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2026 BUDGET

SOCIAL SERVICES AND INFRASTRUCTURE CLUSTER

HIGHLIGHTS OF THE 2026 BUDGET

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HIGHLIGHTS OF THE 2026 BUDGET: SOCIAL SERVICES AND INFRASTRUCTURE CLUSTER

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1. 2026 BUDGET HIGHLIGHTS

The 2026 Budget for the Social Services and Infrastructure (SSI) Cluster is characterised by a **delicate balance between fiscal constraints and the continued prioritisation of social protection, infrastructure maintenance, and state modernisation**. While Government faces a tightening fiscal environment, the social wage continues to dominate national expenditure, accounting for approximately 60% of non-interest spending, a clear reaffirmation of its commitment to reducing poverty and inequality.

The budget places **strong emphasis on efficiency gains, improved programme performance, and savings** derived from eliminating underspending and strengthening fraud prevention systems. Notably, several allocations are sustained not through expanded fiscal space, but through reprioritisation within and across Votes, such as the scaled-down Public Transport Network Grant due to persistent underperformance.

Across the cluster's six Votes, the 2026/27 budget allocations **reveal uneven trends**, with some departments experiencing contractions while others receive modest increases aimed at protecting critical services.

Home Affairs (Vote 5) faces a significant **9.2% reduction** after self-financing and digitisation funds from the adjusted budget fall away. Yet, despite reduced funding, the Department **remains central to the state's digital transformation agenda**. Substantial investments continue toward digitising 25 million civic records, expanding Smart ID and passport services, and strengthening border management through advanced technologies aligned with State of the Nation Address (SONA) priorities. These efforts, however, occur alongside potential service delivery risks arising from cuts to Citizen and Immigration Affairs programmes.

Public Works and Infrastructure (Vote 13) receives a **modest 2.5% increase**, which remains below projected inflation, challenging the department's capacity to maintain infrastructure and deliver on its mandate. **Key funding priorities include the Expanded Public Works Programme (EPWP), project preparation support through Infrastructure South Africa, and a multi-billion-rand medium-term allocation to the Property Management Trading Entity (PMTE) for maintenance, refurbishment, and capital projects**. However, persistent budget pressures, coupled with the scale and complexity of major infrastructure developments, signal the need for strengthened oversight to ensure delivery readiness and value for money.

Health (Vote 18) continues to operate under severe constraints. Its **1.5% increase** fails to keep pace with health-specific inflation, despite rising service demand. Still, the budget **channels extensive resources toward strengthening primary health care** through the R92.1 billion District Health Programmes Grant, including substantial allocations for human immunodeficiency virus (HIV) and Acquired Immunodeficiency Syndrome (AIDS) services, community health worker outreach, and Human Papilloma Virus (HPV) vaccination programmes. **Infrastructure remains a priority**, with large investments in facility revitalisation and tertiary services. Yet, reductions in funding for tuberculosis (TB) and women's health programmes, paired with persistent project management weaknesses, present significant risks to achieving public health outcomes.

Social Development (Vote 19) remains the largest within the cluster, with an allocation exceeding R302 billion for 2026/27. Core priorities include **social security reform, poverty alleviation, child nutrition, and strengthening welfare interventions**. Major allocations include R37.8 billion for the Social Relief of Distress (SRD) Grant and R269.2 billion for the Child Support Grant, underscoring the centrality of income support mechanisms. However, the planned **phase-out of the SRD grant poses significant vulnerability risks**, requiring careful planning to avoid abrupt income shocks for poor households.

Human Settlements (Vote 33) experiences the sharpest contraction in the cluster, with a **22.7% reduction**. Despite this decline, the budget supports a decisive **policy shift away from direct state construction toward a subsidy-driven model** that enables households to build, rent, or purchase homes suited to their needs. Major grants collectively support integrated human settlements, bulk infrastructure development, and the upgrading of nearly 3,000 informal settlements. Declining provincial grant allocations, however, **highlight pressing risks around institutional capacity, coordination, and readiness to operationalise the new model**.

Transport (Vote 40) also contracts by 4.5 % in 2026/27 budget allocation compared to 2025/26 budget allocation, although allocations increase in the outer years. The budget foregrounds logistics reform, particularly the **revitalisation of freight rail corridors and significant investment in national and provincial road networks**. The winding down of the Public Transport Network Grant reportedly reflects chronic underperformance, while ambitious SONA commitments such as the introduction of high-speed rail, require a credible financing model and enhanced institutional capacity. Climate-related infrastructure damage further complicates long-term planning.

Taken together, the 2026 SSI Cluster Budget advances Government’s commitment to **sustaining essential social protections, modernising critical state systems, and supporting infrastructure networks crucial for mobility, human development, and service delivery**. Yet the budget is also marked by tightening baselines, inflationary pressures, and sector-specific risks that demand vigilant oversight. Ensuring that reprioritised resources translate into tangible improvements, particularly for the most vulnerable, will be essential to achieving the policy objectives set out for the year ahead.

The Cluster has six Departments under its purview. Table 1 shows the 2025/26 main and adjusted appropriation¹, the 2026/27 main appropriation² and percentage increases for each vote under the Social Services and Infrastructure Cluster as well as the share of total appropriated funds.

