



national treasury

Department
National Treasury
REPUBLIC OF SOUTH AFRICA

TO ALL: ACCOUNTING OFFICERS OF DEPARTMENTS AND CONSTITUTIONAL INSTITUTIONS
ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES LISTED IN SCHEDULES 2 and 3 TO THE PFMA
HEAD OFFICIALS OF PROVINCIAL TREASURIES

NATIONAL TREASURY INSTRUCTION NO. 04 OF 2017/2018

REVISED COST CONTAINMENT MEASURES RELATED TO TRAVEL AND SUBSISTENCE

- 1. PURPOSE**
 - 1.1. The purpose of this National Treasury Instruction is to prescribe revised cost containment measures related to travel and subsistence to be implemented by accounting officers of departments and constitutional institutions and accounting authorities of public entities listed in Schedules 2 and 3 to the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999).
 - 1.2. This Treasury Instruction applies to all **Travellers**¹, travelling on Official Business², which is inclusive of the staff of Ministries, but excludes Members and National Members, as defined in the Ministerial Handbook.
 - (a) This National Treasury Instruction must be read in conjunction with National Treasury Instruction 02 of 2017/2018 that gives effect to the **National Travel Policy Framework (NTPF)** for further understanding and definitions.
 - 1.3. Where there is conflict between this Treasury Instruction and the National Travel Policy Framework, the Framework will take precedence.

¹ Traveller means a person travelling at the behest of the Institution on Official Business. Institutions may include, but not limited to, other categories of employees, executives, other policy beneficiaries in line with applicable employment conditions, e.g. Institution bereavement, wellness and recruitment policies; Research collaboration support such as researchers, postgraduate students, utilising shared research platforms, Non-executive members, appointed members of a Committee, appointed members of a Commission of Enquiry, persons appointed as advisors on grounds of policy considerations in terms of section 12A of the Public Service Act of 1994, interview candidates and other government employees where an employer-employee relationship exists as defined in the Labour Relations Act or similar, e.g. International Labour law (in the case of employees based in foreign countries) and other applicable legislation, invited guests, care attendants to a Traveller with a disability

² Official Business means, in relation to this Instruction, travel and related costs associated with performing the Institution's functions in terms of their mandate and strategic, operational and performance plans.

2. ENFORCEMENT OF THIS TREASURY INSTRUCTION

- 2.1 Section 38(1) (b) of the PFMA requires accounting officers of departments and constitutional institutions to be responsible for the effective, efficient, economical and transparent use of their respective institutions' resources. Sections 38(1)(c)(iii) and 51(1)(b)(iii) of the PFMA also require accounting officers and accounting authorities to take effective and appropriate steps to manage the available working capital of their respective institutions efficiently and economically.
- 2.2 Accounting officers and accounting authorities are therefore required to implement control measures to ensure that all expenditure incurred by their respective institutions is necessary, appropriate and cost-effective. Accounting officers and accounting authorities are also required to ensure that all invoices are paid within 30 days from receipt of an invoice, unless otherwise agreed in a contract or other agreement with the supplier. All expenditure must be recorded and reported, as prescribed by the relevant legislative framework.
- 2.3 Accounting officers and accounting authorities are also responsible for ensuring that all employees in their respective institutions are mindful of the current economic realities and the need to intensify efforts to improve efficiency in expenditure and to exercise oversight over supply chain management processes and procedures.

3. NATIONAL TRAVEL STRATEGY

3.1 *Travel and Accommodation Rates*

- 3.1.1 *Domestic Flights:* The National Treasury has negotiated improved upfront discounts on domestic flights for all departments, constitutional institutions and public entities listed in Schedules 2 and 3 to the PFMA ("Institutions").
- 3.1.2 *Domestic Accommodation:* The National Treasury has also established maximum allowable rates for domestic accommodation applicable to all departments, constitutional institutions and public entities.

3.2 *Net and Non-Commissionable Rates*

- 3.2.1 All rates offered to Government for domestic air and land arrangements must be net and non-commissionable³ with effect from the date of this Treasury Instruction. This will include rates offered by domestic airlines, hotels, car rental companies and the informal accommodation market e.g. Guest Houses, Bed & Breakfast or similar establishments.
- 3.2.2 Where commissions are earned by the Travel Management Company for a specific Institution's bookings, all these commissions should be declared and returned to the relevant Institution on a quarterly basis.
- i. National Treasury has negotiated non-commissionable fares and rates with various airlines carriers and other service providers;

³ The net and non-commissionable rate means a rate that does not include any third party reward, i.e. a rate that is not marked up to include any commissions.

