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2023 MTBPS
FISCAL POLICY



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

In brief

- In the context of persistently low economic growth, government’s fiscal strategy remains focused on consolidating the public finances to narrow the budget deficit, stabilise public debt and ensure fiscal sustainability.
- Fiscal policy will pursue a balanced approach that includes spending restraint, revenue measures and additional borrowing.
- Gross loan debt is projected to stabilise in 2025/26 at a higher level (77.7 per cent of GDP) than projected in the 2023 Budget. This is mainly due to an increase in the main budget deficit.
- The consolidated budget deficit has risen to 4.9 per cent of GDP in 2023/24 compared with the estimate of 4 per cent of GDP in the 2023 Budget.

INTRODUCTION

South Africa’s economic growth outlook remains precarious. The cumulative effect of power cuts, poor rail transport performance, high inflation, rising borrowing costs and a weaker global environment are forecast to limit economic growth over the medium term. Low growth constrains government’s ability to raise the revenue needed to sustainably fund the provision of essential services in line with policy priorities.

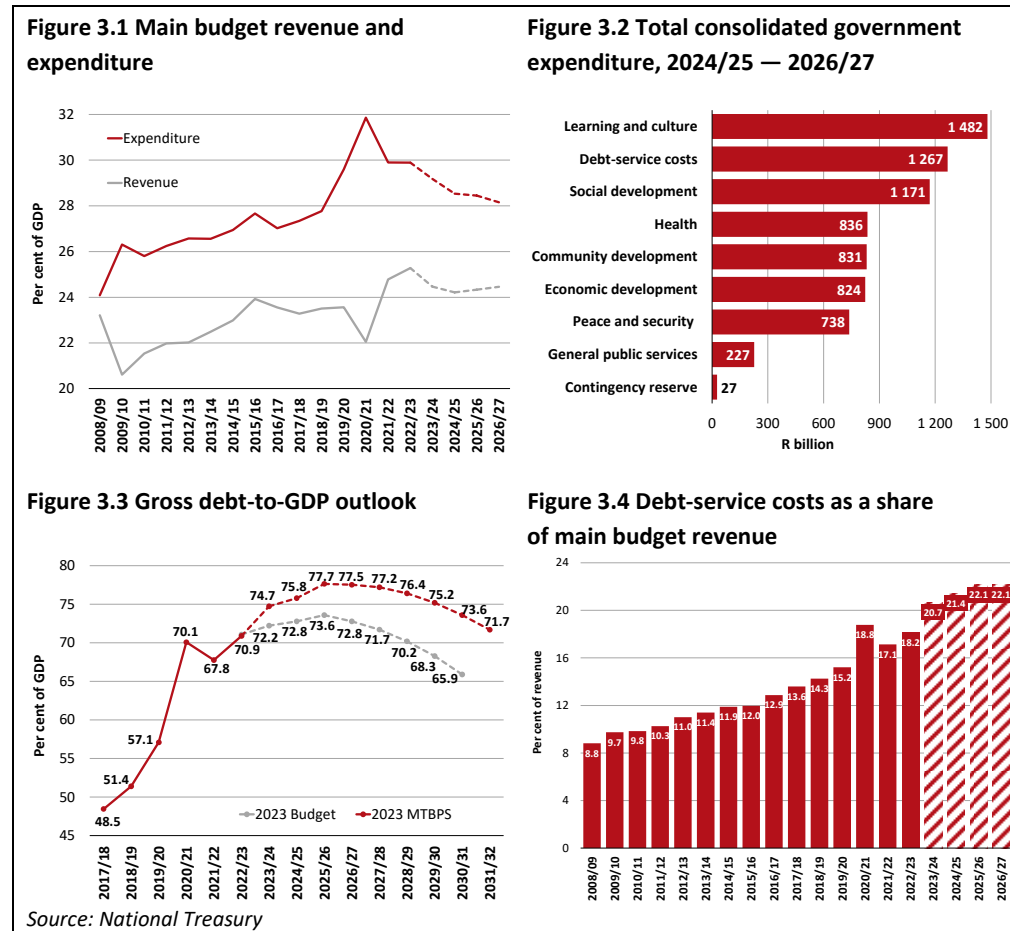
In recent years, revenue collection has benefited from a pattern of high prices for South Africa’s commodity exports. In the current year, commodity prices have fallen faster than expected and value-added tax (VAT) refund claims have risen, resulting in revenue collections projected to be R56.8 billion below 2023 Budget estimates. The moderate revenue outlook is limited by the domestic economic outlook and negative shifts in the global economy.

