

**NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 705 [NW853E]
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705. Dr D T George (DA) to ask the Minister of Finance:

With regard to the projected deficit decline from R162,2 billion in the 2015-16 financial year to R117,3 billion in the 2016-17 financial year in his 2015 Budget Vote, largely the result of a R142,6 billion increase in revenue, what is the forecasted source of the additional revenue?

NW853E

REPLY:

Several factors explain the R142.6 billion increase in consolidated government revenue between 2015/16 and 2016/17. Main budget revenue rises by R116.7 billion. This is the result of higher tax revenue, which increases approximately in line with nominal GDP growth, and lower Southern African Customs Union (SACU) payments, reflecting downward revisions to SACU imports.

The remaining R25.9 billion of the increase is primarily due to strong growth in projected social security funds revenue. Higher contributions and investment income improve the outlook of the Unemployment Insurance Fund (UIF), while operational improvements at the Road Accident Fund (RAF) and Compensation Fund increase projected revenue collections. The 2015/16 increase in the RAF levy also feeds through to 2016/17 revenue estimates.