Table 1: Departments within the Social Services and Infrastructure Cluster

Vote	Department	2025/26 Main Appropriation	2025/26 Adjusted Appropriation	2026 /27 Main Appropriation	Percentage Increase/ Decrease 2025/26- 2026/27³	2026/27 Percentage Share of Total Appropriated Funds per Vote⁴
5	Home Affairs	11 060	15 156.1	13 766.4	-9.2%	1.1%
13	Public Works and Infrastructure	7 623.0	7 647.7	7 835.5	2.5%	0.6%
18	Health	64807.2	65 925.1	66 910.2	1.5%	5.5%
19	Social Development	294 055.6	295 225.1	302 405.0	2.4%	24.9%
33	Human Settlements	34 042.8	34 915.3	26 972.2	-22.7%	2.2%
40	Transport	95 692.1	106 942.8	102 108.9	-4.5%	8.4%

¹ An adjusted appropriation is a modification to a government’s main budget, increasing or decreasing funds during a financial year through an Adjustments Appropriation Bill.

² ENE (2026)

³ 2025/26 Adjusted Appropriation and 2026/27 Main Appropriation.

⁴ Ibid

2. VOTE 5: HOME AFFAIRS

The Department is appropriated R13.77 billion for the 2026/27 financial year. This represents a decrease of 9.2% from the 2025/26 adjusted budget of R15.16 billion. The 2025/26 adjusted appropriation included an increase in the appropriation from R2.5 billion generated from department revenue and an additional R470 million for the digitising of records. However, the Department's budget increases with R6.4 billion when compared to the 2025/26 main appropriation (discounting the adjustment).

The Home Affairs vote constitutes of four Programmes:

- Administration
- Citizen Affairs
- Immigration Affairs
- Institutional Support and Transfers

2.1. MTEF FOCUS AREAS⁵

DHA will focus on the following areas over the MTEF:

- Digitising civic records and developing a digital identity ecosystem.
- Enhancing service delivery through automation.
- Improving accessibility for greater presence.

2.2. ALIGNMENT TO THE 2026 FOCUS AREAS AND MTEF PRIORITIES

The SONA of 2026 outlined the following areas on Home Affairs:

- Intensifying efforts to secure South Africa's borders through targeted investment in infrastructure, advanced technology, and the recruitment of additional personnel to strengthen border management capacity.
- Reconfiguring and modernising key border posts through structured public-private partnerships to improve efficiency, security, and trade facilitation.
- Expanding the Electronic Travel Authorisation (ETA) system to all international airports and the busiest land ports of entry (POE) to enhance migration management and pre-screening processes.
- Strengthening interdepartmental collaboration between the South African Police Service (SAPS), the Department of Home Affairs (DHA), and labour inspectors to enforce compliance with immigration, labour, and related legislation.
- Employing an additional 10 000 labour inspectors during 2026 to enhance the enforcement of labour laws and curb the employment of undocumented migrants.
- Launching a Digital Identity (Digital ID) system to enable the safe, secure, and efficient use of digital services for all South Africans.
- Expanding the rollout of Smart ID cards and passport services to additional bank branches nationwide to reduce queues, waiting times, and pressure on Home Affairs offices.

⁵ ENE, 2026

Table 2: SONA⁶ and MTEF priorities for Vote 5 and funds allocated to the priorities

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET ⁷
Expanding the ETA system to all international airports and the busiest land POEs to enhance migration management and pre-screening processes.	Enhancing service delivery through automation.	<p>R3.4 billion allocated to the <i>Transversal Information Technology Management</i> sub-programme over the MTEF to fund amongst others:</p> <ul style="list-style-type: none"> • automate late registration of births up to 1 year, including registration of foreigners born in the country in 2026/27. • automate process for passport applications, marriage and death certificates over the MTEF. • automation of departmental support processes such as subsistence and travel claims, as well as bookings in 2026/27. • Digitising and automation of the visa adjudication process over the MTEF.
Intensifying efforts to secure South Africa's borders through targeted investment in infrastructure, advanced technology, and recruitment of additional personnel to strengthen border management capacity.	Enhancing service delivery through automation.	<ul style="list-style-type: none"> • R3 billion over the MTEF from the Border Management Authority (BMA) budget to develop systems such as the movement control system and the advanced passenger processing and name record system, and enhancing connectivity at the country's 71 ports of entry.
Launching a Digital ID system to enable the safe, secure, and efficient use of digital services for all South Africans.	Digitising civic records and developing a digital identity ecosystem.	<ul style="list-style-type: none"> • R575 million over the MTEF period to develop a government wide digit identity ecosystem, with facial recognition as the primary biometric modality, and fingerprints as the secondary. • R457.9 million allocated in 2026/27 to digitise 25 million civic records, including marriage, birth and death certificates.

⁶ SONA, 2026

⁷ Figures from the ENE

<p>Expanding the rollout of Smart ID cards and passport services to additional bank branches nationwide to reduce queues, waiting times, and pressure on Home Affairs offices.</p>	<p>Improving accessibility for greater presence.</p>	<ul style="list-style-type: none"> • R3.4 billion allocated to the <i>Transversal Information Technology Management</i> sub-programme to fund amongst other the rollout of smart ID cards, passports, and other civic services through partnership with major banks to integrate application infrastructure, cover biometric enrolment and courier logistics over the MTEF. • R45 million in 2026/27 to fund the introduction of 220 functioning mobile offices with the required hardware, systems and connectivity to be deployed in rural and marginalised areas.
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2.3. CRITICAL ISSUES FOR OVERSIGHT