- ii. No override commissions earned through an Institution's reservations will be paid to the Travel Management Companies;
- iii. An open book policy will apply and any commissions earned through an Institution's volumes will be reimbursed to that Institution.

3.3 *Minimum Bid Specification Requirements for the Appointment of Travel Management Services*

3.3.1 The main outcomes of National Treasury Instruction No. 4 of 2016/2017 - Minimum Bid Specification Requirements for the Appointment of Travel Management Services are to:

- i. create a standardised approach to the Travel Management Industry for all government institutions to which the instructions apply;
- ii. ensure minimum technical competence of Travel Management Companies to service government institutions through the minimum bid specification requirements;
- iii. standardise the remuneration model for Travel Management Companies that is transparent across all government institutions;
- iv. move away from rebates, commissions or any volume driven incentives being paid to Travel Management Companies to a more transparent fee structure;
- v. standardise reporting requirements to improve transparency in expenditure for the travel category for all government institutions; and
- vi. ensure reduction of travel expenditure without compromising on quality of service in line with the requirements of these cost containment measures.

3.4 *National Travel Policy Framework*

3.4.1 National Treasury has issued a revised National Travel Policy Framework (National Treasury Instruction No. 02 of 2017/2018). Accounting officers and accounting authorities to which the National Travel Policy Framework applies must adapt their travel policies and standard operating procedures to the Framework in line with their individual requirements and delegated authority.

4. COMPLIANCE WITH COST CONTAINMENT MEASURES

- 4.1. Institutions must assist officials involved in the arrangement of travel to comply with the provisions of this Treasury Instruction to avoid possible irregular and fruitless and wasteful expenditure.
- 4.2. Irregular expenditure resulting from non-compliance with this Treasury Instruction must be recorded as such in the irregular expenditure register and disclosed appropriately in the annual financial statements of the institution.

5. COST CONTAINMENT MEASURES

5.1 *General Principles*

- 5.1.1 Accounting officers and accounting authorities to allow the Travel Booker⁴ or appointed Travel Management Company(ies) to make travel arrangements on behalf of the Institution that is in line with the provisions of the Institution's Travel Policy and this cost containment Treasury Instruction.
- 5.1.2 Institutions must make bookings utilising their institutional negotiated rates and fares, the government negotiated corporate rates and fares where applicable, e.g. discounted air fares with airlines, or, where the Travel Management Company(ies) can obtain better rates or fares, the Travel Management Company(ies) rates or fares for travel services within the maximum allowable rates as prescribed by the National Treasury.
- 5.1.3 In cases where the trip includes both air and road travel, Travel Bookers must select the mode and combination thereof that is the most cost-effective, taking into account the cost of the trip, time consumed and productivity.
- 5.1.4 Institutions must ensure that the Travel Booker or the appointed TMC compare various airline fares, accommodation establishment rates and car rental rates before confirming a booking, maintaining the principles of competitiveness and cost effectiveness⁵ in supporting the Institution's sustainability.
- 5.1.5 The Authorising Official⁶ must consider, prior to approving travel requests:
- i. the necessity to travel; limited to the absolute critical trips in support of the Institution's mandate;
 - ii. the benefit to the Institution;
 - iii. use of alternative face to face technologies i.e. Skype, video conference; and
 - iv. compliance with the Institution's Travel Policy.
- 5.1.6 The double payment of travel expenses or travel advances or travel expense claims without supporting receipts, is prohibited.
- 5.1.7 Expenses included in any travel allowance given, or claiming a reimbursement for the cost of meals where the cost of meals is already included in the Accommodation cost, will be regarded as irregular expenditure and will be dealt with as such.
- 5.1.8 Accounting officers and accounting authorities must reduce an allowance where the Institution or another party or host are paying for the claimed expenses. The Institution recovers the over payment from the Traveller in accordance with applicable legislation and prescripts.

⁴ Travel Booker: means the person coordinating travel reservations with the Travel Management Company consultant on behalf of the Traveller.

⁵ Preferential Procurement Regulations, 2017, Section 6(9)(a) & (b)

⁶ Authorising Official means the Official who has delegated authority in terms of the Institution's DOA (Delegation of Authority) Policy, to approve travel requests and expenses.

