

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 481 [NW538E]**

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**481. Mr W M Madisha (Cope) to ask the Minister of Finance:**

In view of a plethora of recent media reports as well as comments made at the conference on tax evasion and illicit financial flows (details furnished) which refer to the risk of the implosion of the SA Revenue Service (Sars), as evidenced in the recent under-recovery of tax revenue, particularly personal income tax, (a) what has he found to be the root cause of Sars' loss of (i) institutional capacity and (ii) its integrity and (b) what actions should be taken in the national interest to rectify the situation?

NW538E

**REPLY:**

**(a) what has he found to be the root cause of Sars' loss of  
(i) institutional capacity**

- SARS is unable to respond to comments made in the conference, however, the staff attrition rates over the last nine years have remained fairly constant between 6.59 in 2008/9 and 3.97% in 2016/17 (Feb. YTD) per annum.

Attrition Rate 2008/09	Attrition Rate 2009/10	Attrition Rate 2010/11	Attrition Rate 2011/12	Attrition Rate 2012/13	Attrition Rate 2013/14	Attrition Rate 2014/15	Attrition Rate 2015/16	Attrition Rate 2016/17 (Feb. 2017 YTD)
6.59%	4.12%	4.36%	4.18%	4.82%	6.01%	5.97%	4.61%	3.97%

**(ii) its integrity**

- The current public perception of loss of institutional capacity is not supported by the data, as can be gleaned from the above

**(b) what actions should be taken in the national interest to rectify the situation?**

SARS continues with the implementation and achievement of its strategic outcomes and objectives as articulated in the Strategic Plan tabled in

Parliament. The revised Operating Model is being embedded to address the review.