

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 3533 [NW4237E]

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Mr M Swart (DA) to ask the Minister of Finance:

Whether he intends introducing a zero-based budgeting process in order to prevent the inflation of current budgets through the calculation of percentages; if not, why not; if so, what are the relevant details?

NW4237E

REPLY:

A zero-based budgeting process for the whole of government is not proposed in the present circumstances. International experience indicates that the overload of information and complexity of zero-based budgeting make it impractical. However, in-depth analysis of departmental budget baselines is conducted annually where non-recurrent allocations are removed from baselines prior to consideration of increases or decreases. The aim is not only to focus on costing of programmes, but to encourage departments to constantly review their budget baselines and make the necessary trade-offs between different ways of delivering on programmes within limited resources. Departments are expected to conduct zero-based budgeting for new programmes/projects or initiatives, and in periodic reviews of existing programmes.