5.2 Employees travelling on same engagements

- 5.2.1 Accounting officers and accounting authorities must implement policies and procedures to restrict the number of Officials and, where applicable, persons appointed on policy considerations⁷ travelling to the same event, conference, consultation or meeting to reasonable and necessary representation, including representations to Parliament or Provincial Legislatures.
- 5.2.2 Delegations to the same event, conference, consultation or meeting may only exceed three (3) Officials including persons appointed on grounds of policy considerations if approved in advance by the relevant accounting officer, accounting authority or delegated official.
- 5.2.3 The provisions of paragraphs 5.2.1 and 5.2.2 of this Treasury Instruction does not apply to:
- i. Heads of departments and constitutional institutions;
 - ii. deputy directors-general or persons holding equivalent ranks in departments⁸
 - iii. persons appointed on grounds of policy considerations in terms of section 12A of the Public Service Act, 1994;
 - iv. employees at the level of management that report directly to the chief executive officer (CEO) of a constitutional institution;
 - v. members of the accounting authority (Boards) of a public entity;
 - vi. the CEO or any other person in charge of the public entity;
 - vii. members of the CEO's executive committee that report directly to the CEO or to any other person in charge of the public entity;
 - viii. officials of departments, constitutional institutions and public entities performing official duties in Parliament or in a provincial legislature other than those referred to in paragraph 5.2.1 of this Treasury Instruction; and
 - ix. non-executive members serving on any governance committee (audit, risk and remuneration committees) in a department, constitutional institution or public entity.

5.3 Domestic air travel

- 5.3.1 The National Treasury has negotiated with South African Airways (SAA) and Comair/British Airways (BA) for upfront discounted air fares for government employees travelling domestically on official business. The Domestic Air Travel Fares are attached as **Annexure A** and will annually be reviewed by the National Treasury. Copies of the agreements are available on request.
- 5.3.2 Departments, constitutional institutions and public entities must implement the **best-fare-of-the-day**⁹ by making use of the negotiated discounted rates with SAA and BA. These agreements are **not exclusive** agreements and, before confirming a booking, Institutions must ensure that their appointed Travel Management Companies (TMCs) and, or, Travel Booker, whichever applicable, compare the rates of SAA and BA with other airlines servicing the specific routes, including the low cost carriers.
- 5.3.3 In order to make full use of the corporate discounts with SAA and BA, departments, constitutional institutions and public entities must instruct their appointed Travel

⁷ Policy Advisors appointed in terms of section 12A of the Public Service Act, 1994

⁸ This does not apply to persons holding other ranks/positions in departments but who are remunerated at salary levels 15.

⁹ The lowest fare at the time of booking and for which a seat is available, that meets the business requirements of the traveller.

Management Companies and, or, Travel Bookers for domestic airline tickets, to book against the following relevant deal codes¹⁰ assigned to Government:

- (a) SAA Government deal code: **Deal code per department (Annexure B)**
- (b) BA Government deal code: **Deal code per department (Annexure C)**

5.3.4 Travellers must plan official travel well in advance to take advantage of the cheaper economy class fares (e.g. V, S, N, Q class tickets) which requires bookings/reservations be made, where possible, at least seven (7) working days prior to departure. The most cost effective options are available when making bookings/reservations more than fourteen (14) days prior to departure.

5.3.5 Institutions, through their Travel Bookers and, or, Travel Management Companies, must make every attempt to reduce travel costs by comparing the cost advantage of using alternative transport modes.

5.3.6 Travel policies must address the use of flexible ticket options as follows:

- a. Non-flexible tickets for the departure and return flight;
- b. Non-flexible tickets for the departure flight only;
- c. Flexible tickets for the departure and return flight.

5.3.7 *Air travel arrangements for departments and constitutional institutions*

5.3.7.1 Employees of departments and constitutional institutions, including support staff, administrative staff, the Chief of Staff, media liaison officers, parliamentary officers, private secretaries, assistant appointment secretaries, receptionists, registry clerks, drivers, messengers and VIP protection personnel may only travel economy class unless approved otherwise by the accounting officer or delegated official.

5.3.7.2 For flights that are **five (5) hours or less**, business class tickets may only be purchased for:

- (a) Directors-General or persons holding equivalent ranks in departments;
- (b) persons appointed on grounds of policy considerations in terms of Section 12A of the Public Service Act, 1994 (i.e. advisors to executive authorities); and
- (c) accounting officers of constitutional institutions.