South Africa’s deep and longstanding fiscal challenges are rooted in a long-term pattern of low economic growth. Government spending has exceeded revenue since the 2008 global financial crisis, resulting in persistent large budget deficits. Moderate budget deficits are not cause for concern. The difficulty arises when deficits are too large for too long, requiring ever-higher levels of borrowing that are unmatched by improvements in public services. This is the problem facing South Africa, and it is reflected in debt-service costs that consume an ever-larger share of public resources and shrinking fiscal space to respond to shocks.

As a percentage of GDP, gross loan debt increased by 47.2 percentage points between 2008/09 and 2022/23. Debt has grown much faster than the economy, and newly issued debt has become more expensive to service. Rising debt-service costs push up the cost of borrowing across the economy. Critically, the rising cost of servicing government debt reduces the amount of money available for meeting national development objectives. This “crowding out” effect means that debt-service costs consume a greater share of the budget than social development, health, community development, economic development or peace and security (Figure 3.2). Government’s borrowing is not financing



investments that support faster, job-creating growth. Changing this pattern is a key fiscal objective.



A balanced fiscal stance will promote economic growth and support the most vulnerable members of society, while stabilising the public finances and reducing fiscal and economic risks. It will also support higher levels of private-sector investment and employment. In the context of limited resources, this requires prioritisation. Over the next three years, the fiscal framework supports strong control of the public-service wage bill, protecting crucial frontline services and implementing efficiency measures.



Government’s commitment to restoring the health of the public finances means that the debt-to-GDP ratio is still forecast to stabilise in 2025/26 – although at a higher level than projected in the 2023 Budget.

MEDIUM-TERM FISCAL STRATEGY

Key elements of the medium-term fiscal strategy include the following:

- Realising a primary budget surplus in the current year, meaning that revenue will exceed non-interest spending for the first time since 2008/09. The surplus will grow

over the medium term, narrowing the budget deficit and allowing debt to stabilise by 2025/26.

- Stabilising debt to enable government to arrest the trend of rising debt-service costs. Debt-service costs will peak as a proportion of revenue in 2026/27.
- Targeting spending revisions to protect critical frontline services. Baseline budgets for basic education, health and the police are projected to grow in nominal annual average terms, although below consumer price index (CPI) inflation, over the 2024 medium-term expenditure framework (MTEF) period. Spending on the community and economic development functions will grow by 4.5 per cent and 6.2 per cent, respectively. In contrast, spending on general public services grows marginally over the medium term.
- Implementing a reconfiguration of government functions, as outlined in Chapter 1, in line with the President’s commitment during the 2023 State of the Nation Address.
- Keeping the composition of spending broadly in line with existing policy. Over the medium term, the wage bill continues to grow on average below CPI inflation. Over the next three years, capital payments and transfers will grow by a nominal annual average of 8.4 per cent, while consolidated spending on the wage bill, goods and services, and current transfers and subsidies grows by 3 per cent. Government is implementing measures to improve the financing and execution of infrastructure projects.
- Introducing moderate revenue increases to support fiscal consolidation, while limiting the negative effects on the economy.
- Developing new fiscal anchors to ensure sustainable public finances. Work on these is under way, and an update will be provided in the 2024 Budget.

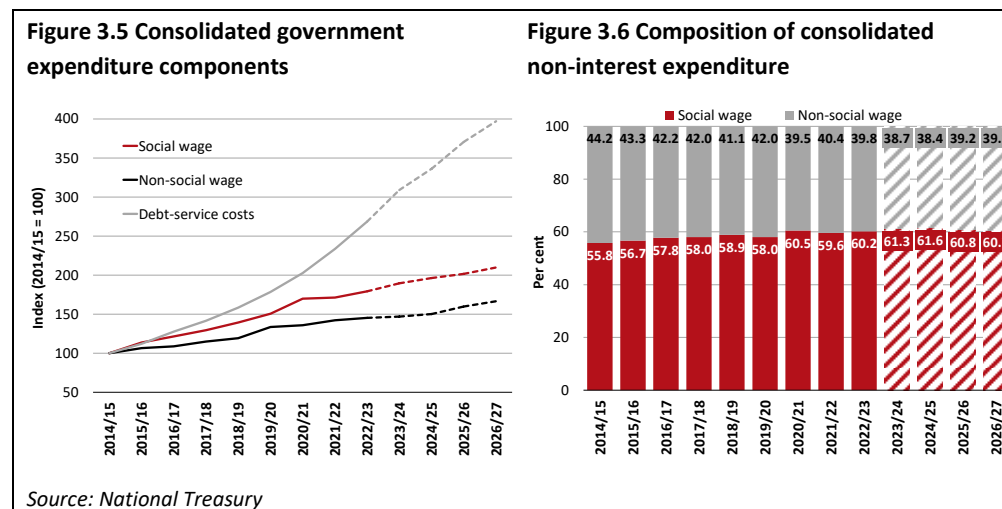
Impact of proposed fiscal consolidation measures

