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2023 MEDIUM TERM BUDGET POLICY STATEMENT: ENFORCING SPENDING CONSTRAINTS TO MAINTAIN FISCAL STABILITY

Part 1

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MTBPS 2023: ENFORCING SPENDING CONSTRAINTS TO MAINTAIN FISCAL STABILITY

Background

This Bulletin on the 2023 Medium Term Budget Policy Statement (MTBPS) and the Adjusted Estimate of National Expenditure (AENE) is the fourth in a series on the Budget published by the Parliamentary Research Unit.

Part 1 of the Bulletin provides an overview of MTBPS with a focus on:

- The Economic outlook;
- Fiscal outlook;
- Spending priorities over the medium term;
- Division of revenue; and
- Implications for oversight

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1. Introduction

The focus of the 2023 MTBPS is on tackling some lingering issues that have affected the South African (SA) economy for some time resulting in slow economic growth, high unemployment, high borrowing costs as well as dwindling tax revenue. Post COVID-19, all economies have experienced sluggish growth as well as supply side challenges due to geopolitical tensions. Even resilient economies such as China have experienced a slowdown in economic growth.[1]

SA has experienced these external shocks as well as endogenous structural issues that affected public finances. Growth has been revised downwards and the outlook is constrained due to inadequate electricity supply as well as freight rail capacity. Revenue collection is projected to be R56.8 billion below 2023 Budget estimates compelling the Government to borrow to meet the demand for services. Large budget deficits propel the Government to borrow to continue supporting the most vulnerable in society and to meet increasing Government spending which has exceeded revenue since the 2008 global financial crisis.

Consequently, SA is facing high debt service costs that consume a greater share of public resources. The rising costs of servicing debt reduces the amount of money available to meet national development goals. This, coupled with fiscal risks due to inefficiencies in spending as well as poor financial position of state-owned companies, has compounded the challenges that Government faces. South Africa needs to implement and enforce prudent financial management in all spheres to get value for money from its R2 trillion budget as a matter of urgency.

The paper focuses on the economic outlook in the medium term, the fiscal policy that seeks to address the issues that SA faces as well as expenditure priorities in the adjustment budget and an overview of the allocations between the three spheres of government. All these challenges require intensified oversight on SA's financial management to ensure that borrowed funds are utilised efficiently and effectively to achieve value for money.

2. Economic outlook

- **Global growth has shown signs of resilience amidst slow and uneven global recovery**[2]
  - Global growth is projected to slow from 3.5 per cent in 2022 to 3.0 per cent in 2023 and 2.9 per cent in 2024.
  - Emerging Market and Developing Economies (EMDEs)[3] are projected to grow at a faster rate than Advanced Economies and the global average in both 2023 and 2024:
    - The growth rate of advanced economies is projected at 1.5 per cent in 2023 and is expected to slow slightly to 1.4 per cent in 2024.

1 https://apnews.com/article/china

2 IMF (2023) and National Treasury (2023)

3 Refers to Emerging and Developing Asia, Emerging and Developing Europe, Latin America and the Caribbean, Middle East and Central Asia and Sub-Saharan Africa.

Compared to its counterparts, the United Kingdom's slowdown is more pronounced. Its growth is projected to decline from 4.1 per cent in 2022 to 0.5 per cent in 2023. The decline in growth is largely due to tighter monetary policies to curb high inflation as well as lingering impacts of the terms-of-trade shock from high energy prices.

- The growth rate of Emerging Markets and Developing Economies is projected at 4.0 per cent in 2023 and in 2024;
  - Whilst India's growth is projected to slow down from 7.2 per cent in 2022 to 6.3 per cent in 2023, its growth projections remain strong;
  - Sub-Saharan Africa is projected to slow down from 4.0 per cent in 2022 to 3.3 per cent in 2023 before returning to 4.0 per cent in 2024. The projected decline is due to worsening weather shocks, the global economic slowdown, and domestic supply issues, including, notably, in the electricity sector.