5.3.7.3 For flights **exceeding five (5) hours**, business class tickets may only be purchased for –

- (a) Directors-General or persons holding equivalent ranks in departments;
- (b) Deputy Directors-General and Chief Directors or persons holding equivalent ranks in a department¹¹;
- (c) persons appointed on grounds of policy considerations in terms of section 12A of the Public Service Act, 1994 (i.e. advisors to executive authorities);
- (d) accounting officers of constitutional institutions;

¹⁰ The code that the Travel Management Companies must quote/insert when making the booking in order to benefit from the negotiated discounted fares.

¹¹ This does not apply to persons holding other ranks/positions but who are remunerated at salary levels 14 or 15.

- (e) employees at the level of management that report directly to the accounting officer of a constitutional institution;
- (f) employees at the level of management that report directly to the Officials referred to in paragraph (e) above; and
- (g) non-executive members serving on any governance committee of a department or constitutional institution¹².
- (h) any other employee to whom authority was granted as indicated in 5.3.7.1

5.3.7.4 Notwithstanding the provisions of paragraphs 5.3.7.1, 5.3.7.2 and 5.3.7.3 above, accounting officers or delegated officials of departments and constitutional institutions may approve the purchase of business class tickets –

- (a) for employees with disabilities¹³;
- (b) for employees with special needs¹⁴;
- (c) in cases where economy class flights are not available¹⁵; or
- (d) where the business class ticket is the same price or cheaper than the economy class ticket¹⁶ to the same destination.

5.3.8 Air travel arrangements for public entities listed in Schedules 2 and 3 to the PFMA

5.3.8.1 Employees of public entities may only travel economy class, unless approved otherwise by the relevant accounting authority or delegated official.

5.3.8.2 For flights **less than five (5) hours**, business class tickets may only be purchased for –

- (a) members of the accounting authority (Board);
- (b) the CEO or other person in charge of the public entity;
- (c) members of the CEOs executive committee that report directly to the CEO or to the other person in charge of the public entity; and
- (d) non-executive members serving on any governance committee of the public entity¹⁷.

5.3.8.3 For flights **exceeding five (5) hours**, business class tickets may only be purchased for:

- (a) members of the accounting authority (Board);
- (b) the CEO or other person in charge of the public entity;
- (c) members of the CEOs executive committee that report directly to the CEO or to the other person in charge of the public entity;
- (d) employees at the level of management that report directly to the employees referred to in (c) above; and

¹² These governance committees include audit committees and risk management committees.

¹³ Disability for purposes of this document is defined as a person who are physically impaired and/or requires assistance to move or are depended upon a wheelchair.

¹⁴ Special needs means a distinctly different need of an employee that requires the AO/AA or delegated official to make a judgment call to provide for such a need.

¹⁵ A complete and accurate trail of such cases must be kept by the accounting officer for audit purposes.

¹⁶ A complete and accurate trail of such cases must be kept by the accounting officer for audit purposes.

¹⁷ These governance committees include audit, risk and remuneration committees.

- (e) non-executive members serving on any governance committee of the public entity.
 - (f) any other employee to whom authority was granted as indicated in 5.3.8.1
- 5.3.8.4 Notwithstanding the provisions of paragraph 5.3.8.1, 5.3.8.2 and 5.3.8.3 above , the accounting authority or delegated official may approve the purchase of business class tickets –
- (a) for employees with disabilities;
 - (b) for employees with special needs;
 - (c) in cases where economy class flights are not available¹⁸; or
 - (d) where the business class ticket is the same price or cheaper than the economy class ticket¹⁹.
- 5.4 Domestic accommodation**
- 5.4.1 Accounting officers and accounting authorities must ensure that domestic accommodation expenditure do not exceed the maximum allowable rates set out in the Domestic Accommodation Rate Grid enclosed as **Annexure D** to this Treasury Instruction. The National Treasury will review the rates contained in the enclosed **Annexure D** as and when necessary.
- 5.4.2 Institutions may enter into agreements, through the normal prescribed procurement process, with Accommodation facilities to secure rates that are lower than those prescribed in the Domestic Accommodation Rate Grid (Annexure D).
- 5.4.3 Accounting officers and accounting authorities or delegated officials may only approve accommodation costs that exceed the amount prescribed in **Annexure D** of this Treasury Instruction –
- (a) during peak holiday periods; and
 - (b) when South Africa is hosting an event in the country or in a particular geographical area that results in an abnormal increase in the number of local and/or international guests in the country or in that particular geographical area.
- 5.4.4 Accounting officers and accounting authorities or delegated officials must ensure that overnight accommodation for employees is limited to instances where the distance travelled by road (by the traveller) exceeds 300 kilometers to and from the destination (return journey), unless approved otherwise by the accounting officer or accounting authority or delegated official.
- 5.4.5 Subsistence allowance for meals may not be paid to the traveller if the rate of the accommodation facility already includes dinner and/or breakfast or if the conference fee includes lunch and/or dinner.
- 5.4.6 Special dietary requirements must be considered when the most relevant accommodation option is booked. If the accommodation establishment does not have dinner facilities or does not cater for special dietary requirements, then a room excluding the meals must be booked (bed-and-breakfast or room only) and the traveller may claim subsistence for his or her meals.