- The Administration programme increases from approximately R2.7 billion in the 2025/26 main appropriation to R3.06 billion in 2026/27, before marginally declining to R3.03 billion by 2028/29. However, the 2025/26 adjusted appropriation included an additional R1.38 billion for the programme, funded largely from the Department's own revenue of R2.5 billion. By the end of the third quarter, the Department had spent 69.7% of its available funding, raising concerns about the sustainability of programme delivery in the absence of continued self-financing through departmental revenue.
- The Citizen Affairs programme is intended to fund the expansion of Smart ID services and the rollout of live capture systems, both of which are priorities articulated in the SONA. Insufficient funding for the programme may slow the expansion of Smart ID services to underserved areas, lead to the re-emergence of backlogs in civic services and constrain the rollout to the targeted 100 bank branches and additional Home Affairs offices.
- The reduction in the Immigration Affairs programme budget from R837.1 million in the 2025/26 main appropriation to R625.2 million in 2026/27 may weaken border security enforcement capacity, contribute to delays in visa processing, and slow the rollout of the Electronic Travel Authorisation (ETA) system, key priorities articulated in the 2026 SONA.
- The budget for the Institutional Support and Transfers programme increases substantially, from R4.2 billion in 2025/26 to R6.5 billion in 2026/27, largely driven by higher transfers to the Border Management Authority (BMA). While this increase is aligned with the SONA priority of strengthening border security through enhanced infrastructure, technology, and personnel deployment, it also raises important oversight concerns. The effectiveness of this allocation will depend on the BMA's operational readiness, capacity to absorb the additional funding, and ability to translate increased resources into measurable improvements in border control and service delivery. Without strengthened governance, clear performance indicators, and robust expenditure monitoring, there is a risk that the increased allocation may not yield the intended outcomes.

3. VOTE 13: PUBLIC WORKS AND INFRASTRUCTURE

Public Works and Infrastructure receive R7.8 billion in 2026/27 which is an increase of 2.5% compared to R7.65 billion in the 2025/26 adjusted budget, increasing to R8.2 billion in 2027/28 and R8.5 billion in 2028/29. The Vote has five main Programmes:

- Administration
- Intergovernmental Coordination
- Expanded Public Works Programme
- Property and Construction Industry Policy and Research
- Prestige Policy

Note: The main vote of the Department of Public Works and Infrastructure (DPWI) includes the Property Management Trading Entity (PMTE), responsible for the immovable asset management functions on behalf of the DPWI, including the provision of residential and office accommodation for User Departments at the National Government level; and acquires, manages, operates, maintains and disposes of immovable assets in the Department's custody. The PMTE comprises of the following six Programmes:⁸

- Administration
- Real Estate Investment Services
- Construction Management Services
- Real Estate Management Services
- Real Estate Registry Services
- Facilities Management Services

In addition, the Department's Infrastructure South Africa (ISA) division, provides direct support through the allocation of project preparation services to sponsors of priority public infrastructure projects.

2.1. MTEF FOCUS AREAS⁹

Public Works and Infrastructure will focus on the following areas over the MTEF:

- Increased employment and work opportunities by co-ordinating the Expanded Public Works Programme.
- Increased infrastructure investment, access and efficiency.
- Building State capacity to strengthen skills pipeline.
- Providing policy and legislative oversight

2.2. ALIGNMENT TO THE 2026 SONA FOCUS AREAS AND MTEF PRIORITIES

The SONA of 2026 outlined the following areas pertaining to Public Works and Infrastructure:

- Coordinate the implementation of the Expanded Public Works Programme (EPWP) for the provision of job opportunities through the EPWP and the Community Work Programme.
- Promote women's economic empowerment through training, financial support and preferential procurement.
- Scale up Gender-Based Violence survivor-centred support, by ensuring access to shelters.

⁸ National Treasury (2026), p. 253 and p. 231.

⁹ National Treasury (2026), pp. 229-230.

- Prioritise securing the borders through funding to strengthen border security, infrastructure, technology and people.
- Establish a State Property Company to professionally manage approximately 88 000 buildings and 5 million hectares of land owned by the State.
- Increase employment equity targets of persons with disabilities in the Public Service to 7 percent by 2030, and to mandate a 7 percent preferential procurement target across all Government departments and Public Entities.

Table 2: SONA¹⁰ and MTEF priorities for Vote 13 and funds allocated to the priorities

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET ¹¹
Coordinate the implementation of the Expanded Public Works Programme (EPWP) for the provision of job opportunities through the EPWP and the Community Work Programme.	Increased employment and work opportunities.	<p>R7.3 billion is allocated to the EPWP over the next three years. Of this amount:</p> <ul style="list-style-type: none"> • R677.3 million is earmarked for <i>Compensation of Employees</i> for the administration of the EPWP. • R538.9 million is allocated towards <i>Goods and Services</i>, specifically for data capturing and verification and monitoring and evaluation.
Increase employment equity targets of persons with disabilities in the Public Service to 7 percent by 2030.	Increased employment and work opportunities.	<ul style="list-style-type: none"> • 1 200 Beneficiaries participating annually in the Department's Skills Pipeline intervention per programme. A total of R30.7 million is allocated towards this in 2026/27, increasing to R33.3 million in 2028/29.¹²
Establish a State Property Company to professionally manage approximately 88 000 buildings and 5 million hectares of land owned by the State.	<p>Increased infrastructure investment, access and efficiency.</p> <p>Building State capacity to strengthen skills pipeline.</p>	<ul style="list-style-type: none"> • R983.8 million over the medium term for continued support to sponsors with business planning, packaging, prefeasibility and feasibility studies, technical designs, and legal and regulatory approvals in line with the Infrastructure Development Act.¹³ • The PMTE plans to spend R46.4 billion over the medium term, which includes R4.4 billion for maintenance; and

¹⁰ SONA, 2026

¹¹ Figures from the ENE

¹² National Treasury (2026), p. 236.

¹³ National Treasury (2026), p. 231.

