

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 371 [NW468E]
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371. Dr P J Groenewald (FF Plus) to ask the Minister of Finance:†

- (1) (a) Into which account is the fuel levy deposited and (b) for what purpose is the account employed;
- (2) (a) what is the current balance in this account and (b) to what (i) end and (ii) extent were these funds employed in (aa) 2009, (bb) 2010, (cc) 2011, (dd) 2012 and (ee) 2013;
- (3) whether he will make a statement on the matter?

NW468E

REPLY:

The national government is required by the Constitution to be fully transparent and accountable for every cent it receives and spends in any financial year. These constitutional obligations from sections 213 (1), 215, 216 and 188 of the Constitution are given effect for the national government through the Public Finance Management Act 1 of 1999 (PFMA), which not only requires annual financial statements to be submitted for audit to the Auditor-General, but also requires the publication of monthly statements on the national government's revenue, expenditure and borrowing. These monthly reports are published 30 days after the end of every month, and includes a breakdown on revenue collected per major national tax, levy and duty - hence includes information on the revenue collected every month from the general fuel levy and for the road accident fund. These monthly and annual reports are available on the National Treasury website as soon as each such report is made public.

(1) (a) Government accounts for revenue collected from the fuel levy in the same way it does for all revenue collected from any other tax, duty or levy and deposited into the National Revenue Fund, in line with section 213(1) of the Constitution which states that:

“There is a National Revenue Fund into which all money received by the national government must be paid, except money reasonably excluded by an Act of Parliament”.

Every year, by not later than 31 October, the National Treasury publishes the Consolidated Financial Statements, which includes the National Revenue Fund (NRF). The Consolidated Financial Statements also include the opinion expressed by the Auditor-General. This publication is available on the National Treasury website.

It should be noted that any revenue deposited in any other fund in terms of an Act of Parliament must also be accounted for in the financial statements of the entity or fund receiving those funds, which are also submitted to the Auditor-General in terms of the PFMA.

The latest available financial statement for the NRF is for the 2012/13 financial year, and states that R58,0bn (R40,4bn from the General Fuel Levy and R17,6bn from the RAF Levy – note all figures rounded off, and exact figures are in the financial statements) and R929 million under the Customs and Excise levy, was collected by SARS and deposited into the National Revenue Fund for the last fiscal year (refer to page 61 of the Consolidated Financial Statements for the year ended 31 March 2013) in the Table headed “2. REVENUE FROM TAXES, LEVIES AND DUTIES”). A copy of this table is attached.

In providing the above information, it should be noted that there is no single fuel levy, but it actually comprises several applicable levies (refer to the Table below, and my response to parliamentary question **236 [NW285E]**). The above information covers three components of the levy, two of which are significantly larger than the revenue collected from all the other levies. The remaining levies (like the pipeline and general slate levies) are collected and administered by the Central Energy Fund (CEF). The NRF and CEF are audited separately, as their financial statements are prepared under different departments. I am directly accountable for all the revenue deposited into the National Revenue Fund, and the Minister of Energy is responsible for overseeing the CEF. The Honourable Member is welcome to approach the Minister of Energy for more detailed information about the CEF and Equalisation Fund. A copy of the latest Annual Financial Statements of the Equalisation Fund, where most of the levies collected by the CEF are deposited, is attached.

It should be noted that all the above financial statements for the 2013/14 financial year will be published by 31 October 2014, in accordance with the PFMA. But as noted above, monthly reports for 2013/14 are already available for revenue collected within 30 days after the end of each month.

The Table below provides a more detailed breakdown of all the fuel levy components.

(b) Most of the component levies comprising the fuel levy are not earmarked for specific expenditure, but forms part of general revenue, and hence cannot be attributed to specific spending directly. The earmarked levies include the amount paid to the RAF in terms of the Road Accident Fund Act, No. 56 of 1996, and the Customs and Excise levy shared amongst SACU member countries and collected by SARS on behalf of SACU members. Such funds or allocations are also audited annually by the Auditor-General. Please note that in neither the local sharing of the levy nor the national allocation of revenue received, is revenue earmarked for either transport or infrastructure expenditure.

Except for the petroleum pipelines/products levy and the demand side management levy which are collected based on the pipeline shipments and sales-based system respectively, all the other levies (slate, IP tracer dye and incremental inland transport cost recovery) are imposed/collected using the duty at source (DAS) principle similar to GFL and RAF collection mechanism. DAS is a system of assessing excise duty and accounting, for excisable products at source (i.e. as close as possible to the point of manufacture of the specific product). As highlighted in the table below, all payments from CEF are only made after authorisation by the Department of Energy, thus providing government oversight on CEF payments on fuel levies. The CEF received a financially unqualified opinion for 2012/13, but with an emphasis of matter which resulted in a restatement of the 2012/13 figures, as compared to those figures listed in my earlier answer **236 [NW285E]**. The report is attached for ease of reference.

(2) (a) and (b) In terms of section 32(1) of the Public Finance Management Act no 1 of 1999, the National Treasury publishes 30 days after the end of each month “in the national Government Gazette a statement of actual revenue and expenditure with regards to the National Revenue Fund”. This information covers revenue from the general fuel levy and road accident fund levy for the current 2013/14 financial year up to the end of the previous month. Such a report also includes actual expenditure per vote. Hence funds allocated to the Department of Transport for the fiscal year 2013/14 amounted to R42,4 billion whilst revenue from the General Fuel Levy (GFL) contributed R40,4 billion to the NRF in the same year. In addition, 23 per cent of the GFL is shared with metros (R9.6 billion was shared in the 2013/14 fiscal year) in line with Schedule 1 to the Taxation Laws Amendment Act, No. 17 of 2009.

(3) Not applicable, in view of the answer provided in (1).

Breakdown of fuel levy

Levy	Rate of levy Fiscal year 2014/15	Amount collected fiscal year 2012/13 (audited) R million	Account into which the fuel levy is deposited	Flow from account – direct charge/ not committed
General fuel levy	224.5 cent per litre on petrol and 209.5 cent per litre on diesel	40,410	National Revenue Fund	General Revenue
Customs and excise levy	4 cents per litre on petrol, diesel and biodiesel. The 4 cents per litre has been fixed since the 1990s.	929	National Revenue Fund	Direct charge
Road accident fund levy	104 cents per litre on petrol, diesel and biodiesel	17,621	National Revenue Fund	Direct charge
Equalisation fund levy	Zero cents per litre on both diesel and petrol since 1996	0	Central Energy Fund	No longer applicable
Demand Side Management Levy	10 cents per litre	146	National Revenue Fund	After provision for administrative charges by CEF, this is transferred to SARS and then National Revenue Fund.
Petroleum Pipelines Levy	0.29 cents per litre (0.14c/l is paid by refineries, and 0.15c/l by consumers)	29	Central Energy Fund	Paid out to pipeline shippers from CEF only after authorization from the Department of Energy (DoE).
Slate Levy	Fluctuates in accordance with Self-Adjusting Slate Levy Mechanism Rules	1 910	Central Energy Fund	Payments only made to Slate participants once cumulative balance of the oil industry exceeds a cumulative negative balance of R250 million.
IP tracer dye levy	0.01 cents per litre	1	Central Energy Fund	IP tracer dye service provider appointed by SARS is refunded based on invoices submitted to oil companies.
Incremental Inland Transport Cost Recovery levy	3 cents per litre	695	Central Energy Fund	Terminated with effect from 2 April 2014 but payments had to be authorized by DoE before being paid by CEF.