The balanced approach to fiscal consolidation includes spending reductions, efficiency measures across government and moderate revenue increases. The proposed fiscal consolidation measures will be targeted, leaving some functions with funding levels similar to the 2023 Budget, and will also maintain the social wage. Over the medium term, these measures will include the reconfiguration of government, with the merging or closure of public entities resulting in a reduction in transfers to such entities.

Together, these targeted measures are expected to result in savings and long-term gains from improvements in the efficiency of public spending and budget allocations. This is key to managing the public finances in a prudent and responsible way, and will also support longer-term economic growth.



Over the 2024 MTEF period, 61 per cent of consolidated non-interest spending goes to the social wage. In this regard, vulnerable households continue to receive support. Details on the impact of proposed spending adjustments are provided in Chapter 4.



IN-YEAR REVENUE AND EXPENDITURE OUTLOOK

In-year revenue projections



The in-year revenue outlook is substantially weaker than previously projected, given a sharp fall in corporate tax collections and stronger-than-expected VAT refund payments. In the context of a weak domestic outlook, future revenue collection remains susceptible to negative shifts in the global economy.

Compared with the 2023 Budget, the gross tax revenue estimate for 2023/24 has been revised down by R56.8 billion. The lower estimate is largely due to downward revisions to near-term tax base growth projections, falling corporate tax collections and lower net VAT collections.

Table 3.1 Gross tax revenue

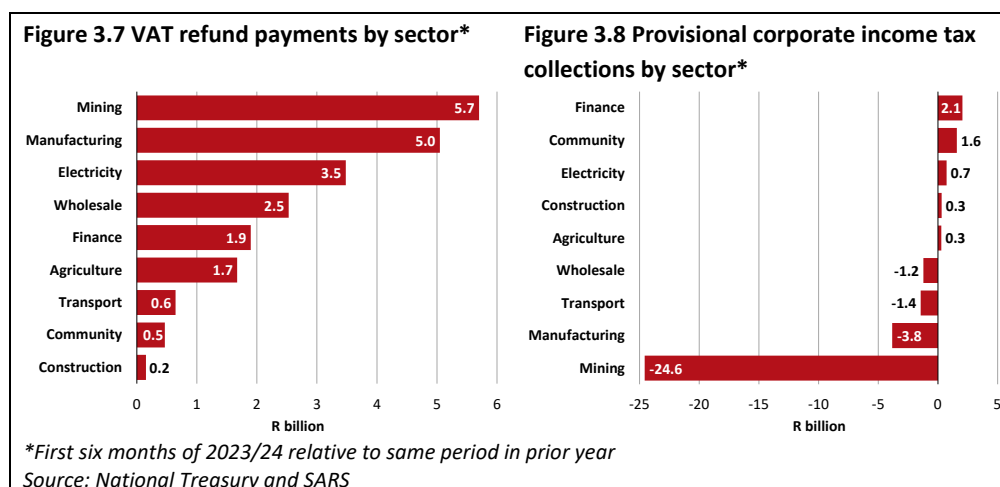
R billion	2022/23			2023/24		
	Budget ¹	Outcome	Deviation	Budget ¹	Revised	Deviation
Persons and individuals	601.6	600.4	-1.3	640.3	646.7	6.4
Companies	344.9	344.7	-0.3	336.1	300.3	-35.8
Value-added tax	426.3	422.4	-3.9	471.5	445.8	-25.6
Dividends tax	38.5	38.1	-0.4	39.8	36.2	-3.6
Specific excise duties	55.2	55.2	-0.1	59.0	55.3	-3.7
Fuel levy	79.1	80.5	1.3	90.4	92.0	1.6
Customs duties	74.2	73.9	-0.2	74.2	77.7	3.5
Ad valorem excise duties	4.5	5.5	1.1	4.7	6.6	1.9
Other	67.8	66.0	-1.7	71.5	69.9	-1.5
Gross tax revenue	1 692.2	1 686.7	-5.5	1 787.5	1 730.7	-56.8

