

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1463

DATE OF PUBLICATION: 20 OCTOBER 2006

DUE TO PARLIAMENT: 2 NOVEMBER 2006

MR I O DAVIDSON (DA) TO ASK THE MINISTER OF FINANCE:

What amount was spent by officials of his department on (a) hotel accommodation, (b) restaurant expenses and (c) travel costs (i) in the 2004-05 financial year, (ii) in the 2005-06 financial year and (iii) during the period 1 April 2006 up to the latest specified date for which information is available? **N1886E**

REPLY:

Three departments fall under my executive authority, namely National Treasury, South African Revenue Services and Statistics South Africa.

National Treasury

(a) (b) (c)

(i) The information of the National Treasury with regard to the 2004-05 financial year was made available to the Member during June 2005.

(ii) **2005- 06 financial year**

(a) Hotel accommodation	(b) Restaurant expenses	(c) Travel costs
R 3,215,279,14	R 144,968,04	R 18,412,519,37

(iii) **1 April 2006 to date**

(a) Hotel accommodation	(b) Restaurant expenses	(c) Travel costs
R 2,130,899,66	R 82,454,66	R 9,896,976,90

South African Revenue Services

Table 1 provides the SARS information for the 2004/5 financial year; and table 2 the information for the period 2005/6 and Table 3 details for a period of the 2006/7 financial year.

These expenditure tables have to be understood in the context of the organisation's mandate and how the organisation performs its operational functions.

OVERVIEW

In terms of the SARS mandate, SARS is tasked to collect revenues that are due, ensure maximum compliance with the legislation, provide a Customs service that will maximise revenue collection, and protect our borders as well as facilitate trade.

In giving effect to its mandate SARS promotes compliance with Tax and Customs legislation through the provision of services, education and enforcement.

SARS is a national operation with national, regional and international impact. SARS employs about 15 000 employees located in 87 operational offices and 6 Human Resource Centres which includes the SARS Academy. In addition, SARS maintains an officer in Brussels in support of its representation at the WCO. The border posts are dispersed along the entire border line of the country.

The following describes some of the activities which result in the costs reflected in the tables below:

1. Approximately 4000 SARS employees are deployed in the field away from their residences and engaged in field work such as tax community helpers, audits, investigations and outreach campaigns.
2. As part of its compliance approach SARS conducts numerous outreach campaigns across the country which includes physical contact with taxpayers and traders aimed at sensitising them about their tax and customs obligations and the availability of SARS services
3. Similarly the enforcement function supported by the legal and policy function entails conducting tax audits and investigations which require national and some times even international mobility. Some high profile cases require foreign investigation
4. In line with International obligations and the requirements of the WCO framework of standards SARS has developed and continues to develop relationships with numerous Tax and Customs administrations regionally and internationally. It is involved in and participates in the activities of the WCO (World Customs Organisation), SACU and SADC and holds observer status at the OECD (Organisation for Economic Co-operation

- and Development). Maintaining the proper level of contact entails hosting and attending international conferences, hosting official foreign delegations, conducting official trips.
5. In addition SARS has an extensive training and development program through the SARS Academy.
 6. As a learning organisation, SARS is committed to building and strengthening its Human Capital. To this end SARS maintains the SARS academy located at Woodmead in Gauteng. Training activity is provided on site as well as off site depending on need.
 7. From an administrative perspective, managing SARS entails planning, executing and monitoring at a central, regional and branch level with a concomitant need for periodic and appropriate physical contact.

The following table sets out the accommodation, subsistence and travel costs incurred by the different areas in SARS for the years 04/05, 05/06 and 06/07.

(i) TABLE 1 :SARS: 2004-2005 financial year

	(a) Accommodation	(b) Subsistence	(c) Travel costs
Total	R35, 239, 000	R4, 881, 000	R41, 812, 000
Training	R5, 644, 000	R1, 075, 000	R8, 413, 000
Corporate	R734, 000	R2, 227, 000	R4, 109, 000
Audit	R19, 604, 000	R 895, 000	R19, 124, 000
Operations	R6, 652, 000	R474, 000	R4, 222, 000
Legislative	R810, 000	R51, 000	R2, 066, 000
Maintenance & Infrastructure	R1, 795, 000	R159, 000	R3, 878, 000

