

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER 1364**

**DATE OF PUBLICATION: 26 AUGUST 2005**

**DUE TO PARLIAMENT: 8 SEPTEMBER 2005**

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

Whether any function was organised to mark the occasion of the delivery of his budget vote in the National Assembly and the National Council of Provinces in 2005; if so, (a) what total amount was spent on this function, (b) what amount was spent on (i) food and refreshments, (ii) venue, (iii) entertainment, (iv) staff and (v) transport and (c) how many people were invited to attend the function?

***N1794E***

**REPLY:**

No functions were organised for this purpose therefore no costs were incurred.

**NATIONAL ASSEMBLY**  
**QUESTION NUMBER 1553**  
**DATE OF PUBLICATION: 14 OCTOBER 2005**

**MR M J ELLIS (DA) TO ASK THE MINISTER OF FINANCE:**

- (1) In respect of the 2004-05 and 2003-04 annual reports of the National Treasury and the annual reports for those years of every statutory and other entity reporting to him, (a) what was the (i) budgeted cost and (ii) actual cost of (aa) preparing, including editing, photography, layout and design, (bb) printing and (cc) distributing each annual report and (b) how many copies of each were (i) produced and (ii) distributed;
- (2) whether the work involved in the (a) preparation, including editing, photography, layout and design, (b) printing and (c) distribution of each annual report was outsourced; if not, what is the position in this regard; if so,
- (3) whether tenders were called for in this regard; if not, (a) why not, (b) on what basis was the work outsourced and (c) what factors were taken into account in the decision not to call for tenders; if so, what is the name of the printer used;
- (4) whether the work was allocated to the lowest tenderer; if not, (a) why not and (b) what factors were taken into account in making this decision? **N2079E**

**REPLY:**

**National Treasury**

- (1)  
**2004-05 annual report:**

	<b>(a)(i) Budgeted</b>	<b>(a)(ii) Actual</b>
	R 130.000.00	R
(aa)		5.400.00 for editing. Photography, layout and design were handled in-house.
(bb)		123.120.00
(cc)		

- (b) (i) 3000  
(ii) 3000

**2003-04 annual report:**

	<b>(a)(i) Budgeted</b>	<b>(a)(ii) Actual</b>
	R 585.011.00	R
(aa)		12.000.00 on editing.  Photography, layout and design were done in-house by the Communications Directorate of the National Treasury.
(bb)		161.401.31
(cc)		

- (b) (i) 3000  
(ii) 3000

- (2) (a) Editing was outsourced for the 2004-05 and 2003-04 annual reports. The other work (photography, layout and design) was handled in-house.
- (b) The printing of the 2004-05 annual report was outsourced to Formset Printers, while the .Government Printers arranged the printing of the 2003-04 annual report.
- (c) The distribution of the 2004-05 annual report was outsourced to Formset Printers, while the distribution of the 2003-04 annual report was arranged by the Government Printers.
- (3) Tenders were not called for the printing of the 2003-04 annual report. Tenders were invited in the Government Tender bulletin on 4 June 2005 for the appointment of a printing company to perform all printing works for the National Treasury (including the printing of the 2004-05 annual report). Quotations were invited for the appointment of editors for both the annual reports.
- (a) Tenders were not invited for the printing of the 2003-04 annual report as the Government Printers did the printing.
- (b) The Government Printers' contract did not comply fully to the specific printing requirements of the National Treasury and therefore a decision was taken to outsource the printing work of National Treasury.
- (c) Not applicable.
- (4) (a) and (b)

The tender was allocated to the company which complied fully with the special conditions and specifications and which scored the highest points in terms of the Preferential Procurement Policy Framework Act and Regulations.

## Public Entities

**SASRIA**

(1)

**2004-05 annual report:**

	<b>(a)(i) Budgeted</b>	<b>(a)(ii) Actual</b>
	R 50.000.00	R
(aa)		43.950.00
(bb)		
(cc)		

(b) (i) 1000

(ii) 850

**2003-04 annual report:**

	<b>(a)(i) Budgeted</b>	<b>(a)(ii) Actual</b>
	R 20.000.00	R
(aa)		12.350.00
(bb)		
(cc)		

(b) (i) 1000

(ii) 900 (2003-04)

(2) (b)

Yes.

(3) &amp; (4)

SASRIA-Closed tender with three (3) quotes. Izinyoni Trading (2004-05) and Masiko Independent Media (2003-04).