1. 2023 Budget

Source: National Treasury

Key factors affecting in-year revenue collection in the first half of 2023/24 include:

- Significantly reduced mining sector profitability. Mining provisional corporate tax collections fell by R24.6 billion or 55.4 per cent relative to the same period in 2022/23. Lower commodity prices, weaker global growth, increased incidence of power cuts and logistical constraints have weighed heavily on the sector.
- VAT refund payments are R21.5 billion higher relative to the same period last year due to stronger-than-expected exports; increased investments in embedded generation; and higher costs of doing business, including the use of more expensive road rather than rail transport. Stronger import VAT collections partially offset robust VAT refund payments.
- A sustained recovery in earnings and higher bonus payments have benefited personal income tax collections, with employees' tax from the finance sector driving the strong year-to-date growth.



The tax-to-GDP ratio is expected to decline to 24.7 per cent in 2023/24 from 25.1 per cent in 2022/23. A recovery in this ratio depends on more sustainable economic growth. Additional information, including changes in tax buoyancies, appears in Table C.8 of Annexure C.

Main budget revenue estimates for 2023/24 have been lowered by R44.4 billion compared with the 2023 Budget, mainly driven by lower estimates for tax revenue, while National Revenue Fund receipts have been revised up by R11.3 billion mainly due to higher expected revaluation profits from foreign-currency transactions.

In-year spending adjustments

Relative to the 2023 Budget, main budget non-interest expenditure decreases by R3.7 billion in the current fiscal year. This mainly reflects the proposed reductions to baselines, as well as declared unspent funds, projected underspending, drawdowns of the contingency reserve and provisional allocations not assigned to votes. Funds are provided

for the 2023/24 wage increase in labour-intensive sectors. Other departments are expected to absorb the wage increase within their baselines. This will include managing headcounts, such as by implementing controls on payroll systems to ensure executive authorities operate within their budgets when creating and filling vacant posts.

Table 3.2 Revisions to non-interest expenditure for 2023/24

R million	2023/24
Non-interest expenditure (2023 Budget Review)	1 694 120
Upward expenditure adjustments	29 422
Allocation for the 2023/24 wage increase	23 558
<i>Provincial departments</i> ¹	17 558
<i>National departments</i> ²	6 000
Other allocations in the AENE ³	5 864
Downward expenditure adjustments	-33 130
Downward revisions to baselines ⁴	-21 726
Projected underspending	-3 297
Drawdown on contingency reserve	-4 642
Net other downward adjustments ⁵	-3 464
Revised non-interest expenditure (2023 MTBPS)	1 690 412
Change in non-interest expenditure from 2023 Budget	-3 707

1. *Departments of education and health*

2. *Departments of police, defence and correctional services*

3. *2023 Adjusted Estimates of National Expenditure*

4. *National government, and provincial and local government conditional grants*

5. *Declared unspent funds and drawdown to provisional allocations not assigned to votes*

Source: National Treasury

Relative to the 2023 Budget, debt-service costs are revised up by R14.1 billion due to higher interest rates, exchange rate depreciation and a wider budget deficit. As a result, expenditure increases by R10.3 billion as higher debt-service costs are partially offset by lower projected non-interest spending. The main budget deficit has increased by R54.7 billion compared with the 2023 Budget estimates.



As proposed in the 2023 Budget, Eskom debt relief amounting to R254 billion from 2023/24 to 2025/26 is incorporated on the balance sheets of both government and Eskom, implying an increase in government debt. As at 30 September 2023, government has disbursed R16 billion of the R78 billion debt relief for 2023/24. A task team has been established with officials from the National Treasury, the Department of Public Enterprises and Eskom to monitor compliance with the conditions and report quarterly on whether Eskom qualifies for the conversion of the loan to equity. Additional details appear in Annexure A.