- **The main risk to the global economic outlook is due to inflation and uncertainty, China's recovery, the ongoing Russia-Ukraine War and high debt levels[4]**
  - **Persistent Inflation:** Global inflation is projected to fall from 8.7 per cent in 2022 to 6.9 per cent in 2023 and 5.8 per cent in 2024. While high levels of inflation have affected the majority of economies across the globe, the poorest households in developing countries tend to suffer the most as their consumer expenditure is largely on food and transport;
  - **China's recovery:** If China's economic recovery continues to stall and if its property crisis deepens, there will be negative spill overs, particularly for commodity exporters;
  - **The Russian-Ukraine War places pressure on food prices:** The ongoing Russia-Ukraine war has implications for global energy and food prices. Social unrest may be heightened with the elevated food and fuel prices;
  - **High risk of debt distress:** High borrowing costs together with weak growth levels pose a threat to already highly indebted countries and poses a risk to their debt sustainability.

- **South Africa's economic growth remains slow and has been revised downwards[5].**

Table 1: SA's GDP growth forecasts

	MTBPS 2022	Budget 2023	MTBPS 2023
GDP	1.9 %	0.9%	0.8%

- Table 1 above shows SA's growth predictions as it is revised downwards;
- In contrast to the 2022 Medium Term Budget Policy Statement (MTBPS) growth forecast of 1.9 per cent, South Africa's real gross domestic product (GDP) growth was revised downwards to 0.9 per cent at the time of the 2023 Budget and has slowed down to 0.8 per cent in 2023 since the 2023 Budget. Growth is projected to increase slightly to 1.0 per cent in 2024, 1.6 per cent in 2025 and 1.8 per cent in 2026.

[4] IMF (2023) and National Treasury (2023)
[5] National Treasury (2023)

- **The main risks to the domestic outlook[6]**

The following risks affects the domestic outlook:
  - Uncertainty in the global economy;
  - Global geopolitical tensions;
  - Persistent power cuts or inadequate electricity supply;
  - Rising inflation; and
  - High household indebtedness.

- **More needs to be done to improve employment growth[7]**
  - The country's official unemployment rate, which is calculated using the number of persons who are employed and unemployed but excludes economically inactive[8] persons, has decreased marginally from 32.9 per cent in the third quarter of 2022 to 32.6 per cent in the second quarter of 2023.
  - There were 74 000 fewer people in employment in the second quarter of 2023 than in the fourth quarter of 2019.

- **Inflation eases over the course of the year and the repurchase rate increases[9]**
  - The consumer price index (CPI) inflation forecast for 2023 has been revised downwards to 6.0 per cent, from an estimated 6.9 per cent at the time of the 2023 Budget.[10] CPI is expected to fall even further to 4.9 per cent in 2024 and 4.6 per cent in 2025.
  - According to the South African Reserve Bank (SARB), the risks to the inflation outlook have been assessed upwards. Global food price inflation remains high and oil markets have tightened. While there has been some easing in some of the food components more recently, domestic food price inflation remains elevated.
    - Compared to the 7.25 per cent per annum repurchase (repo) rate[11] at the time of the 2023 Budget, according to the September 2023 Statement of the Monetary Policy Committee (MPC), the repo rate has been kept at its current level at 8.25 per cent per year.

- **Business confidence and consumer confidence shows an improvement in quarter 3 of 2023[12]**
  - After falling to 27 in the second quarter of 2023, business confidence has improved to a level of 33 in the third quarter of 2023 according to the Bureau for Economic Research (BER) Business Confidence Index.[13]
  - Consumer confidence improved from -25 index points in the second quarter of 2023 to -16 index points in the third quarter of 2023. While it shows an improvement, it remains weak.

[6] National Treasury (2022 and 2023)
[7] National Treasury (2023)
[8] A person is considered to be economically inactive if they were able and available to work in the week prior to the Quarterly Labour Force Survey being administered, but did not work or look for work or start their own business.
[9] SARB (2023)
[10] National Treasury (2022 and 2023)
[11] The repo rate determines the interest rate at which the central bank lends money to commercial banks — which then affects the amount they lend to their consumers.
[12] BER (2023)
[13] 0 indicates extreme lack of confidence and 100 indicates extreme confidence

3. Fiscal outlook

- Revenue continues to fall sharply and is worse than the 2023 Budget estimate, with a significant decline in most tax categories amplified by inflation, poor rail infrastructure and a long low economic growth rates.
  - Corporate income tax (CIT) performed below projections due to commodity prices falling faster than expected while value added tax (VAT) shortfalls have risen due to higher claim refunds;
  - Tax estimate underperformance was R56.8 billion below the 2023 Budget estimate.