(ii) TABLE 2: SARS: 2005-2006 financial year

	(a) Accommodation	(b) Subsistence	(c) Travel costs
Total	R48, 976, 000	R5, 335, 000	R59, 440, 000
Training	R15, 327, 000	R1, 106, 000	R10, 902, 000
Corporate	R1, 706, 000	R1, 394, 000	R7, 476, 000
Audit	R11, 491, 000	R885, 000	R16, 626, 000
Operations	R16, 976, 000	R1, 361, 000	R14, 954, 000
Legislative	R701, 000	R54, 000	R1, 903, 000
Maintenance & Infrastructure	R2, 775, 000	R535, 000	R7, 579, 000

(iii) **TABLE 3: South African Revenue Services: 1 April 2006 to date**

	(a) Accommodation	(b) Subsistence	(c) Travel costs
Total	R22, 981, 000	R3, 413, 000	R30, 795, 000
Training	R8, 246, 000	R746, 000	R9, 050, 000
Corporate	R843, 000	R367, 000	R3, 135, 000
Audit	R5, 110, 000	R451, 000	R7, 273, 000
Operations	R7, 800, 000	R1, 669, 000	R8, 694, 000
Legislative	R388, 000	R34, 000	R1, 154, 000
Maintenance & Infrastructure	R594, 000	R146, 000	R1, 489, 000

The activities that generate the expenditure relating to accommodation, subsistence and travel cost discussed above can be classified as follows:

Training: This relates to training provided to staff and management relating to change, new products and skills enhancement in general.

Corporate Relations: This relates to the hosting and attending of international meetings and conferences (eg meetings of structures of the World Customs Organisation and OECD), the hosting official foreign delegations, the conducting of official trips, Business/ stakeholder Forums and Strategic planning. Where applicable, restaurant expenses are included in the subsistence section.

Audit: This relates to Field Audits and investigations on a regional, national and, where required, international basis.

Operations: This relates to SARS services and the day to day operations of the business as well as support functions such as system and policy development.

Legislative: This relates to interaction between SARS and Parliament and consultative sessions on new and draft legislation released for public comment.

Maintenance & Infrastructure: This relates to Facilities and Technology infrastructure that allow SARS to be on the forefront of technology developments.

Conclusion: It should be noted that over the past three years a downward trend in these costs is evident mainly as a result of the decline in the numbers of

auditors and the concomitant decline in the need for accommodation, subsistence and travel and attempts at finding savings where possible. However, as the number of staff increases, particularly auditors, investigators, and customs officers, and the coverage of non-compliance increase, some of these expenses could increase.

Statistics South Africa

(i) 2004-2005 financial year

(a) Hotel accommodation	(b) Restaurant expenses	(c) Travel costs
R 10,025,446,00	Included in hotel accommodation	16,749,867,00

(ii) 2005-2006 financial year

(a) Hotel accommodation	(b) Restaurant expenses	(c) Travel costs
R 35,090,936	Included in hotel accommodation	R 82,647,378,00

(iii) 1 April 2006 to date

(a) Hotel accommodation	(b) Restaurant expenses	(c) Travel costs
R 33,501,328,00	Included in hotel accommodation	R 55,377,154

**BACKGROUND INFORMATION FOR MINISTER FROM STATSSA:
QUESTION 1463 POSED BY MR I O DAVIDSON (DA)**

During its surveys, the department makes extensive use of hotel accommodation to accommodate its fieldworkers. Training of fieldworkers is also conducted at hotels since the facilities provided at hotels can accommodate large numbers of fieldworkers. The increase in accommodation in 2005/06 is a result of the pilot survey that was conducted for the Community Survey.

During the actual fieldwork for the survey, the department makes use of hired and government garage issued vehicles. The vehicles are used to travel throughout the country to collect data. Thus, travel costs in the Department are high.

The department makes use of conference facilities during workshops and briefing sessions for the surveys. The expenditure for meals are thus included in these conference packages and are not reflected separately as restaurant costs.