¹⁸ A complete and accurate trail of such cases must be kept by the accounting authority for audit purposes.

¹⁹ A complete and accurate trail of such cases must be kept by the accounting authority for audit purposes.

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- 5.4.7 Accounting officers and accounting authorities may, in institutional instructions, reduce the subsistence allowances which a Traveller can qualify for.
- 5.4.8 The Traveller must check out at time of departure, verify the cost on the invoice, sign the final invoice and settle any other expenses. If the Traveller fails to check out and not settle the additional charges and not sign the invoice, the Institution must settle the account, and if the Traveller is found liable, recover the amount from the Traveller, subject to the applicable legislation ²⁰.
- 5.4.9 The Domestic Accommodation Rate Grid determines the maximum allowable rate per star grading within which a Traveller is allowed to be accommodated in accordance with his or her level/designation.
- 5.4.10 The accounting officer and accounting authority or Delegated Official must utilise the information contained in **Table 1** below to reflect equal and appropriate organisational levels/designations in the Institution's Travel Policy to determine the class of Accommodation that a Traveller must book.

Table 1: Maximum star grading per organisational level/designation for local and international Accommodation

Level/Designation	Domestic Accommodation Star Grading or similar (including other lodging)	International Accommodation Star Grading or similar
AO/Director General of a department or constitutional institution; AA of a public entity, CEO of a public entity or the other person in charge of the public entity	5 Star	5 star
Deputy Directors-General in a department, CEO's executive committee or other person in charge of a public entity or the CEO of a constitutional institution	4/5 Star	4 star
Chief Directors, Directors and persons serving in senior management of constitutional institutions or public entities	3/4 Star	4 star
Deputy Directors, Assistant Directors and persons serving in middle management of constitutional institutions and public entities	3/4 Star	4 star
Junior management and other Officials	3 Star	3 star

- 5.4.11 If a negotiated rate for a specific star grading is equivalent to or lower than the rate for the lower star grading, the Institution may accommodate the Traveller in the

²⁰ Basic Conditions of Employment Act, No. 75 of 1997: Section 34. Deductions and other acts concerning remuneration.

establishment with the higher star grading. This means that a Traveller may be accommodated at a four star establishment if the rate at the four star establishment is the same or lower than a three star establishment.

5.4.12 Where there is an alternative star grading indicated in Table 1 (i.e. 4/5 or 3/4), the maximum allowable rate of the lower star grading will be the benchmark. The higher star grading may only be booked if:

- (a) the higher star graded establishment is the only available option due to location and availability ; or
- (b) The Institution has negotiated lower rates with the higher star graded establishment.

5.4.13 Notwithstanding the provisions of paragraph 5.4.12 above, the accounting officer and accounting authority or Delegated Official may approve a different class of accommodation that a Traveller is allowed to book only if such is an operational requirement²¹.

5.5 **Vehicle hire (car rental)**

5.5.1 Institutions must utilise the most cost-effective mode (e.g. car rental, public transport, shuttle services, etc.) of transport at all times.

5.5.2 Travellers are encouraged to make use of public transport such as. Uber, Gautrain, taxi, etc or shuttle services when travelling to and from the airport if it is safe and more cost effective than the cost of car rental and, or, the cost of parking and, or, kilometres claimed.

5.5.3 Accounting officers and accounting authorities are responsible for the cost-effective management of travel reimbursement and vehicle hire (car rental) expenses and for the adoption of policies and procedures to this effect.