- There are several factors affecting revenue collection in the current financial year including decline in mining sector profitability with lower commodity prices, power cuts, and logistical constraints which have impeded growth of the sector significantly.

- Over the medium-term expenditure framework (MTEF), collection in tax revenue will be affected because of slow economic growth. It is expected that revenue shortfalls will affect the tax-GDP ratios which will decline to 24.7 per cent. Main budget revenue has been revised downwards by R44 billion compared to 2023 Budget. The National Revenue Fund has been revised upward to accommodate revaluation of payments for financial assets and payments linked to management of debt.

- South African Customs Union (SACU) payments were also revised upwards for the next two years compared to the 2023 Budget by R3.4 billion in 2024/25 and R5.6 billion in 2025/26. This increase is because of higher common revenue pool estimates.

- Specific tax announcements are seldom announced in the MTBPS but measures to raise an additional R15 billion will be announced in the 2024 Budget to support fiscal consolidation. Tax administration also remains central to government reaching its revenue target.

- Non- interest expenditure to be curtailed by R3.7 billion across departments.

- **The medium-term expenditure outlook** proposes fiscal consolidation that promotes reductions to baselines, as well as declared unspent funds, projected underspending, drawdowns of the contingency reserve and provisional allocations not assigned to Votes.
  - Relative to the 2023 main budget, the MTBPS proposes reductions of R213.3 billion, including R133.6 billion from reducing department baselines and provisional allocations not assigned to Votes;
  - 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.

- **The budget deficit is expected to moderate to 3.7 per cent of GDP by 2026/27**
  - Sustained long low growth rate poses a significant challenge, requiring ever higher levels of borrowing that are unmatched by improvements in public services;

- Low revenues, high debt-service costs and requests for bail-outs from state owned companies pose a significant challenge and leave no room for Government to address budget deficits and shrinks the fiscal space to respond to shocks.

- **Debt is increasing rapidly and faster than the economy and will likely crowd out budgets earmarked for social and economic programmes**
  - Gross Government loan debt is expected to rise sharply in the current year from R5.24 trillion in 2023/24 to R6.52 trillion in 2026/27;
  - The economic contraction coupled with inflationary pressures has increased Government estimated borrowing requirement from R515.6 billion to R563.6 billion for the current year;
  - In response to managing debt redemptions, Government will exchange some of the redemptions expected in the current year and the medium term for long-term dated bonds. In 2023/24, Government will raise concessional funding from international institutions to meet its commitments.

- **Fiscal risks remain high in the medium term due to weaker economic growth slowing down revenue growth, continued losses by municipalities and state-owned companies which would results in bailouts and higher borrowing costs due to a higher risk premium**
  - The weak financial positions of most state-owned companies (SOCs) compromises infrastructure as well as economic growth of the country (*see Annexure A for the performance of SOCs for the past three years: 2020/21, 2021/22 and 2022/23*).
    - The Auditor-General (AG) has raised going concern issues for most companies which means that these companies are not financially stable enough to meet their obligations and continue operating for the foreseeable future (*see Annexure B for profits and losses incurred by SOCs in 2022/23)*.

  - Operational inefficiencies, high-cost structures and onerous debt obligation continue to hamper profitability and cash flows of SOCs. This might mean more bailouts for SOCs which will constrain the fiscus even more:
    - **ESKOM** is provided with debt relief of R254 billion from 2023/24 to 2025/26, subject to strict conditions. ESKOM has failed to submit the 2022/23 annual report (*see Annexure A*);
    - **Land Bank** failed to meet its debt obligation. National Treasury transferred R5.1 billion to the Bank as part of the R7 billion fiscal allocation;
    - **Transnet** has weak profitability due to operational challenges. Existing debt is at R130 billion. Transnet issued guarantee[14] remains at R3.5 billion.

  - The bulk of **contingent liabilities[15]** are due to poor conditions of state-owned companies. ESKOM constitutes 84 per cent of the exposure. If the current poor financial state of SOCs continues, contingent liabilities will rise. From October, all

[14] By granting a guarantee, the state is providing surety to a lender that the state will repay amounts due to the lender in terms of the agreement if the SOE is not in a position to do so. Guarantees can be a direct charge to the National Revenue Fund should the SOEs default on their guaranteed liabilities.
15 Contingent liabilities represent government's potential financial commitments if certain conditions occur.

departments requesting fiscal commitment that affect contingent liabilities will report to Parliament on a quarterly basis.

