**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **1232** **[NW1373E]**

**DATE OF PUBLICATION: 31 MARCH 2023**

**1232. Ms A L A Abrahams (DA) to ask the Minister of Finance:**

What are the detailed reasons that the National Treasury declined the Department of Social Development’s proposal to increase the monthly COVID‑19 Social Relief of Distress grant from R350 to R420 for successful applicants when R1,769 billion was unspent and declared a saving for the 2022-23 financial year as per the third quarter expenditure statement? NW1373E

**REPLY**

The budget process involves making many trade-offs, including between different priorities. As stated in the 2023 Budget Review, the extension of the COVID-19 SRD grant and the inflationary increases to social grants cost R65.3 billion. Given the priorities and pressures facing the 2023 Budget and Medium-Term Expenditure Framework, it is clear that there was (and is) limited fiscal space to accommodate the increase in the COVID-19 SRD grant values. Under spending or savings from 2022/23 do not go through the next year because of the large budget deficit. In addition, a broader agreement on the future of the COVID-19 SRD grant is required, including the financial implications of the proposed change, and how to finance it.