MEDIUM-TERM REVENUE AND EXPENDITURE OUTLOOK

Revenue

Given the extent of fiscal consolidation required, the Minister of Finance will propose tax measures to raise additional revenue of R15 billion in 2024/25 in the 2024 Budget.

Table 3.3 Revised gross tax revenue projections

R billion	2023/24	2024/25	2025/26	2026/27
2023 Budget	1 787.5	1 907.7	2 043.5	
<i>Buoyancy</i>	<i>1.06</i>	<i>1.06</i>	<i>1.09</i>	
Revised estimates	1 730.7	1 854.0	1 975.8	2 111.9
<i>Buoyancy</i>	<i>0.61</i>	<i>1.15</i>	<i>1.07</i>	<i>1.05</i>
Change since 2023 Budget	-56.8	-53.7	-67.6	

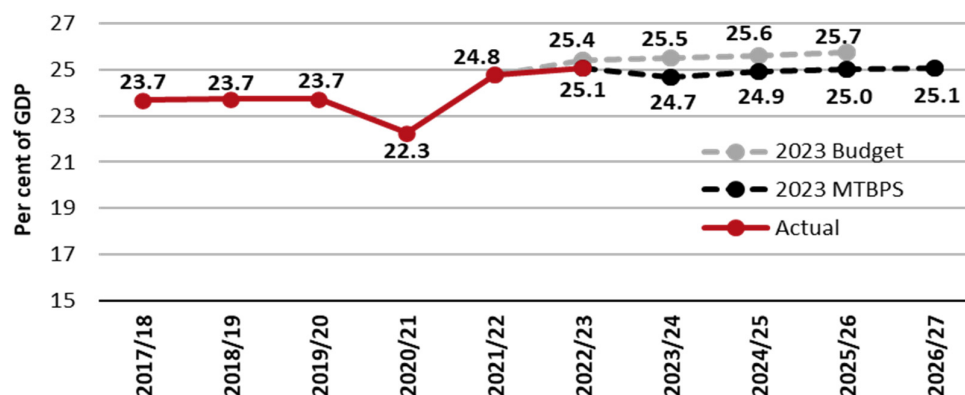
Source: National Treasury

Tax revenues are expected to increase to R2.1 trillion, or 25.1 per cent of GDP, by 2026/27. Revenue collection, however, is projected to fall short of 2023 Budget estimates by R121.4 billion between 2024/25 and 2025/26, with tax buoyancies generally lower over the medium term.

The sharp contraction in commodity prices now under way suggests that the windfall tax receipts that South Africa enjoyed in recent years have come to an end. Under-collections in corporate income tax receipts relative to 2023 Budget estimates flow through to the outer years. Stronger VAT refund payments over the medium term partly reflect higher renewable energy investments and responses to structural constraints in logistics and fuel refinery capacity. The outlook for most major tax bases has also been revised lower relative to the 2023 Budget. Personal income tax collections are marginally better than expected due to near-term gains; however, medium-term prospects for employment growth remain muted. Although South Africa's tax-to-GDP ratio remains relatively resilient, stronger economic growth and further gains in tax administration are needed to improve tax revenues over the medium to long term.



Figure 3.9 Tax-to-GDP ratio



Source: National Treasury and SARS

Relative to the 2023 Budget, main budget revenue estimates for the next two years have been lowered by R152 billion, mainly driven by downward revisions to tax revenue projections. Non-tax revenue estimates for the next two years have also been reduced by R24.4 billion due to lower mineral and petroleum royalties and departmental receipts. Payments to the Southern African Customs Union (SACU) are revised up. Details appear in Annexure C.

Table 3.4 Medium-term revenue framework

R billion	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Outcome			Revised	Medium-term estimates		
Gross tax revenue	1 249.7	1 563.8	1 686.7	1 730.7	1 854.0	1 975.8	2 111.9
Gross tax revenue growth	-7.8%	25.1%	7.9%	2.6%	7.1%	6.6%	6.9%
Nominal GDP growth	-1.7%	12.4%	6.5%	4.3%	6.2%	6.1%	6.5%
<i>Buoyancy</i>	<i>4.62</i>	<i>2.03</i>	<i>1.21</i>	<i>0.61</i>	<i>1.15</i>	<i>1.07</i>	<i>1.05</i>
Non-tax revenue	26.3	40.4	51.0	41.6	29.2	31.1	30.1
Southern African Customs Union ¹	-63.4	-46.0	-43.7	-79.8	-89.9	-85.6	-84.0
National Revenue Fund receipts ²	25.8	6.1	5.2	22.4	8.8	0.4	0.6
Main budget revenue	1 238.4	1 564.3	1 699.2	1 714.8	1 802.1	1 921.7	2 058.5