  - Government is managing its exposure to contingent liabilities carefully in the context of past experience with large appropriations to state-owned companies- Land Bank, SANRAL and Denel and the current Eskom debt-relief arrangement.

- Provincial and Local Government are a risk to the fiscus. There are accruals for **medico-legal** payments which rose to R1.6 billion for claims that are due by Government. Local governments owe several entities (including ESKOM and water boards) and Government agreed to write-off part of the debt.

4. Spending priorities over the medium term and strengthening economic growth

- **Fiscal sustainability, robust economic growth and improving spending efficiency**
  - Over the medium term, Government endeavours to continue rebuilding public finances by narrowing the budget deficit and stabilizing debt, while maintaining the social wage;
  - To this end, Government will continue implementing fiscal consolidation through expenditure reductions, moderate tax revenue measures and implementing efficiency measures across the Public Sector;
  - Government concedes that fiscal consolidation alone is insufficient to reduce debt and lower the budget deficit, thus plans are proposed to prioritise reforms aimed at strengthening economic growth;
  - Despite fiscal consolidation measures, consolidated Government spending is expected to grow at an annual average rate of 4.6 per cent from R2.3 trillion in 2023/24 to R2.6 trillion in 2026/27;
  - The fiscal consolidation path proposes a downward revision in spending of R21 billion in 2023/24 and further reductions of R64 billion in 2024/25 and R69 billion in 2025/26;
  - Compared to the 2023 Main Budget, non-interest spending forecasts a net downward revision of R37.3 billion in 2024/25 and R47.7 billion in 2025/26;
  - Further fiscal sustainability and fiscal consolidation measures include:
    - Cost-containment guidelines across the Public Sector;
    - Control measures on payroll systems;
    - Enforcement of recommendations on spending reviews; and
    - Planned joint review and reconfiguration of the structure and size of the State.

- **Medium-term spending priorities**
  - Medium term expenditure priorities remain unchanged with the Social wage accounting for the biggest share of Government spending. This is in line with the objective of enforcing spending restraint, while maintaining support for the most vulnerable and protecting frontline services, including Basic Education, Health and Police services.

- Most national and provincial departments will absorb the carry-through costs of the 2023 Public-service wage agreement within their current baselines and reprioritize spending for other priorities.
  - For labour intensive departments and the protection of critical frontline services, Government provides additional funding of R24 billion in 2023/24 and R74 billion over the medium term to fund spending pressures in Compensation of employees.
- The Budget recognises the impact of infrastructure development on growth through several supply and demand-side channels; thus, at an average growth of 13.9 per cent over the Medium-Term Expenditure Framework (MTEF), Payments for capital assets is the fastest growing item by economic classification.
- Government provides additional allocations of R1.6 billion for the reconstruction and rehabilitation of damaged infrastructure due to flooding in four provinces and to replenish the Disaster Response Conditional Grants.
- Government proposes an allocation of R34 billion to extend the Covid-19 Social Relief of Distress Grant until 31 March 2025, while over the medium term a provisional allocation is retained pending a comprehensive review of the Grant.
- Lethargic economic growth has increased the public debt burden – precipitated by lower investment and lower capital accumulation.
  - Debt service costs, estimated at R1.3 trillion, are crowding out spending on basic services and policy priorities.
- Despite fiscal restraint measures, Government will spend an annual average of R267.4 billion in the economic development function over the 2024 MTEF to enable inclusive growth and job creation.

5. Division of revenue

- **Overview of revenue allocation among the three spheres of government over the 2024 medium term**
  - Over the next three years, the Government proposes to allocate nationally raised revenue as follows:
    - 48 per cent (48.4% was projected in the 2022 MTBPS) of available non-interest spending to national departments;
    - 42.1 per cent (up from the 41.4% in the 2022 MTBPS) to Provinces, and
    - 9.9 per cent (down from the 10.1% in the 2022 MTBPS) to Local Government.[16]
  - Provinces and Municipalities continue to face severe spending pressures due to the rising cost related to the provision of basic and social services.
  - Provinces have limited avenues for additional revenue sources and rely heavily on their provincial equitable share allocations to fund their activities.
    - Provinces will receive an additional R68.2 billion over the 2024 MTEF to make provision for the implementation costs associated with the 2023 Public-service wage agreement in the Education and Health Sectors.[17] This additional allocation will be disbursed using the provincial equitable formula and conditional grants.