**PIC**

(1)

**2004-05 annual report:**

	<b>(a)(i) Budgeted</b>	<b>(a)(ii) Actual</b>
	R 318.000.00	R
(aa)		236.000.00
(bb)		94.000.00
(cc)		4.800.00

(b) (i) 2000

(ii) 535

**2003-04 annual report:**

	<b>(a)(i) Budgeted</b>	<b>(a)(ii) Actual</b>
	R 300.000.00	R
(aa)		135.000.00
(bb)		65.000.00
(cc)		5.400.00

(b) (i) 2000

(ii) 500

(2) Yes

(3) and (4) Quotations were sourced and the work was outsourced to Graphicor.  
The work was allocated to the lowest quotation received.

**ASB**

(1)

**2004-05 annual report:**

	<b>(a)(i) Budgeted</b>	<b>(a)(ii) Actual</b>
	R 52.500.00	R
(aa)		47.500.00
(bb)		
(cc)		

(b) (i) 1500

(ii) 1500

**2003-04 annual report:**

	<b>(a)(i) Budgeted</b>	<b>(a)(ii) Actual</b>
	R 52.500.00	R
(aa)		32.533.00
(bb)		
(cc)		

(b) (i) 1500

(ii) 1500

(2) The preparation work was done in house and the rest was outsourced.

(3) & (4) Tenders were not called for as in accordance with the procurement policy for amounts less than R100 000, three written quotations were obtained. The work was allocated to the lowest quotation and only suppliers with BEE credentials were used (United Litho).

**FIC**

(1)

**2004-05 annual report:**

	<b>(a)(i) Budgeted</b>	<b>(a)(ii) Actual</b>
	R 100.000.00	R
(aa)		55.698.00
(bb)		
(cc)		

(b) (i) 1500  
(ii) 870

**2003-04 annual report:**

	<b>(a)(i) Budgeted</b>	<b>(a)(ii) Actual</b>
	R 0	R
(aa)		69.888.00
(bb)		
(cc)		

(b) (i) 1500  
(ii) 700

(2) Yes. In both the 2004-05 and 2003-04 financial years the preparation, including layout, design, printing and distribution of the annual reports was outsourced.

(3) & (4)

In both financial years no tenders were awarded. Tenders were not invited because the cost was within the R100.000.00 threshold. Three (3) quotations were sourced from suppliers and the lowest quote was chosen. For the 2004-05 annual report Shereno Printers was used. For the 2003-04 annual report Formset Printers was used.

**Statistics South Africa**

(1)  
**2004-05 annual report**

	<b>(a)(i) Budgeted</b>	<b>(a)(ii) Actual</b>
	R 240.000.00	R
(aa)		24.752.00 of preparing which only includes photography
(bb)		190.050.00
(cc)		4.512.00

(b) (i) 1 200  
(ii) 1 071

**2003-04 annual report**

	<b>(a)(i) Budgeted</b>	<b>(a)(ii) Actual</b>
	R 129 500.00	R
(aa)		7.650.00 of preparing which only includes photography
(bb)		113.020.00
(cc)		6.628.00

(b) (i) 1 500  
(ii) 1 419

(2) (a) Internal staff of Stats SA were used in the preparation, including editing, layout and design. The photography was outsourced.

(b) Yes.

(c) No.

(3) (a) No. Tenders were not called for photography and printing as the internal procurement policy outlines that only jobs exceeding the amount of R200 000 should go out on tender. Both photography and printing amounted to less than R200 000.

(b) Photography and printing were outsourced, as Stats SA do not have the necessary resources, competence and skills to do the work.

(c) Three quotations for both the photography and printing were collected from different suppliers and the quoted amounts were less than R200.000. Law Printing was used to print the 2004-05 annual report whilst Beith Digital printed the 2003-04 annual report.



- (4) (a) No. The work was not allocated to the supplier with the lowest quotation, as the supplier could not meet the required timelines set by Stats SA.
- (b) The factors were taken into account were the ability of the supplier to deliver the printed document on time in order for Stats SA to meet the required deadline for tabling of the annual report in parliament. Quality requirements were also taken into account.

## South African Revenue Services

### A) In respect of the 2004/05 Annual Report

- 1) (a) (i) The Annual Report was funded from the Publications budget that is part of the Communications budget which is R5,746,590.00 for the current financial year. The costs incurred are restricted to available budgets given the priority allocated to the annual report relative to other campaigns.  
  