		<ul style="list-style-type: none"> • R12.5 billion over the medium term allocated towards the refurbishment, repair and capital projects for 19 Departments (that include Correctional Service Centres, Police Stations, Courts and Office Buildings.¹⁴ • Through initiatives such as the Economic Reconstruction and Recovery Programme, over the MTEF R96 million is directed towards the Professional Services subprogramme under Programme 2. • To improve infrastructure delivery in the Public Works sector, the Department plans to increase the productive capacity of Built Environment graduates over the next 3 years through its Skills Pipeline Strategy.
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2.3. CRITICAL ISSUES FOR OVERSIGHT

In the analysis, include significant budget reductions and increases indicating which programmes are mostly affected as well as indicate the effects of this on service delivery and SONA priorities

The following issues must be considered by the Committee:

- The Department's expenditure is expected to increase at an average annual rate of 2.5%. The Department must report if the service delivery targets are likely to be achieved, given that the growth in the budget is not in line with the **projected CPI inflation** of 3.4% for 2026/27.
- An estimated 82.2% (R20.2 billion) of this spending is allocated to Transfers and Subsidies for the operations of the Department's Entities, the payment of wages by Non-Profit Institutions for people employed through the **Expanded Public Works Programme (EPWP)**, and for Conditional Grants to Provinces and Municipalities for implementing the programme. The Department must report on the progress reported to it as the coordinating Department.
- Over the medium term, the Department aims to increase the number of Built Environment graduates in the Department's **Skills Pipeline Strategy** to 3 800. For this purpose, R96 million is allocated over the period ahead in the Professional Services subprogramme under

¹⁴ National Treasury (2026), pp. 253-254.

Programme 2: *Intergovernmental Coordination*. The Department to provide the Rand value received and the actual increase in skilled personnel within the Department and its Entities.

- Over the medium term R231 million is allocated to Programme 5: *Prestige Policy* to carry out the development of Policy Norms and Standards for strategic institutions used by **Prestige Clients**; the provision of accommodation for Prestige Clients; as well as the provision and maintenance of movable assets (office and residential) and movable structures for State Events. The Department to provide progress reports on the development of the Policy Norms and Standards and its planned finalisation and implementation.¹⁵
- R18.1 billion is allocated to the Salvokop Precinct Public Private Partnership (PPP) Project at various stages comprises of a mixed-use development that includes the construction of offices for Four National Government Departments in the Pretoria inner city.¹⁶
- Over the medium term, R27.4 million of the budget of the PMTE is shifted to provide for the **devolution of funds for leased accommodation** for the Commission for Gender Equality, to the budget for the Commission in the Department of Women, Youth and Persons with Disabilities.

¹⁵ National Treasury (2026), p. 231.

¹⁶ National Treasury (2026a), p. 155.

4. VOTE 18: HEALTH

The Department of Health (DoH) receives R66.9 billion in 2026/27 which is an increase of 1.5% compared to the 2025/26 adjusted appropriation of R65.9 billion, increasing to R69.8 billion by 2027/28 and R72.0 billion in 2028/29. The Vote has six Programmes:

- Administration
- National Health Insurance
- HIV/AIDS, TB & Maternal, Child and Women’s Health
- Primary Health Care
- Hospital Systems
- Health Systems Governance and Human Resources

2.1. MTEF FOCUS AREAS¹⁷

DoH will continue to focus on the following areas over the MTEF:

- Strengthening primary health care;
- Strengthening the health system; and
- Improving tertiary services.

2.2. ALIGNMENT TO THE SONA FOCUS AREAS AND MTEF PRIORITIES

The SONA of 2026 outlined the following areas pertaining to Health:

- Substantial investment in health infrastructure, prioritising the construction and revitalisation of academic hospitals.
- Finance the building and revitalisation of healthcare facilities in partnership with various public and private financing institutions – notably commencing with George Mukhari Hospital.
- Undertake a significant rollout of Lenacapavir, a six-monthly injection that has proven highly effective in preventing HIV transmission.
- Mobilise society to ensure that every young girl between the ages of 9 and 15 receives the HPV vaccine.
- Embark on a mission to end child stunting by 2030 and tackle malnutrition among young children, in line with the National Strategy to Accelerate Action for Children. The focus will be on the crucial first 1 000 days of a child’s life.

Table 2: SONA¹⁸ and MTEF priorities for Vote 6 and funds allocated to the priorities

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET ¹⁹
Undertake a significant rollout of Lenacapavir, a six-monthly injection that has proven highly effective in preventing HIV transmission.	Strengthening primary health care (PHC).	<ul style="list-style-type: none"> • R92.1 billion for the District Health Programmes (DPH) Grant. This grant is a key funding mechanism for the delivery of PHC representing 44.1% of the Department’s projected spending over the MTEF.
Mobilise society to ensure that every young girl between the		

¹⁷ ENE (2026) p. 340

¹⁸ SONA (2026)

¹⁹ Figures from the ENE

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET ¹⁹
<p>ages of 9 and 15 receives the HPV vaccine.</p>		<ul style="list-style-type: none"> • Of the R92.1 billion, R81.1 billion is directed towards the HIV and AIDS component. • Resources for outreach activities (i.e. preventative and treatment interventions which include HPV vaccinations and prevention work conducted by community health workers) increases by 3.7% from R3.4 billion in 2025/26 to R3.8 billion in 2028/29. This is channelled through the district health services component of the DPH Grant. • The number of clients on TB treatment is expected to increase approximately 12.1% from 180 000 in 2025/26 to 204 705 in 2026/27
<p>Substantial investment in health infrastructure, prioritising the construction and revitalisation of academic hospitals.</p> <p>Finance the building and revitalisation of healthcare facilities in partnership with various public and private financing institutions – notably commencing with George Mukhari Hospital.</p>	<p>Strengthening the health system.</p>	<ul style="list-style-type: none"> • R5.3 billion directed towards the health facility revitalisation component of the NHI indirect Grant over the MTEF. • Of the R5.3 billion, R1.7 billion is funded through the budget facility for infrastructure (BFI) for the construction of the Limpopo Central Academic Hospital and Siloam Hospital also in Limpopo. • R24.3 billion for the direct Health Facility Revitalisation Grant over the MTEF. This funding is to fast-track maintenance, refurbishment, upgrading, expansion and construction of health infrastructure and replacement and commissioning of health technology in existing facilities.

