

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1780 [NW1999E]

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1780. Mr A R McLoughlin (DA) to ask the Minister of Finance:

- (1) (a) Which persons are served by the VIP Unit of the SA Revenue Services (SARS), (b) how many of SARS's personnel are deployed to this unit, (c) how many offices are operated by this unit and (d) where are these offices located;
- (2) what was the total annual cost for the operation of this unit in the (a) 2011-12, (b) 2012-13, (c) 2013-14 and (d) 2014-15 financial years, including but not necessarily limited to (i) salary packages of staff members, (ii) rental of premises, (iii)(aa) purchase or (bb) hire of furniture and equipment, (iv) stationery costs, (v) telecommunication charges, (vi) cleaning services, (vii) transport and (viii) training provided to staff members?

NW1999E

REPLY:

1(a) The unit referred to as the VIP Unit is called the Restricted Taxpayer Unit (RTU) and provides an end to end service (meaning all functions relating to tax compliance with SARS) to the following taxpayers:

- Current and Ex-Presidents,
- Current and Ex-Deputy Presidents,
- Ministers and Deputy Ministers,
- Members of the National Assembly,
- Members of the National Council of Provinces,
- Premiers of Provincial Government,
- Members of Executive Council of Provincial Parliaments,
- Members of Provincial Parliaments,
- Directors General and Commissioners of National Bodies,
- Directors General in the Premiers' offices of Provincial Government,
- Traditional Leaders,
- Ambassadors and United Nations Officials paid in terms of Article VI 19(b) of the UN Convention,
- Heads of Departments/Public Sector Institutions,
- Judges of Constitutional Court, Supreme Court of Appeal and High Court,

- Executive Mayors,
- Mayors,
- Councillors of Metropolitan Municipalities,
- Leadership of registered trade unions, including the Presidents, General Secretaries, Deputy Secretaries, and Spokespersons,
- SARS Employees of grade 5 and above,
- Political parties represented in the national and provincial parliaments, and their associated entities, and
- Other influential, high risk or high profile taxpayers

(b) There are currently 27 employees in the RTU.

(c) At present the unit operates from two offices.

(d) Offices are located in:

- Cape Town, situated at 90 Plein Street in the Parliament Building, and
- Pretoria, situated at Le Hae La SARS- Head Office, 299 Bronkhorst Street, Nieuw Muckleneuk.

2. The RTU Operational costs are:

Financial Years	RTU Operational Cost			
	(a) 2011/2012	(b) 2012/2013	(c) 2013/2014	(d) 2014/2015
(i) Personnel Expenditure	R 7, 096, 205	R 4, 962, 965	R 3, 383, 875	R 7, 788, 556
(ii) Rental of premises	R 0	R 0	R 0	R 0
(iii)(aa) Purchased furniture and Equipment	R 86, 861	R 65, 883	R 227, 991	R 167, 477
(iii)(bb) Hired furniture and Equipment	R 0	R 0	R 0	R 0
(iv) Stationery Costs	R 57, 705	R 25, 351	R 26, 379	R 52, 474
(v) Telecommunication Cost	R 103, 684	R 70, 988	R 33, 320	R 61, 223
(vi) Cleaning Services	R 22, 980	R 37, 749	R 41, 644	R 81, 146
(vii) Transport/ Travel provided to Staff	R 424, 867	R 165, 673	R 223, 440	R 230, 454
(viii) Training provided to Staff	R 0	R 0	R 0	R 0
Other Expenditure	R 128, 757	R 175, 019	R 156, 610	R 162, 780
Total	R 7, 921, 059	R 5, 503, 628	R 4, 093, 259	R 8, 544, 110

It should be noted, relating to the above expenditure, that:

- In 2011/12 the RTU expenditure was not managed on a separate Budget and thus the expenditure reflected above includes operational cost not limited to the unit. The split of operating cost and the re-organisation of the RTU commenced during the 2012/2013 financial year, and continued in the 2013/2014 financial year. The reason for the increase in expenditure in the 2014/15 financial year was the increase in the taxpayer base of the unit, thus resulting in an increase in staff numbers, which increased personnel and related costs.
- No rental of premises expenditure was allocated to the RTU

- Purchased Furniture and Equipment falls under Capital Expenditure
- Telecommunication Cost includes (Telephone Cost, Cell phone Cost and Data Communication)
- Transport/ Travel Cost includes (Air Travel, Subsistence Cost and Car Hire)
- All training requirements were catered for internally through the SARS Academy