[16] National Treasury (2023a), p. 37.
[17] National Treasury (2023a), p. 39.

- While the Local Government revenue pressures arise from lower economic growth (resulting in an increasing indigent population), and capacity-challenges related to collecting revenue due to them and in enforcing credit controls.
    - Local Government receives relief from their growing Eskom debt in the form of the debt-relief arrangement for Eskom outlined in the 2023 Budget. The debt will be written off over a three-year period, in equal annual tranches, provided the Municipality complies with the set conditions.[18]
    - By October 2023, 67 applications had been submitted, totalling R56.8 billion or 97 per cent of total municipal debt owed to Eskom, as at the end of March 2023. Of the 67 applications, 28 applications have been approved and the remainder are being assessed and verified with Provincial Treasuries.[19]
- Changes to the Provincial Equitable Share Formula:[20]
    - Changes introduced in 2022/23 following a review of the health component will be fully phased in at the end of the 2024/25 financial year.
    - The Education component is still under review.
- Proposed changes to the Local Government Conditional Grants over the 2024 MTEF:
    - To improve water management and wastewater systems, changes will be made to ensure that Grant conditions are aligned with the Green Drop, Blue Drop and No Drop assessments. These include: the *Urban Settlements Development Grant* for Metropolitan municipalities, the *Integrated Urban Development Grant* for Intermediate cities and the *Municipal Infrastructure Grant* for other Local municipalities and District municipalities.[21]

6. Implications for oversight

- The MTBPS proposes spending restraints to avoid a looming fiscal crisis. The underperformance of the economy has resulted in declining domestic resource mobilization with a concomitant impact on resource allocation by Government. The fiscal consolidation path threatens a regression in human development gains of the last several decades.
- The country's finances remained strained as evidenced by the proposed in-year adjustments (i.e., reprioritisation/postponement, reductions etc.) and the ever-present need to provide financial support to State-owned companies, while simultaneously addressing the reduction of Government debt. It must be emphasised that the nationally raised revenue fund is a small pie that must be allocated among various competing priorities in different Government spheres. Thus, all three Government spheres must reduce wastage and ensure that they get the "basics" right in terms of: budget planning, implementation, monitoring and evaluation, performance reporting, accountable leadership and maintaining good governance principles.

[18] National Treasury (2023a), p. 38.
[19] National Treasury (2023a), p. 38.
[20] National Treasury (2023a), pp. 38-39.
[21] National Treasury (2023a), pp. 38-39.

- The SOCs continue to be a concern as the financial health of these companies continue to cast doubt on future operations and pose fiscal risks to future budgets. A serious turnaround strategy is needed for SOCs before the situation becomes dire. The Budget Review of 2023 on SOCs stated that the following will be done:
    - Government has been developing a new framework for managing bailouts to SOCs to reduce fiscal risks and promote long-overdue reforms;
    - The preliminary framework will be published in March 2023 for consultation and will thereafter be submitted for Cabinet approval. It aims to link bailouts of these entities to a range of reforms needed to make them sustainable and efficient.
- It is important for Parliament to hold the Executive accountable by checking if the framework has been established as stated in the Budget Review of 2023.
- Joint oversight meetings between Portfolio Committees where SOCs report policy issues and finance committees such as SCOPA and Appropriations might assist in conducting oversight on governance, policy issues and financial matters. This will ensure that all areas that will enable SOCs to operate and function efficiently and effectively are covered.
- All revenue collecting Government departments and entities must ensure proper collection of revenue in order to operate efficiently and ensure optimum collection of revenue to finance government spending.

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PRU. 2023. Financial performance of SOEs and national government departments

Annexure A: Audit outcome of SOCs

The audit outcomes are based on the audits that the Auditor General (AG) performs on the quality of financial statements and performance reports as well as on compliance with key legislation.