1. Amount made up of payments and other adjustments

2. Mainly revaluation profits on foreign-currency transactions and premiums on loan transactions

Source: National Treasury

Expenditure

Table C.2 in Annexure C presents changes to main budget non-interest expenditure since the 2023 Budget. Over the next two years, main budget non-interest expenditure will decrease by a net R85 billion compared with the 2023 Budget. This consists of:

- Proposed reductions of R213.3 billion, including R133.6 billion from reducing department baselines and provisional allocations not assigned to votes. The other reductions are mainly from a drawdown of the 2023 Budget unallocated reserves, partially offset by the R2.6 billion increase in the contingency reserve in 2025/26.
- Spending additions of R128.4 billion, including R57.2 billion for the carry-through costs of the 2023/24 wage increase in labour-intensive sectors and R33.6 billion to extend the *COVID-19 social relief of distress grant* by another year. A provisional allocation of R35.2 billion is set aside for 2025/26 to preserve the credibility of the fiscal framework.



Compared with the 2023 Budget, the expenditure ceiling has decreased by R36.9 billion in 2024/25 and R47.3 billion in 2025/26. Additional information, including the calculation of the expenditure ceiling, appears in tables C.3 and C.4 of Annexure C.

Debt-service cost estimates for the next two years have been revised up by R51.5 billion compared with the 2023 Budget, mainly reflecting higher interest rates, a larger budget deficit and exchange rate depreciation.

FISCAL FRAMEWORK

Main budget framework

The main budget framework summarises spending financed from the National Revenue Fund. As a proportion of GDP, main budget revenue is expected to decrease to 24.5 per cent of GDP in the current year and 24.2 per cent in 2024/25. This is a result of revenue projections growing slower than GDP, given low non-tax revenue and National Revenue Fund receipts in 2024/25 as well as high SACU payments.

Table 3.5 Main budget framework

R billion/percentage of GDP	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Outcome			Revised	Medium-term estimates		
Main budget revenue	1 238.4	1 564.3	1 699.2	1 714.8	1 802.1	1 921.7	2 058.5
	22.1%	24.8%	25.3%	24.5%	24.2%	24.3%	24.5%
Main budget expenditure	1 789.0	1 887.3	2 009.2	2 044.9	2 123.7	2 247.2	2 369.2
	31.9%	29.9%	29.9%	29.2%	28.5%	28.5%	28.2%
Non-interest expenditure ¹	1 556.4	1 619.2	1 700.7	1 690.4	1 737.8	1 821.7	1 913.3
	27.7%	25.7%	25.3%	24.1%	23.3%	23.1%	22.7%
Debt-service costs	232.6	268.1	308.5	354.5	385.9	425.5	455.9
	4.1%	4.2%	4.6%	5.1%	5.2%	5.4%	5.4%
Main budget balance	-550.6	-323.0	-309.9	-330.1	-321.6	-325.5	-310.7
	-9.8%	-5.1%	-4.6%	-4.7%	-4.3%	-4.1%	-3.7%
Primary balance	-318.1	-54.9	-1.5	24.4	64.2	100.0	145.2
	-5.7%	-0.9%	-0.0%	0.3%	0.9%	1.3%	1.7%

1. This includes contingency reserve
Source: National Treasury

Main budget expenditure reaches 29.2 per cent of GDP in 2023/24, moderating to 28.2 per cent of GDP by 2026/27. This largely reflects fiscal consolidation measures implemented over the past few years and proposed over the MTEF period. Debt-service costs continue to rise.

The main budget deficit is expected to moderate from 4.7 per cent of GDP in the current year to 3.7 per cent of GDP by 2026/27. A primary budget surplus is projected from 2023/24 and increases over the medium term to ensure debt stabilisation in 2025/26. Compared with the 2023 Budget estimates, both metrics have worsened. Changes to the main budget framework are presented in Annexure C.

