



# COOLKIDS

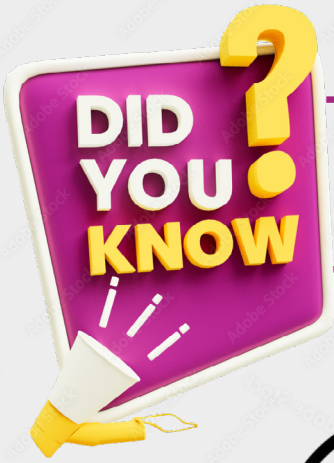
## GUIDE TO THE BUDGET



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA





A **BUDGET** is a plan on how to spend the money you have over a specific length of time.



## WHAT IS THE NATIONAL BUDGET?

In **FEBRUARY** each year, the Minister of Finance announces the **NATIONAL BUDGET**. The Minister tells everyone how government collects money and its plans on how to spend it over the next **3 YEARS**.



The national budget divides money between national departments, provinces, and municipalities.

## WHY DOES THE GOVERNMENT NEED TO BUDGET?

- To make better choices with money
- To manage our spending habits
- To keep track of our expenses
- To prepare for emergencies
- To pay off our debt
- To achieve our goals



Just like how you save and spend your own money, but for the whole country.



**1**



Departments submit **SPENDING PLANS** and budget proposals to **NATIONAL TREASURY**

**2**



Money is allocated for **GOVERNMENT'S PRIORITIES** and **SPENDING PLANS**



**HOW IS THE BUDGET PUT TOGETHER?**



**3**



**IN FEBRUARY** The **BUDGET** is tabled in **PARLIAMENT** officially.

**4**



The **PRESIDENT APPROVES** and makes the budget official by signing it into **LAW.**



# HOW DOES THE BUDGET WORK?



- You can only **SPEND MONEY** to which you have access.
- Efficient and effective spending will **GROW THE ECONOMY**

$$\text{REVENUE} - \text{EXPENDITURE} =$$

## BUDGET BALANCE

**R2.04 TRILLION**  
in 2024/25

- Taxes such as **PERSONAL AND CORPORATE INCOME TAXES AND VALUE-ADDED TAX**
- **NON-TAX REVENUE** e.g. departmental receipts and **SALE OF CAPITAL ASSETS.**



**R1.98 TRILLION**

**Non-interest Expenditure**

**R391 BILLION**

**Interest payments**

If revenue equals expenditure this is a **balanced budget**.  
If revenue exceeds expenditure this will be a **budget surplus**. If expenditure exceeds revenue, government is **running a deficit and has to borrow**.

This **BORROWING ADDS TO GOVERNMENT DEBT**.  
There is a limit to how much can be borrowed and it comes at a cost (**INTEREST PAYMENTS**)



### DID YOU KNOW ?

**NON-INTEREST EXPENDITURE** : includes the many responsibilities of government such as healthcare, education, peace and security services.

**INTEREST PAYMENTS** : government pays interest on its debt and other costs related to its borrowing.



# WHAT IS THE MONEY USED FOR IN 2024/25?

The money **COLLECTED** is used by the government to do many **IMPORTANT THINGS** such as :



## LEARNING & CULTURE

**R480.6 billion**

includes **basic and higher education, plus training, sports, arts, and culture.**

## SOCIAL DEVELOPMENT

**R387.3 billion**

helps people get financial aid and services to **reduce poverty and support those in need.**



## HEALTH

**R271.9 billion**

helps ensure **everyone can access health care services fairly.**

## DEBT-SERVICE COSTS

**R382.2 billion**

is the **cost of borrowing money**, that is interest on government debt



## CONTINGENCY RESERVE

**R5 billion**

is set aside for changes to the **economic environment and to meet unforeseeable spending pressures**



## COMMUNITY DEVELOPMENT

**R265.3 billion**

supports **access to housing and basic services, affordable public transport, and spatial transformation urban development.**



## GENERAL PUBLIC SERVICE

**R74.7 billion**

helps **create a government that supports growth and positive change**, as planned in the National Development Plan.



## PEACE & SECURITY

**R244 billion**

funds the **criminal justice system and safety and security** to ensure territorial integrity.



## ECONOMIC DEVELOPMENT

**R255.4 billion**

helps the economy grow and **reduces unemployment, poverty, and inequality**



# SOCIAL GRANTS

Total social grant spending makes up **11%** of total government spending in **2024/25**.



## OLD AGE & WAR VETERANS GRANTS

40% of total grants spending



**R107 BILLION**

## CHILD SUPPORT GRANT

32% of total grants spending



**R86 BILLION**

**TOTAL SOCIAL GRANTS  
R266 BILLION**



## OTHER GRANTS

4% of total grants spending



**R10.4 BILLION**

## DISABILITY GRANT

11% of total grants spending



**R29 BILLION**

## SOCIAL RELIEF OF DISTRESS GRANT

13% of total grants spending



**R34 BILLION**

\*Numbers are rounded



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