

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1257

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Mrs S V Kalyan (DA) to ask the Minister of Finance:

Whether, with reference to the reply to question number 742 on 23 March 2010, the SA Weather Service has sought permission from the National Treasury to share revenue generated from its website with the private organisation that developed the website, if not, why not; if so, what are the relevant details?

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REPLY

No. The South African Weather Service (SAWS) entered into an agreement with Beco Future Foresight (Pty) Ltd (Beco) in May 2008, in terms of which Beco undertook to redesign and develop the SAWS website. SAWS undertook to provide Beco with services enabling Beco to render weather information to clients on a commercial basis. This was on the understanding that SAWS should share in the revenue attributable to these services for a period of 36 months. SAWS earned R896 000 for the 2009/2010 financial year in terms of this agreement. SAWS management is of the view that this agreement, which accounts for less than one percent of its annual revenue, does not constitute a reportable "significant" transaction as contemplated in section 54(2) of the PFMA. National Treasury has reviewed the agreement and concurs with this view, while cautioning that it would have been prudent nonetheless to have sought advice on the Treasury before concluding the agreement.