Consolidated budget framework

The consolidated budget includes the main budget and spending financed from revenues raised by provinces, social security funds and public entities. The consolidated budget deficit is projected to narrow from 4.9 per cent of GDP in 2023/24 to 3.6 per cent of GDP in 2026/27. Public entities, social security funds and provinces are projected to have a combined cash deficit over the next two years, adding to the main budget deficit. A small combined cash surplus is projected for public entities, social security funds and provinces in 2026/27.

Table 3.6 Consolidated budget balance

R billion	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Outcome			Revised	Medium-term estimates		
Main budget	-550.5	-323.0	-309.9	-330.1	-321.6	-325.5	-310.7
Social security funds	-46.7	-3.4	3.4	-0.9	-2.3	21.1	24.7
Public entities	39.8	37.6	48.2	-5.5	-13.1	-32.4	-16.5
Provinces	3.0	2.1	12.0	-9.2	-2.1	3.6	1.3
RDP Fund	-0.5	-1.0	-0.7	-0.8	-0.8	-0.8	-0.9
Consolidated budget balance	-555.1	-287.6	-247.0	-346.5	-339.9	-334.0	-302.0
<i>Percentage of GDP</i>	<i>-9.9%</i>	<i>-4.6%</i>	<i>-3.7%</i>	<i>-4.9%</i>	<i>-4.6%</i>	<i>-4.2%</i>	<i>-3.6%</i>

Source: National Treasury

FINANCING AND DEBT MANAGEMENT STRATEGY

Government continues to finance its borrowing requirement in a prudent and sustainable manner within its strategic risk benchmarks, despite a more challenging environment.



Since the 2023 Budget, South Africa's sovereign risk premium has increased, reflecting investor concerns about economic and fiscal risks. The weaker economic and fiscal outlook has also led to a higher budget deficit, resulting in an increase in debt levels. In addition to large redemptions of maturing debt factored into the 2023 Budget, the higher budget deficit puts pressure on the gross borrowing requirement – the sum of the budget deficit, maturing loans and the Eskom debt-relief arrangement – over the medium term.

The gross borrowing requirement for 2023/24 has increased from R515.6 billion to R563.6 billion, relative to the 2023 Budget. Higher global monetary policy rates and inflationary pressures have led to an increase in the weighted cost of funding – the average funding cost weighted proportionally by each funding instrument – from 8.3 per cent in February 2023 to 9.5 per cent in October 2023.



Debt redemptions will increase from R155.5 billion in 2023/24 to R187.7 billion in 2025/26, averaging R175.7 billion over the medium term. To manage these redemptions, government will exchange some of the redemptions expected in the current year and over the medium term for longer-dated bonds as part of the ongoing bond switch programme.

Over the medium term, the gross borrowing requirement will average R553.7 billion. Long-term borrowing in the domestic bond market is expected to increase to R463.6 billion in 2025/26 and then decline to R349.1 billion in 2026/27.

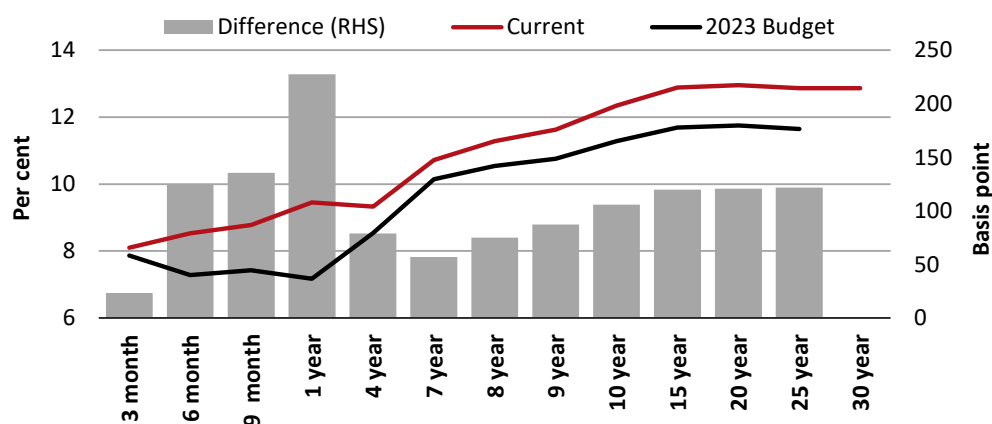
Table 3.7 National government gross borrowing requirement and financing