5.5.4 The Traveller must return the vehicle within the specified rental period or notify the car rental company. The Institution must hold the Traveller responsible for the additional charges for the late return of the vehicle.

5.5.5 **Table 2** below indicates the Car Rental Vehicle Category that is permissible per employee level/designation. Accounting officers and accounting authorities or delegated officials must align the information contained in **Table 2** with the institutional policies of their respective Institutions to reflect equal and appropriate positions/designations to determine the Car Rental Vehicle Category that a Traveller is entitled to.

²¹ Example: VIP Protectors of the Cabinet to stay in the same hotel as their VIP; Visiting Heads of State / Heads of Government; during major events such as WEF, SADC etc where the hiring of an operational room in the hotel where the VIP's are accommodated is necessary. Furthermore is it sometimes an operational requirement for the entire delegation to stay in the same place of accommodation despite the level of the employee.

Table 2: Car Rental Vehicle Category

Official Level/Designation	Vehicle Category	Shuttle & Transfer Services
AOs/Director-General of departments and constitutional institutions; AAs of public entities, CEOs of public entities or the other person in charge of a public entity	Intermediate 4-5 Door Manual or Automatic Vehicle with air-conditioning (IDAR/ RDAR/ FDMR/ FDAR/ FCAR/ ICAR/ ICMR) ²²	Luxury Sedan
Deputy Directors-General and all other Officials of a department	Economy 4-5 door, Manual vehicle with air-conditioning (EDMR)	Economy Sedan
Officials reporting directly to the AO of a constitutional institution and all other Officials		
Officials reporting directly to the CEO of a public entity and all other Officials		
Officials with a disability who require the use of an automatic vehicle Officials who have a restriction on their driver's licence.	Economy/Compact 4-5 door, automatic vehicle with air-conditioning	Economy / Compact

5.5.6 Notwithstanding the provision of Table 2, accounting officers or accounting authorities or delegated officials may provide prior written approval for the hiring of a Standard or Compact vehicle (CDMR/CDAR/SDAR/SCMR/SDMR), minibus/bus in instances where –

- (a) three or more Travellers are travelling together;
- (b) the return journey to be travelled exceeds 400 kilometers to and from the destination (return journey); or
- (c) the special needs of a Traveller are to be catered for, or
- (d) extra luggage must be accommodated.

5.5.7 A different class of vehicle (Intermediate or Standard Sports Utility Vehicle (IFMR/IFAR/SFMR/SFAR) may be rented if required for a particular terrain.

²² ACRIS or SIPP codes are used by Car Rental companies to define car models. Each character represents a definable feature of the vehicle: 1st character denotes the category based on size, cost, power and luxury factor; 2nd character defines the vehicle type for example if it is a SUV or sedan; 3rd character describes the transmission and the 4th character defines the fuel type and whether air-conditioned.

Mountainous and gravel roads are considered difficult terrain and vehicles with higher ground clearance may be required.

5.6 *Engagement of Travel Management Companies*

- 5.6.1 The Institution may appoint one or more Travel Management Companies. This must be done in accordance with the applicable prescripts and instructions issued by National Treasury to effectively and efficiently manage the Institution's travel services.
- 5.6.2 The Institution must manage the Travel Management Companies to deliver cost-effective and operationally efficient support in achieving the Institution's mandate.
- 5.6.3 In the absence of the contracted services of a Travel Management Company, Institutions would have the option to administer the procurement of travel related services via the prescribed procurement processes.
- 5.6.4 The Travel Management Company must only issue Travel Vouchers (Accommodation and ground transportation) and air tickets after the receipt of the Travel Authorisation Form or purchase order.
- 5.6.5 Only the services as approved and described on the Travel Voucher that correspond with the Travel Authorisation Form is for the account of the Institution and the Travel Management Company only invoices this to the Institution. The Institution instructs the Travel Management Company to invoice all other unauthorised expenses separately to the Institution, the Institution must settle the account, and if the Traveller is found liable, recover the amount from the Traveller, subject to the applicable legislation.
- 5.6.6 In the event of an After-Hours Reservation, the Travel Management Company must execute the request based on a verbal approval or approval via Short Message Service (SMS) or email from the Authorising Official. The Institution must present the Travel Authorisation Form or purchase order to the Travel Management Company within 72 hours after the request was executed by the Travel Management Company to avoid irregular or fruitless and wasteful expenditure. The Travel Management Company may follow up with the Institution and upon failure by the Institution to submit the Travel Authorisation Form or purchase order, the Travel Management Company may proceed to invoice the transaction.
- 5.6.7 Accounting officers and accounting authorities must ensure that the following are contained in the contracts with their appointed Travel Management Companies
- (a) Travel Management Companies are not allowed to receive rebates, overrides and any volume driven target incentives²³ earned for government business. These payments and the practice of overrides must be discontinued for government business when this Treasury Instruction takes effect.
 - (b) Travel Management Companies or persons effecting bookings on behalf of departments, constitutional institutions and public entities are required to compare various travel rates before confirming a booking as the principles of competitiveness and cost effectiveness must always be maintained.