Table A1: Audit outcomes of SOCs for the past three years

SOE	2020/21	2021/22	2022/23
ESKOM	Qualified	Qualified	AR not tabled
TRANSNET	Qualified	Unqualified with findings	Unqualified with findings
South African Airways (SAA) Ltd	Audit outstanding	Audit outstanding	AR not tabled
South African Express	Audit outstanding	Audit outstanding	AR not tabled
DENEL	Audit outstanding	Audit outstanding	AR not tabled
South African Broadcasting Corporation (SABC)	Qualified	Qualified	Disclaimer
South African Post Office (SAPO)	Disclaimer	Disclaimer	Disclaimer
SAFCOL	Unqualified with findings	Unqualified with findings	Unqualified with findings
ARMSCOR	Unqualified with findings	Unqualified with findings	Unqualified with findings
Land Bank	Qualified	Unqualified with no findings	Unqualified with findings
Alexkor	Qualified	Audit outstanding	AR not tabled
Development Bank of South Africa (DBSA)	Unqualified with no findings	Unqualified with no findings	Unqualified with no findings
Airports Company (ACSA)	Unqualified with findings	Unqualified with findings	Unqualified with findings
Independent Development Trust (IDT)	Disclaimer	Qualified	Qualified
Industrial Development Corporation (IDC)	Unqualified with findings	Unqualified with findings	Unqualified with findings
Central energy Fund (CEF)	Unqualified with findings	Unqualified with findings	AR Not tabled

Trans-Caledon Tunnel Authority (TCTA)	Unqualified with findings	Unqualified with findings	Unqualified with findings
Air Traffic and Navigation Services SOC Ltd (ATNS)	Unqualified with findings	Unqualified with findings	Unqualified with findings
Small Enterprise Finance Agency Limited (SEFA)	Unqualified with no findings	Unqualified with no findings	Unqualified with findings
South African Nuclear Energy Corporation (NECSA)	Disclaimer	Disclaimer	Qualified

Source: PRU, 2023. Financial performance of SOCs and national departments

Unqualified with no findings	**Unqualified with findings**	**Qualified**	**Disclaimer**	**Not tabled/ audit outstanding**
The financial statements are free from material misstatements and there are no material findings on reporting on performance objectives (PDO) or non-compliance with legislation.	The financial statements contain no material misstatements findings have been raised on either reporting on PDO or non-compliance with legislation, or both	The financial statements contain material misstatements in specific amounts, or there is insufficient evidence for us to conclude that specific amounts included in the financial statements are not materially misstated	The auditee provided insufficient evidence in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in the financial statements.	

Annexure B: Profits and losses of SOCs

Table A2: Profits and losses of SOCs for 2021/22 and 2022/23

SOC	2021/22 R'000	2022/23 R'000	Going concern issues
ESKOM	(12 330 000)	N/A	N/A
TRANSNET	5 048 000	(5 676 000)	N/A
SAA	N/A	N/A	
South African Express	N/A	N/A	
DENEL	N/A	N/A	N/A
SABC	(200 205)	(1 127 363)	- Incurred a net loss of R1.1 billion; - The current liabilities exceeded the current assets by R612 million; - The SABC was thus commercially insolvent because it was not able to pay its debts as and when they were due; and - The AGSA was unable to confirm or dispel whether it is appropriate to prepare the financial statements using the going concern assumption.
SAPO	(2 234 848)	(2 161 777)	- Incurred a loss of R2.2 billion; - The current liabilities exceeded the current assets by R9.7 billion; and - The entity reported negative cash flows from operating activities.
SAFCOL	84 919	230 849	N/A
ARMSCOR	4 604	167 981	N/A
Land Bank	1 210 802	492 322	- In late April 2020, the bank had a liquidity shortfall, causing it to default on some obligations. - This default triggered a cross default, leading to a halt in capital and interest payments to its funders. - The resolution of the default is still in progress, pending the signing of commitment agreements with lenders. - These events, create a substantial doubt about the public

			entity's ability to continue as a going concern.
Alexkor	N/A	N/A	N/A
DBSA	3 825 157	5 209 991	N/A
ACSA	(1 002 359)	(142 479)	N/A
IDT	21 630	42 057	- The entity's ability to continue as a going concern is dependent on the shareholder for funding of operations for the period ending 31 March 2024. - The shareholder is in the process of identifying budget savings from their Departmental units. - The cash flow forecast for the year ending 31 March 2024 indicated a net cash outflow, resulting in a significant decline in available cash resources.
IDC	6 291 000	10 669 000	N/A
CEF	62 557	N/A	N/A
TCTA	1 323 000	1 072 000	N/A

Source: PRU, 2023. Financial performance of SOE and national departments

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