R billion	2022/23	2023/24	2024/25	2025/26	2026/27
	Outcome	Revised	Medium-term estimates		
Gross borrowing					
Main budget balance	-309.9	-330.1	-321.6	-325.5	-310.7
Redemptions	-90.3	-155.5	-171.8	-187.7	-167.5
Domestic long-term loans	-74.6	-106.6	-132.3	-128.7	-128.7
Foreign loans	-15.8	-48.9	-39.5	-59.0	-38.7
Eskom debt-relief arrangement	-	-78.0	-66.2	-110.2	-
Total	-400.3	-563.6	-559.6	-623.4	-478.2
Financing					
Domestic short-term loans (net)	-25.6	48.0	47.0	52.0	39.0
Domestic long-term loans	322.4	375.8	419.1	463.6	349.1
Foreign loans	64.5	45.9	36.9	82.7	92.8
Change in cash and other balances	39.0	93.9	56.6	25.1	-2.7
Total	400.3	563.6	559.6	623.4	478.2

Source: National Treasury

The fixed-rate bond yield curve – the relationship between bonds of different maturities – weakened by 95 basis points between February and September 2023. Higher yields indicate higher borrowing costs (Figure 3.10). This reflects the weaker fiscal position, monetary policy tightening, geopolitical conflict and the domestic energy crisis.

Figure 3.10 Interest rates on domestic government bonds



Source: National Treasury

In 2023/24, government will raise US\$2.4 billion through concessional funding from international financial institutions to meet its foreign-currency commitments. Over the next two years, government will draw down on its foreign exchange balances and continue accessing financing from global financial institutions to meet such commitments.

As Table 3.8 shows, gross loan debt is expected to increase from R5.24 trillion in 2023/24 to R6.52 trillion in 2026/27. The key drivers of this increase remain the budget balance and fluctuations in the interest, inflation and exchange rates. Gross loan debt as a share of GDP is projected to stabilise at 77.7 per cent in 2025/26.



Table 3.8 Total national government debt

End of period	2022/23	2023/24	2024/25	2025/26	2026/27
R billion	Outcome	Revised	Medium-term estimates		
Domestic loans¹	4 209.8	4 642.8	5 065.3	5 536.0	5 867.7
Short-term	422.6	470.5	517.5	569.5	608.5
Long-term	3 787.2	4 172.4	4 547.8	4 966.6	5 259.2
Foreign loans¹	555.7	595.2	576.0	597.3	657.2
Gross loan debt	4 765.4	5 238.0	5 641.3	6 133.4	6 524.9
Less: National Revenue Fund bank balances	-249.2	-149.7	-92.5	-72.9	-81.0
Net loan debt²	4 516.3	5 088.4	5 548.8	6 060.5	6 444.0
<i>As percentage of GDP:</i>					
Gross loan debt	70.9%	74.7%	75.8%	77.7%	77.5%
Net loan debt	67.2%	72.6%	74.6%	76.7%	76.6%

1. Estimates include revaluations based on National Treasury's projections of inflation and exchange rates

2. Net loan debt is gross loan debt minus the bank balances of the National Revenue Fund

Source: National Treasury

Compared with the 2023 Budget estimate, debt-service costs will increase by R14.1 billion to R354.5 billion in 2023/24. These costs will reach R455.9 billion, or 5.4 per cent of GDP, by 2026/27. As a share of main budget expenditure, debt-service costs will increase from 17.3 per cent in 2023/24 to 19.2 per cent in 2026/27.

RISKS TO THE FISCAL OUTLOOK



Fiscal risks remain elevated in the short to medium term. The major risks to the fiscal framework include:

- Weaker-than-expected global and domestic economic growth, which would slow revenue growth and widen the budget deficit.
- Continued losses by municipalities and state-owned companies, which would result in requests for bailouts.
- Higher borrowing costs as a result of an elevated risk premium and tighter global monetary conditions.

The contingency reserve, amounting to R27.1 billion over the medium term, cushions the fiscal framework against changes in the economic environment and unforeseeable spending pressures.

Annexure A contains the fiscal risk statement, which examines medium- and long-term risks to government's forecasts and the public finances.

CONCLUSION



Over the medium term, government will maintain a prudent fiscal stance, which will promote economic growth and support the most vulnerable members of society, while stabilising the public finances and reducing fiscal and economic risks.