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET ¹⁹
		<ul style="list-style-type: none"> • Construction of George Mukhari Academic Hospital is at inception of the PPP
Substantial investment in health infrastructure, prioritising the construction and revitalisation of academic hospitals.	Improving tertiary services.	<ul style="list-style-type: none"> • R52.1 billion for the National Tertiary Services Grant over the MTEF. This grant strengthens tertiary service delivery in provinces with limited capacity by investing in specialised medical equipment and the appointment of skilled medical professionals.

2.3. CRITICAL ISSUES FOR OVERSIGHT

The following issues must be considered by the Committee:

- Parliament raised concerns in the 2025 Health Budget Review and Recommendations Report (BRRR) with TB advocacy and low MDR-TB cure rates, as well young women aged 15 to 26 facing challenges accessing PrEP and PEP medication. Yet allocations are declining with regard to the *TB Management subprogramme* and Women’s Maternal and Reproductive Health subprogramme by an average of 1.7% and 1.0%²⁰, respectively over the MTEF. These reductions are counter-intuitive to the stated objectives of ending TB by 2035 and reducing the risks of women developing cervical cancer. The declining allocations have long-term implications regarding **TB treatment and Women’s health services**, when considering that health inflationary pressures consistently outpace CPI inflation. The consequences of underfunding and at worst non-treatment may lead to more severe health complications such as TB Drug resistance and cancer, thus requiring special health services – thus an escalation of health services costs.
- Parliament should continue to monitor the impact of the withdrawal of the **US funding for HIV treatment**, as it is notable that the HIV, AIDS and STIs sub-programme under Programme 3 receives an average of 3.1% increase over the MTEF.²¹ More concerning, is the reduction of R125 million for the 2026/27 budget allocation, when compared to the 2025 MTEF allocation. Therefore, it would have been expected that since the withdrawal of the US funding, the Minister of Finance would effect budget increases on this subprogramme and not budget reductions as observed.
- The budget allocation for **Environmental Health and Communicable Diseases** subprogramme is declining by an average of 2.2 % over the MTEF²². Lessons from global phenomena such as COVID-19 and domestic incidents such as the Listeriosis outbreak should feature in budgetary decisions regarding this subprogramme, particularly in relation to South Africa’s preparedness for future outbreaks.
- In the 2025 BRRR, Parliament expressed concern in the 2025 BRRR about **inefficient project management**, which continues to contribute to delays in projects completion, quality deficiencies, and cost overruns. Parliament also noted with concern that **non-performing contractors** are not held accountable or penalised, neither are they

²⁰ The average growth is calculated for the period 2025/26 to 2028/29, that is calculation of growth over the 2026 MTEF relative to 2025/26 budget allocations.

²¹ ENE (2026) p. 349

²² ENE (2026) p. 351

blacklisted. Notably the *Health Facilities Infrastructure subprogramme* grows on average by a meagre 0.4% over the MTEF²³ (i.e., significantly less than the projected 3.4% project CPI inflation), yet it is expected to deliver on the SONA priorities related to infrastructure investment.

- Reducing stunting requires a **coordinated, data-driven, multi-sectoral approach**. The Department of Health is well positioned to lead this effort by improving measurement standards, strengthening community interventions, integrating data with Stats SA, and elevating stunting as a national development priority.
- Lastly the **budget allocation** to the Health vote grows on average by 3% over the MTEF, which is less than the project CPI inflation (3.4%) over the same period. The public Health sector is already underfunded and budget allocation below CPI inflation exacerbates the existing underfunding of the sector.

²³ ENE (2026) p. 353

5. VOTE 19: SOCIAL DEVELOPMENT

The Department of Social Development receives R302.4 billion in 2026/27, which is an increase of 2.4% compared to the 2025/26 adjusted appropriation of R295.2 billion. The Department's allocation is projected to decrease to R277.3 billion in 2027/28 and R286.6 billion in 2028/29. The Vote has five Programmes:

- Administration
- Social Assistance
- Social Security Policy and Administration
- Welfare Services Policy Development and Implementation Support
- Social Policy and Integrated Service Delivery

2.1. MTEF FOCUS AREAS²⁴

DSD will focus on the following areas over the MTEF:

- Providing income support, reforming social security and preventing fraud.
- Mitigating social ills by strengthening welfare services.
- Building sustainable communities to alleviate poverty.
- Implementing targeted responsible savings and spending review recommendations.

