of municipal clinics.
- **Human Settlements** allocates funds to *Transfers and subsidies to: Provinces and municipalities* for various housing projects.

- **EDTEA** allocates funds to *Transfers and subsidies to: Provinces and municipalities* mainly for supporting informal economy infrastructure and rural industrialisation projects. Key initiatives include trading facilities, mini factories, flea markets, and livestock processing upgrades to boost local economic activity and job creation.
- **COGTA** allocates funds to *Transfers and subsidies to: Provinces and municipalities*, to fund municipal development initiatives, including the Municipal Excellence Awards and infrastructure upgrades. Key projects include transformer replacements in Vulindlela for electrification and rehabilitation of Mona Market under the Small Town Rehabilitation programme.
- **Provincial Treasury** allocates funds to *Transfers and subsidies to: Provinces and municipalities* to cater for the iLembe Organic Farming project where the department is providing funding to the municipality to implement the project as part of the OSS/DDM responsibilities.

9. Actual expenditure and revised spending projections for the rest of 2025/26

Tables 9 and 10 provide a summary of the actual expenditure as at the end of September 2025, projected expenditure for the rest of the financial year and total revised spending per department and economic classification. The province has spent 49.5 per cent of its adjusted budget after six months of the year. This is slightly below the straight-line benchmark of 50 per cent for the period under review. All departments are projecting to spend within budget by the end of the financial year, as departments that were predominantly displaying spending pressures were instructed to prepare turnaround plans to ensure they remain within budget by year-end.

Table 9 : Actual payments and revised spending projections by Vote

R thousand	2024/25	Adjusted appropriation	Actual payments		Projected payments		Projected actual
	Audited outcome		April 2025 - September 2025	October 2025 - March 2026	% of budget	% of budget	
1. Office of the Premier	794 065	913 597	356 399	39.0	557 198	61.0	913 597
2. Provincial Legislature	823 657	890 863	417 761	46.9	473 102	53.1	890 863
3. Agriculture and Rural Development	2 521 985	2 875 717	1 097 694	38.2	1 778 023	61.8	2 875 717
4. Economic Development, Tourism and Environmental Affairs	3 440 005	3 877 198	1 917 875	49.5	1 959 323	50.5	3 877 198
5. Education	63 738 140	68 114 271	32 963 890	48.4	35 150 381	51.6	68 114 271
6. Provincial Treasury	634 303	710 978	319 580	44.9	391 398	55.1	710 978
7. Health	53 796 892	58 051 251	28 588 896	49.2	29 462 355	50.8	58 051 251
8. Human Settlements	3 819 386	3 651 589	1 842 456	50.5	1 809 133	49.5	3 651 589
9. Community Safety and Liaison	263 079	275 716	116 910	42.4	158 806	57.6	275 716
10. Sport, Arts and Culture	1 537 777	1 595 970	810 143	50.8	785 827	49.2	1 595 970
11. Co-operative Governance and Traditional Affairs	1 915 917	1 932 339	861 989	44.6	1 070 350	55.4	1 932 339
12. Transport	13 023 640	14 127 566	8 353 963	59.1	5 773 603	40.9	14 127 566
13. Social Development	3 409 350	3 611 200	1 765 620	48.9	1 845 580	51.1	3 611 200
14. Public Works and Infrastructure	2 137 333	2 265 724	1 210 312	53.4	1 055 412	46.6	2 265 724
Total	151 855 529	162 893 979	80 623 488	49.5	82 270 491	50.5	162 893 979

Table 10 : Actual payments and revised spending projections by economic classification

R thousand	2024/25	Adjusted appropriation	Actual payments		Projected payments		Projected actual
	Audited outcome		April 2025 - September 2025	October 2025 - March 2026	% of budget	% of budget	
Current payments	130 616 520	138 148 637	68 527 180	49.6	69 621 457	50.4	138 148 637
Compensation of employees	98 169 568	102 911 401	51 330 003	49.9	51 581 398	50.1	102 911 401
Goods and services	32 438 635	35 236 265	17 192 150	48.8	18 044 115	51.2	35 236 265
Interest and rent on land	8 317	971	5 027	517.7	(4 056)	(417.7)	971
Transfers and subsidies to:	13 551 196	14 420 584	7 524 461	52.2	6 896 123	47.8	14 420 584
Provinces and municipalities	1 852 495	1 986 209	1 080 956	54.4	905 253	45.6	1 986 209
Departmental agencies and accounts	2 701 770	2 722 853	1 335 474	49.0	1 387 379	51.0	2 722 853
Higher education institutions	4 280	4 960	960	19.4	4 000	80.6	4 960
Foreign governments and international organisations	783	650	-	-	650	100.0	650
Public corporations and private enterprises	1 886 083	2 401 191	1 311 090	54.6	1 090 101	45.4	2 401 191
Non-profit institutions	3 391 508	3 730 749	1 879 790	50.4	1 850 959	49.6	3 730 749
Households	3 714 277	3 573 972	1 916 191	53.6	1 657 781	46.4	3 573 972
Payments for capital assets	7 678 146	10 324 559	4 570 461	44.3	5 754 098	55.7	10 324 559
Buildings and other fixed structures	6 280 801	8 992 139	4 186 674	46.6	4 805 465	53.4	8 992 139
Machinery and equipment	1 387 855	1 329 219	382 882	28.8	946 337	71.2	1 329 219
Heritage assets	805	1 438	905	62.9	533	37.1	1 438
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	355	-	-	355	100.0	355
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	8 685	1 408	-	-	1 408	100.0	1 408
Payments for financial assets	9 667	199	1 386	696.5	(1 187)	(596.5)	199
Total	151 855 529	162 893 979	80 623 488	49.5	82 270 491	50.5	162 893 979