



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

**A VIDEO MESSAGE BY THE MINISTER OF FINANCE, MR ENOCH GODONGWANA,
ON THE OCCASION OF THE SOUTH AFRICAN REVENUE SERVICE CELEBRATING
ITS 25TH ANNIVERSARY**

DATE: 14 OCTOBER 2022

Greetings to the Honourable President Mr Cyril Ramaphosa;
To the Commissioner of the South African Revenue Service, Mr Edward Kieswetter;
Deputy Minister of Finance Dr David Masedo;
My fellow Cabinet Ministers; Government officials and Gathered guests;

Please accept my humble apology for not being able to join you in person on this most auspicious occasion. It is however my honour to convey this brief message of congratulations to the agency as it celebrates its 25th anniversary.

A well-functioning revenue agency is essential to achieving our developmental objective of establishing an inclusive and equitable economy. Through the revenues that the agency collects, we are able to fund our developmental aspirations. That of eradicating poverty, investing in physical and human capital such as infrastructure and skills programmes and providing the delivery of basic services which are the backbone of a thriving modern economy.

It is for this reason and many others that we view the South African Revenue Service (SARS) as a critical institution in the overall architecture of our democratic state. SARS collects more than 90% of all Government revenue. In addition to its revenue collection mandate and improving tax compliance, SARS also facilitates legitimate trade, connecting our small but dynamic country to international trade.

SARS also plays a key role in protecting the integrity of the domestic economy. The founding of the Revenue Service in 1997, through the merger of the customs and inland revenue departments of the old apartheid state, remains one of the shining moments of our democratic history. It was then that the guiding principles of creating and maintaining a modern organisation able to compete with the best in the world in terms of equity and efficiency, were cemented.

It was also at this time that SARS committed to a culture of integrity needed to maintain the trust of the people. I am proud to say that over the last 25 years, SARS has lived

up to these lofty goals. Year after year the revenue agency has, more often than not, defied the odds of an underperforming economy and a shrinking tax base and delivered more revenue than expected. In the last financial year alone, SARS was able to collect close to R17 billion more than what we had estimated. As a Finance Minister, this is music to my ears.

The agency has managed to achieve this through the hard work and dedication of its staff and through the outstanding effort of its leadership team led with distinction by Commissioner Kieswetter. Allow me to congratulate and thank each of you for serving your country with honour and distinction. However, let me also remind you that after the candles have been blown out and the speeches concluded, the hard work of building a capable state with a thriving and inclusive economy, must continue.

I am certain that the next 25 years will be equally successful, but the road ahead is not without its challenges.

The period of state capture has had an undeniably negative effect on taxpayer perception. Failures of governance have had a serious impact on taxpayer morality. The loss of public trust in the organisation is a real threat.

I am encouraged by the hard work that SARS has undertaken to implement the recommendations of the Nugent Commission. The agency has already implemented the majority of the recommendations to restore stability to the organisation and we are already bearing the fruits of this effort in improving levels of voluntary compliance.

Voluntary compliance reflects citizens' commitment to pay taxes and fulfil their role as good private and corporate citizens. A big part of our fiscal strategy of repairing the public finances and placing them on a sustainable path that will create the platform for faster economic growth, relies on an effective revenue collection arm.

The turnaround strategy formulated and driven by the SARS leadership, to position itself at the forefront of efficiency and service excellence, has made tremendous strides and it has my full support.

Lastly, I want to remind all those that have gathered to celebrate the 25th anniversary of SARS, about the central role of our democratic institutions.

Strong institutions built on the rule of law, integrity, and excellence, underpin the collective ideals enshrined in our Constitution. It is these institutions that will outlive us and guarantee the prosperity of future generations. Our institutions should be built to weather the inevitable winds and trials of a young and growing democracy.

It is natural that these institutions be tested. There is proof that our institutions are more than capable of overcoming these tests. SARS is a living example of this resilience. Long may it continue.

Thank you.