2.2. ALIGNMENT TO THE SONA FOCUS AREAS AND MTEF PRIORITIES

The SONA of 2026 outlined the following areas pertaining to Department of Social Development:

- Implement targeted interventions to ensure that pregnant women and low birth-weight children get the protein and nutrients that they require.
- Embark on a mission to end child stunting by 2030 and tackle malnutrition among young children, in line with the National Strategy to Accelerate Action for Children. The focus will be on the crucial first 1 000 days of a child's life.
- Redesign the Social Relief of Distress (SRD) grant to effectively support livelihoods, skills development, work opportunities and productive activity.
- Implement measures to curb excessive alcohol use.
- Mobilise all sectors of society through communication and social mobilisation to challenge harmful attitudes and practices that give rise to Gender-Based Violence and Femicide (GBVF).
- Rollout digital services including remote testing for eligibility social security grants, via the MyMzansi platform.

Table 2: SONA²⁵ and MTEF priorities for Vote 19 and funds allocated to the priorities

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET ²⁶
Redesign the Social Relief of Distress (SRD) grant to more effectively support livelihoods, skills development, work opportunities and productive activity.	Building sustainable communities to alleviate poverty.	<ul style="list-style-type: none"> • R1.2 billion allocated over the MTEF to rollout out district seminars on key population dynamics and challenges and creating a targeted 283 418 work

²⁴ ENE, 2026

²⁵ SONA, 2026

²⁶ Figures from the ENE

		<p>opportunities in the social sector.</p> <ul style="list-style-type: none"> • R700.4 million through an allocation to the National Development Agency's (NDA) to provide support to civil society organisations for funding interventions aimed at eradicating poverty in 2026/27. • R145.6 million over the MTEF to enhance the registration and oversight processes of non-profit organisations (NPOs) by developing a policy framework, improve the turnaround times for registrations and improve compliance monitoring and oversight.
	<p>Providing income support, reforming social security and preventing fraud; and</p>	<ul style="list-style-type: none"> • R37.8 billion for social relief of distress grant (SRD) over the MTEF. • R269.2 billion for CSG over the MTEF. • R87.2 million over the MTEF to operationalise the Inspectorate for Social Assistance, which is mandated to protect the integrity of the social assistance system. • R237.6 million over the MTEF to the subprogramme tasked with reviewing the social security policy, which is expected to result in updating the draft basic income grant policy. • R123 million to strengthen the departmental records management system and enhance its responsiveness in addressing social assistance appeals made through the Independent Tribunal for Social Assistance Appeals.

<p>Implement targeted interventions to ensure that pregnant women and low birth-weight children get the protein and nutrients that they require.</p> <p>Embark on a mission to end child stunting by 2030 and tackle malnutrition among young children, in line with the National Strategy to Accelerate Action for Children. The focus will be on the crucial first 1 000 days of a child's life.</p>		<ul style="list-style-type: none"> • R104 million over the medium term to fund centre-based feeding programmes providing nutritious food to the poor and vulnerable in partnership with civil society organisations and other stakeholders.
	<p>Implementing targeted responsible savings and spending review recommendations.</p>	<ul style="list-style-type: none"> • R2 billion in 2026/27 and R1 billion in 2027/28 projected saving on social grants arising from implementing the 2020/21 review recommendations.
<p>Mobilise all sectors of society through communication and social mobilisation to challenge harmful attitudes and practices that give rise to Gender-Based Violence and Femicide (GBVF).</p>	<p>Mitigating social ills by strengthening welfare services.</p>	<ul style="list-style-type: none"> • R271.5 million over the MTEF to capacitate stakeholders in identified hotspots to provide psychosocial services and implement an integrated sheltering policy to cater for various victims, as well as linking uneducated or unemployed young women to skills programmes or economic activities.
<p>Implement measures to curb excessive alcohol use.</p>		<ul style="list-style-type: none"> • An allocation of R21.2 million in 2026/27 for the Substance abuse sub-programme which is responsible for the norms and standards for combating substance abuse.
		<ul style="list-style-type: none"> • R259.8 million over the MTEF to build capacity for stakeholders in parenting programmes to empower them with parenting skills to redress past traumas and address modern-day challenges.

		<ul style="list-style-type: none"> • R1 billion over the MTEF to protect children against violence, abuse, and exploitation; offer community-based prevention and early intervention, adoption and psychosocial services; social and behaviour change programmes, including life skills and awareness programmes on HIV and AIDS, substance abuse, teenage pregnancy, gangsterism, violence against children and other forms of social crime. • R35.4 million over the MTEF to capacitate stakeholders to implement provisions in the White Paper on Families.
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2.3. CRITICAL ISSUES FOR OVERSIGHT

The following issues should be considered by Parliament:

- According to the 2026 SONA, the **SRD grant** is as an essential mechanism for alleviating extreme poverty. The SRD will be discontinued in 2027/28, the SRD will be used as a base for the introduction of a sustainable forms of income support, which will require close monitoring by Parliament on:
 - risk assessments conducted regarding the impact of this phase-out on vulnerable groups;
 - ensuring that no households experience sudden income shocks during the transition; and
 - specific policy models that are being considered for the new sustainable income support system (e.g. Basic Income Support, targeted livelihoods grant, hybrid models).
- The Department is allocated R104 million for **centre-based feeding programmes**. Through joint oversight between the Health and Social Development committees, Parliament should focus on:
 - the extent to which nutrition programmes effectively reach vulnerable households and children; and
 - the monitoring systems to track reductions in child stunting, low-birthweight children, and adequate nutrition for pregnant women.
- SONA prioritises **rollout of digital services**, including remote testing for grant eligibility via MyMzansi. Parliament should assess:
 - the rollout status of MyMzansi;
 - the extent digital platforms, once implemented, result in the reduction of queues, delays, and exclusion; and
 - the accessibility of these services for rural and elderly beneficiaries.

