

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 479

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Dr D T George (DA) to ask the Minister of Finance:

- (1) Whether he or the National Treasury gave government departments instructions on required expenditure reductions with regard to the process of determining adjustments to estimates of national expenditure for 2009/10; if so, what are the relevant details; if not,
- (2) whether he will issue such instructions; if not, why not; if so, what are the relevant details?

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Reply:

- (1) In terms of the Treasury Guidelines for the Preparation of Expenditure Estimates for the 2009 Medium Term Expenditure Framework, departments and agencies were expected to examine their baselines before submitting their 2009 MTEF budgets. The aim is to identify areas where the rescheduling of activities would be appropriate, where efficiency savings and cost reductions could be identified, as well as to identify areas where funds could be reprioritised from low priority to higher priority areas. In January 2009, the National Treasury issued

instructions to departments to effect expenditure cuts amounting to R19 billion.

The National Treasury will issue guidelines for the preparation of the Adjusted Estimates of National Expenditure 2009 to National Departments by the end of July 2009. In terms of these guidelines, departments will be asked to declare any savings that they have identified in the 2009/10 financial year. The appropriation to departments that identify such savings will then be reduced accordingly. The National Treasury has also issued cost containment guidelines. These guidelines aim to provide departments that are undergoing organisational development change with guidance on how to minimise the associated costs.

Guidelines issued by the National Treasury can be found on the National Treasury website at:

www.treasury.gov.za/publications/guidelines.