

NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

QUESTION NUMBER: 181 [NO1577E]

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★181. Dr S M van Dyk (DA) to ask the Minister of Finance:

Given that the majority of the national government expenditure for the 2012-13 financial year was earmarked for transfers and subsidies to deliver essential services, why was only 72,6% of the total budget spent by the end of the third quarter of 2012? NO1577E

REPLY:

At year end 2012-13, preliminary figures indicate that expenditure reached 98.5 per cent of the available budget – representing the highest portion spent in the previous three financial years.

Expenditure to the end of the third quarter in 2012-13 was R396.531 billion, exclusive of Direct Charges against the National Revenue Fund. This is R33.5 million greater than expenditure over the same period in 2011-12 – signifying a nominal growth rate of 9.2 per cent.

The largest single deferral of potential spending at the end of the third quarter to the fourth quarter was made to the equitable share to municipalities. This was mainly in order to compensate the National Revenue Fund for unspent conditional grants not relinquished by municipalities in previous financial years.

The second largest deferral at end quarter three to the fourth quarter was to the Urban Settlements Development Grant and was made because municipalities did not require the funds as quickly as expected by the department at the beginning of the year. The majority of the deferred payments therefore, were made in the fourth quarter.

In addition to the above deferrals to spending at the end of the third quarter were to the payment of the school infrastructure backlog grant; the payment of Restitution and Land Reform grants; payments for water services projects; and payments for benefits and payments for civil and military pensions.