- Government expects to save R2 billion in 2026/27 and R1 billion in 2027/28 from implementing **spending review recommendations**. Oversight should assess whether savings:
 - are negatively affecting vulnerable groups; and
 - are reinvested in priority social interventions.
- South Africa has the technical capacity but currently lacks a **nationally integrated system** to measure and monitor child stunting with the precision required for effective public policy. Parliament can play a decisive role by:
 - Elevating stunting as a national priority,
 - Mandating Statistics South Africa (StatsSA) to expand its scope to include nutrition-relevant indicators in surveys,
 - Strengthening interdepartmental coordination, and
 - Ensuring regular national anthropometric surveys.

6. VOTE 33: HUMAN SETTLEMENTS

For the 2026/27 financial year, the Department of Human Settlements (Vote 33) has been allocated R27 billion, representing an 22.7% decrease from the 2025/26 adjusted appropriation of R34.9 billion . The Department’s budget increases marginally to R27.2 billion in 2027/28 and declines slightly to R27.1 billion in 2028/29.

The Vote has five Programmes:

- Administration
- Integrated Human Settlements Planning and Development
- Informal Settlements
- Rental and Social Housing
- Affordable Housing

2.1. MTEF FOCUS AREAS²⁷

The Department of Human Settlements will focus on the following areas over the MTEF:

- Developing integrated human settlements (Mainly through providing housing subsidies and funding bulk infrastructure projects).
- Providing serviced sites and upgrading informal settlements.
- Increasing access to housing and improving security of tenure.
- Providing emergency housing.

2.2. ALIGNMENT TO THE 2026 SONA FOCUS AREAS AND MTEF PRIORITIES

The SONA of 2026 outlined the following areas pertaining to Human Settlements:

Introducing a new housing model that provides subsidies to support both ownership and rental options in areas best suited to households’ needs. This marks a shift away from direct state construction toward empowering people to build, purchase, or rent their own homes.

Table 2: SONA²⁸ and MTEF priorities for Vote 33 and funds allocated to the priorities

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET ²⁹
A new housing model that provides subsidies to support both ownership and rental options in areas best suited to households’ needs. This marks a shift away from direct state construction toward empowering people to build, purchase, or rent their own homes.	Developing integrated human settlements.	<ul style="list-style-type: none"> • R41.4 billion over the medium term through allocations from the Human Settlements Development Grant (HSDG) to deliver 60 572 fully subsidised housing. • R9.1 billion over the MTEF to fund the associated bulk infrastructure projects in metropolitan municipalities

²⁷ ENE, 2026

²⁸ SONA, 2026

²⁹ Figures from the ENE

		<p>through the Urban Settlement Development Grant (USDG).</p> <ul style="list-style-type: none"> • R121.4 million over the medium term to strengthen provinces' capacity to register title deeds efficiently and address any bottlenecks that may arise.
	<p>Providing serviced sites and upgrading informal settlements.</p>	<p>To upgrade 2 974 informal settlements with permanent bulk infrastructure in water, sewage disposal, access roads, stormwater drainage and electricity:</p> <ul style="list-style-type: none"> • R14.8 billion over the medium term to municipalities through the Informal Settlements Upgrading Partnership (ISUP) grant • R5.9 billion over the medium term to provinces through the ISUP grant. • Allocations to the provincial component of the ISUP grant decrease over the medium term at an average annual rate of 10.4%. This will be offset by R3 billion transfer of HSDG to ISUP provincial grant. • R21.2 billion over the MTEF to the ISUP grant from the Informal Settlements Programme.
	<p>Increasing access to housing and improving security of tenure.</p>	<ul style="list-style-type: none"> • R1.4 billion over the medium term for affordable housing finance through the National Housing Finance Corporation (NHFC) to 95 781 subsidies to those who do not qualify for home loans in the bond market, yet do not qualify for fully state-subsidised housing either. • R2.6 billion over the medium term for affordable rental housing through the

		Social Housing Regulatory Authority (SHRA).
	Providing Emergency Housing.	R1.7 billion over the medium term to the Emergency Housing Fund to implement rapid response after disasters such as floods and fires.

2.3. CRITICAL ISSUES FOR OVERSIGHT

The following issues must be considered by the Committee:

- **Oversight over the availability of well-located land for state-subsidised housing:** Ensure indigent households are located closer to economic opportunities and thus transforming the inherited Apartheid spatial landscape.
- **Appraise the current social housing and the rental housing programmes:** Encourage a model that offers more flexible and affordable housing options for inner-city households at the lowest income scale, currently excluded from the Social Housing programme based on affordability.
- **Improve Coordination Across Delivery Institutions:** Given the wide range of implementing bodies in the sector, i.e. the national Department, provinces, municipalities, NHFC, SHRA, etc., Parliament should:
 - convene joint briefings to address systemic coordination failures; and
 - require integrated implementation plans with clear roles, timelines, and accountability structures.
- **Assess Readiness to Implement the New Housing Model:** The shift away from state-provided housing toward a subsidy-driven model requires institutional changes. Parliament should therefore:
 - evaluate departmental readiness for this transition; and
 - ensure capacity strengthening for entities delivering services in the sector.
- **Strengthen Oversight of Bulk Infrastructure Delivery:** Since integrated human settlements rely heavily on bulk infrastructure, Parliament should monitor:
 - The efficiency and outcomes of the **R9.1 billion** allocated through the Urban Settlements Development Grant (USDG); and
 - Municipal project readiness, expenditure progress, and bottlenecks affecting housing delivery.
- **Ensure Alignment between SONA Commitments and MTEF Priorities:** Parliament should:
 - verify that MTEF priorities operationalise the SONA 2026 commitments, including the rollout of the new housing model and the expansion of rental and ownership options.
 - request measurable indicators showing how SONA priorities are reflected in budgets and programmes of the Department and entities.