²³ Rebates, overrides and target driven incentives are rewards from the supplier to the TMC for volume business, in most instances these rewards are linked to an increased target.

6 QUARTERLY REPORTING

- 6.1 In terms of section 6(2) (c) of the PFMA, the National Treasury must monitor and assess implementation of this Act.
- 6.2 In order to give effect to section 6(2)(c) of the PFMA, departments, constitutional institutions and public entities must report monthly cost containment information in the format contained in **Annexure E** to this Treasury Instruction. This information relates specifically to paragraph 5 of this Treasury Instruction.
- 6.3 The information required must be provided by the appointed Travel Management Companies' management information systems.
- 6.4 The information required in terms of paragraph 6.2 of this Treasury Instruction must be submitted to the National Treasury via the following web link:
<http://pfmportal.treasury.gov.za/sites/costcontainment>

7 APPLICABILITY

This Treasury Instruction applies to all departments, constitutional institutions and public entities listed in Schedules 2 and 3 to the PFMA.

8 EFFECTIVE DATE

This *Treasury Instruction* takes effect from from date of issue.

9 REPEAL OF NATIONAL TREASURY INSTRUCTION NO. 3 OF 2016/2017

National Treasury Instruction No. 3 of 2016/2017 on Cost Containment Measures related to Travel and Subsistence dated 30 September 2016 is hereby repealed.

10 DISSEMINATION OF INFORMATION CONTAINED IN THIS INSTRUCTION

- 10.1 Accounting officers of national departments are requested to bring the contents of this Treasury Instruction to the attention of all –
- (a) accounting officers of constitutional institutions that are funded through their respective departmental votes; and
 - (b) accounting authorities of public entities reporting to their executive authorities.
- 10.2 Head officials of provincial treasuries are requested to bring the contents of this Treasury Instruction to the attention of all accounting officers of departments and accounting authorities of public entities in their respective provinces.

11 AUTHORITY FOR THIS INSTRUCTION

This National Treasury Instruction is issued in terms of section 76(4) (b) of the PFMA.

12 CONTACT INFORMATION

- 12.1 Accounting officers and accounting authorities of departments, constitutional institutions and public entities may submit formal enquires in terms of this National Treasury Instruction to:

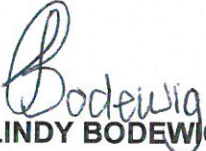
The Director-General
National Treasury
Private Bag X115
PRETORIA
0001

For attention: The Chief Procurement Officer

12.2 Queries related to this Treasury Instruction may be submitted to:
cpo@treasury.gov.za and travelpolicyqueries@treasury.gov.za; or

12.3 Enquiries related to this Instruction may be directed to:

Estelle Setan
Chief Director: Strategic Procurement
012 315 5919
travelpolicyqueries@treasury.gov.za


LINDY BODEWIG
ACTING ACCOUNTANT-GENERAL¹
DATE: 25/05/17

ATTACHMENTS

ANNEXURE A:	AIR TRAVEL UPFRONT DISCOUNTS
ANNEXURE B:	SAA DEAL CODES PER DEPARTMENT
ANNEXURE C:	BA/COMAIR DEAL CODES PER DEPARTMENT
ANNEXURE D:	MAXIMUM ALLOWABLE RATES FOR DOMESTIC ACOMMODATION AND MEALS
ANNEXURE E:	QUARTERLY REPORTING TEMPLATE

¹ The Accountant-General is responsible for the issuing of all Treasury Instructions at the National Treasury to ensure that such is issued from a central point. The contents of this Treasury Instruction is, however, the responsibility of the Office of the Chief Procurement Officer and is issued on behalf of that Office.