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1643

DATE OF PUBLICATION: 3 NOVEMBER 2006

DUE TO PARLIAMENT: 16 NOVEMBER 2006

MS S J LOE (DA) TO ASK THE MINISTER OF FINANCE:

- (1) (a) Which appointments in respect of senior management positions (levels 13-16) at the National Treasury (i) are subject or (ii) not subject to the signing of performance management contracts and (b) what are the reasons for the distinction in each case;
- (2) what was each incumbent's annual remuneration in each of the past five years for which information is available;
- (3) whether they received any performance bonuses; if not, why not; if so, (a) what amount was paid in each case and (b) what criteria were used for the determination and payment of performance bonuses;
- (4) whether those criteria matched the performance contracts of the relevant employees; if not, what is the position in this regard; if so, how did the relevant employees perform in terms of those criteria? **N2202E**

REPLY:

- (1) All senior management employees are required to sign performance agreements.
- (2) All incumbents are paid according to the prescribed levels of the Department of Public Service and Administration (DPSA):
 - Director R473,991.00 – R510,609.00
 - Chief Director R558,306.00 – R601,449.00
 - Deputy Director-General R677,523.00 – R729,876.00
 - Director-General R872,628.00 – R940,056.00
- (3) (a) The amount paid in each case was based on the 5% and 8% as prescribed in the Senior Management Service (SMS) Handbook.
(b) The criteria as prescribed in the SMS Handbook was used.
- (4) Yes, all criteria matched performance contracts - the performance was significantly above expectation, in respect of those who received performance bonuses.

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1657

DATE OF PUBLICATION: 3 NOVEMBER 2006

DUE TO PARLIAMENT: 16 NOVEMBER 2006

MR I O DAVIDSON (DA) TO ASK THE MINISTER OF FINANCE:

Whether, in respect of each of the past two years including 2006, the National Treasury has obtained any sponsorships; if so, with regard to each sponsorship obtained, (a) which (i) company and (ii) parastatal were they received from, (b) what was the amount received and (c) what was it used for? **N2217E**

REPLY:

National Treasury has not obtained sponsorships in the past two years including 2006.

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1763

DATE OF PUBLICATION: 17 NOVEMBER 2006

DUE TO PARLIAMENT: 30 NOVEMBER 2006

MR L B LABUSCHAGNE (DA) TO ASK THE MINISTER OF FINANCE:

- (1) Whether the posts for (a) highly skilled production levels 6-8, (b) highly skilled supervision levels 9-12 and (c) senior managers levels 13-16 in the National Treasury are filled with qualified persons; if not, why not; if so, what are the relevant details;
- (2) (a) what is the current vacancy rate of the said staff, (b) what was the vacancy rate for (i) 2005 and (ii) 2006, (c) what steps are being taken to fill these posts and (d) what is the diversity composition of the officials?

N2334E

REPLY:

- (1) All positions within the National Treasury are filled by employees who comply with the essential requirements for the positions. Positions are filled as follows:
 - (a) Requirements vary from a minimum of a senior certificate to a tertiary qualification.
 - (b) Requirements vary from a minimum of a tertiary qualification to a post graduate qualification. In many instances employees possess more than one post graduate qualification.
 - (c) Requirements vary from a minimum of a tertiary qualification to a post graduate qualification. In many instances employees possess more than one postgraduate qualification.

- (2) (a) As on 31 October 2006, the current vacancy rate for the different levels are:

Levels 6-8	:	19%
Levels 9-12	:	22%
Levels 13-16	:	6%

- (b) (i) As on 31 March 2005, the vacancy rate for the different levels were:

Levels 6-8	:	19%
Levels 9-12	:	34%
Levels 13-16	:	17%

- (ii) As on 31 March 2006, the vacancy rate for the different levels were:

Levels 6-8	:	21%
Levels 9-12	:	28%
Levels 13-16	:	13%

There has therefore been dramatic improvement in filling of vacancies from 31 March 2005 to 31 October 2006

- (c) Critical vacancies to be filled during each financial year are identified and filled accordingly. The National Treasury has initiated an accelerated and targeted recruitment process to fill vacancies. This includes using tertiary institutions, professional firms and expanded media advertisements. A dedicated recruitment, selection and placement resources team has been established with the task of addressing this need.

- (d) As on 31 October 2006, the diversity composition for the various levels is as follows:

Posts	Gender		Race			
	Male	Female	African	Asian	Coloured	White
Level 6 – 8	29%	71%	63%	6%	7%	24%
Level 9 – 12	46%	54%	50%	10%	5%	35%
Level 13 - 16	66%	34%	37%	11%	12%	40%