7. VOTE 40: TRANSPORT

The Department of Transport (DoT) receives approximately R102.1 billion in 2026/27 which is a decrease of 4.5% compared to R106.9 billion in the 2025/26 adjusted appropriation. By 2027/08, the allocation is set to decrease to R99 billion, then increasing to R112.3 billion by 2028/29. The Vote has eight Programmes:

- Administration
- Integrated Transport Planning
- Rail Transport
- Road Transport
- Civil Aviation Transport
- Maritime Transport
- Public Transport
- State-Owned Companies Governance Assurance and Performance.

2.1. MTEF FOCUS AREAS³⁰

The DoT will focus on the following areas over the MTEF:

- Revitalising passenger and freight rail services
- Upgrading and preserving South Africa's road network

2.2. ALIGNMENT TO THE 2026 SONA FOCUS AREAS AND MTEF PRIORITIES

The SONA of 2026 outlined the following areas pertaining to transport:

- Through Operation *Vulindlela*, Government is working to transform the structure of the country's economy to overhaul infrastructure and render the logistic sector more competitive and efficient. In this regard, private rail operators have since been enabled to access the country's rail network, which will allow different rail companies to compete and transfer volumes from road to rail.
- Preparations are in progress for the introduction of high-speed rail, servicing routes such as Johannesburg to Musina, and eThekweni to Johannesburg.

Table 2: SONA³¹ and MTEF priorities for Vote 40 and funds allocated to the priorities

SONA PRIORITIES	MTEF PRIORITIES	ALLOCATED BUDGET ³²
Through Operation <i>Vulindlela</i> , Government is working to transform the structure of the country's economy to overhaul infrastructure and render the logistic sector more competitive and efficient. In this regard, private rail operators have since been enabled to access the country's rail network, which will allow different rail companies to compete and transfer volumes from road to rail.	Revitalising freight rail services	<ul style="list-style-type: none"> • R98 billion over the medium term to support the recovery of additional rail corridors and improve the efficiency of recovered corridors. • Transnet is set to receive R1.8 billion in 2026/27 for the north corridor reinstatement project. • R974.5 million is allocated over the medium term for phase 2b of the Cape Town container terminal.

³⁰ ENE, 2026

³¹ SONA, 2026

³² Figures from the ENE

Preparations are in progress for the introduction of high-speed rail, servicing routes such as Johannesburg to Musina, and eThekweni to Johannesburg.		
	Upgrading and preserving South Africa's road network.	<ul style="list-style-type: none"> • R167.4 billion over the medium term to fund efforts to maintain, upgrade and construct national and provincial road networks of which R99.9 billion to SANRAL over the MTEF for: <ul style="list-style-type: none"> ○ R63.9 billion for capital expenditure on the non-toll network). ○ R2.4 billion for the Gauteng freeway improvement project operations. ○ R4.4 billion for the N2 Wild Coast route for large-scale construction works, major bridges, and new road sections aimed at shortening travel times between Eastern Cape and KZN. ○ R3.3 billion for the development of the Moloto Road corridor. • The provincial roads maintenance grant is expected to amount to R54.2 billion over the medium term. • This grant will receive an additional allocation of R1.5 billion in 2026/27 for the reconstruction and rehabilitation of infrastructure damaged by natural disasters in June 2025. Of this, Eastern Cape is expected to receive R707.6 million and Limpopo R803.9 million.

2.3. CRITICAL ISSUES FOR OVERSIGHT

The following issues must be considered by Parliament:

- Transnet is set to receive R1.8 billion in 2026/27 for the **north corridor reinstatement** project. This entails modernising and increasing the corridor's capacity and efficiency for capital and operational expenditure, including structures, improvements to yards, electrification, restoring vandalised assets and securing and safeguarding assets.
- To fund efforts to maintain, upgrade and construct South Africa's **national and provincial road networks**, R167.4 billion is allocated to the Road Transport programme over the medium-term.
- The **Public Transport Network Grant** (PTNG) is reduced to R8.6 billion over the medium-term owing to the mismatch between the grant's vision and its implementation. The grant has consistently underspent and experienced delays in implementation, leading to the announcement in the 2025 Medium-Term Budget Policy Statement (MTBPS) that it will be wound down.
- The 2026 SONA committed the Department to introducing **high-speed rail**, servicing routes such as Johannesburg to Musina, and eThekweni to Johannesburg. To attain this end, a financially sustainable and affordable model should be found.
- **Road infrastructure** receives substantial investment, but climate-related risks increase pressure on funds. The growing need for climate-related repairs is shifting road budgets toward reactive spending, reducing funds available for planned maintenance. SONA's focus on logistics network reform depends heavily on resilient road networks.
- **SANRAL's multibillion-rand expenditure** across non-toll roads, the N2 Wild Coast, Gauteng Freeway Improvement Project (GFIP) operations, and Moloto Road corridor involve complex, multi-year infrastructure risks—contracting, cost escalation, community disruption, and security threats. Without strong oversight, they may face delays similar to previous transport megaprojects.
- The Department's allocation provides for R98 billion over the MTEF for **freight rail recovery** and corridor efficiency improvements, including major allocations to Transnet and Cape Town terminals. However, the overall allocation declines by 4.5% in 2026/27. An ambitious rail recovery and reform require strong departmental capacity, but a declining baseline may weaken oversight, planning, and infrastructure readiness. The budget supports infrastructure recovery but not the institutional strengthening needed to deliver the reforms promised in the SONA.

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