

SA's delivery of crucial services under threat after Treasury desperately calls for public 'fiscal consolidation'

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South Africa's financial situation since Finance Minister Enoch Godongwana presented the February Budget is turning out to be worse than initially thought.



Source: Wikipedia. Finance Minister Enoch Godongwana.

The government is now reluctant to embark on new spending priorities, which will have dire consequences for crucial service delivery across the country. It is heading for a much bigger financial crisis, with the revenue it generates from corporate and personal income tax not being enough to cover growing societal demands.

To prevent a total collapse in the country's finances, National Treasury has told all government departments in provinces that no new spending will be allocated to them. The Treasury is even prepared to implement budget cuts in 2024, which will be a blow to departments that are already reeling from previous cuts that threaten the delivery of services to the vulnerable and poor.

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