(ii) The actual cost of printing the 2004/05 Annual Report was R651,428.34
  - (aa) The cost for preparing, including editing, photography, layout and design was R277,172.00
  - (bb) The printing cost was R365,741.00
  - (cc) The distribution costs related to courier services which was R8,515.34.
- (b) 2500 copies were printed and to date 2300 have been circulated to SARS stakeholders.
- 2) SARS outsourced the design, layout and printing. Research indicates that most institutions outsource the design, layout and printing of their annual reports. However, essential messaging and content of the annual report was done internally. External assistance was used to provide writing, editing and proof-reading skills. Distribution of the annual report was mostly done by own resources given the close proximity of most of the major stakeholders. Where this was not possible, distribution was outsourced to a courier company.
- 3) A closed tender process was followed for the Annual Report as allowed in terms of SARS procurement regulations. SARS awarded the Annual Report contract to Bastion Graphics.
- 4) The contract was awarded to the lowest tender. All elements including cost, quality, experience, BEE status, and availability and capacity to meet the requirements were considered.

## **B) In respect of the 2003/04 Annual Report**

- 1) (a) (i) The Annual Report was funded from the Publications budget that is part of the Communications budget which was R2,751,114.00 for the 2004/5 year. The costs incurred are restricted to available budgets given the priority allocated to the annual report relative to other campaigns.
- (ii) The actual cost of printing the 2003/04 Annual Report was R436,374.24
  - (aa) The cost for preparing, including editing, photography, layout and design was R304,108.80
  - (bb) The printing cost was R117,069.95
  - (cc) The distribution costs related to courier services which was R15,195.49.
- (b) 2500 copies were printed and distributed to SARS stakeholders.
- 2) SARS outsourced the design, layout and printing. Research indicates that most institutions outsource the design, layout and printing of their annual reports. However, essential messaging and content of the annual report was done internally. External assistance was used to provide writing, editing and proof-reading skills. Distribution of the annual report was mostly done by own resources given the close proximity of most of the major stakeholders. Where this was not possible, distribution was outsourced to a courier company.
- 3) The service provider (Graphicor) was appointed on an exemption basis, given the time constraints of the project.
- 4) The factors considered in the appointment of the service provider were:
  - (i) Excellence in the field of design, layout and production
  - (ii) BEE Status
  - (iii) Availability and capacity of the company to meet the requirements of SARS
  - (iv) Cost of services

### C) Additional factors to be taken into consideration

The 2004/5 Annual Report is 48% larger than the 2003/4 Annual Report (160 pages in 2004/5 versus 108 pages in 2003/4). The additional size and features of the 2004/5 Annual Report were due to a number of reasons:

1. Improvement of the quality of the Annual Report to include an expanded section on corporate governance in line with King II reporting, a foreword by the Minister, and a new chapter of operational efficiency.
2. The enhancement of the Annual Report to facilitate its dual use as both a statutory report and a flagship corporate communications instrument. In this regard, the 2004/5 Annual Report included the insertion of an A5 booklet highlighting the contribution of taxpayers to Government's development programme. The 2004/5 Annual Report also included the SARS vision and mission in all official languages.
3. Improvement in the "usability" of the Annual Report including the use of spiral binding (given the increase in size of the report) and the use of additional photography. The photography for the Annual Report was not specific to the Annual Report and is part of a SARS picture library used for multiple communications projects.
4. The 2004/5 Annual Report included the use of recycled paper.

Given these enhancements, the cost of the 2004/5 Annual Report compares very favourably with that of the 2003/4 Annual Report. A cost per page analysis shows an average cost of R1.63 per page of the 2004/5 Annual Report compared to R1.62 per page for the 2003/4 Annual Report.

**NATIONAL ASSEMBLY**  
**QUESTION FOR ORAL REPLY**  
**QUESTION NUMBER 158**  
**2 NOVEMBER 2005**

**MR K J MINNIE (DA) TO ASK THE MINISTER OF FINANCE:**

- (1) Whether he made use of public transport for every work-related activity where transport was required, including transport to and from work, on 20 October 2005; if not, why not in each case; if so, (a) how many out-of-office appointments did he meet making use of public transport and (b) which modes of public transport did he use;
- (2) whether he made use of a car on that date; if so, for what purposes?  
*N2212E*

**REPLY:**

- (1) No, I did not use public transport on this day. I used own transport to arrive at the Office and attend external engagements. The honourable member must realise that it would be impractical to use public transport while I am expected to perform my executive responsibilities.
  - (a) None
  - (b) Own transport.
- (2) Yes. For work purposes.