

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 792 [NW1907E]
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792. Ms N P Sonti (EFF) to ask the Minister of Finance:

- (1) (a) What amount was spent on advertising by (i) the National Treasury and (ii) state-owned entities reporting to him in the (aa) 2016-17, (bb) 2017-18 and (cc) 2018-19 financial years;
- (2) what amount of the total expenditure incurred by (a) the National Treasury and (b) state-owned entities reporting to him went to (i) each specified black-owned media company and (ii) outdoor advertising in each specified financial year and (c) on outdoor advertising by the National Treasury and state-owned entities reporting to him went to each black-owned media company in each specified financial year?

NW1907E

REPLY:

NATIONAL TREASURY

(1)(a)(i)

(aa) 2016-17	(bb) 2017-18	(cc) 2018-19
R25 203 988.69	R10 829 902.83	R1 369 911.96

(2)(a)

(i)	(aa) 2016-17	(bb) 2017-18	(cc) 2018-19
NT Operations			
Jonti Tenders	R297 493.57	R323 959.16	R6 862.05
Shereno Printers CC	-	R23 860.20	R117 569.76
Formeset Print	-	R2 456.14	R3 585.00
Mailtronic Direct	-	-	R100 477.75
Lebone Litho Printers	R5 196.58	-	-
Basadzi Advertising	R335 714.81	R295 276.62	R601 150.80
Gijima Holdings	R20 431.20	R25 073.00	R8 117.00
Human Communications	-	R68 485.67	R498 314.76
Treetops Management	-	R15 202.00	-
Kaytie Identity Promotion	-	R3 413.16	-
RSA Retail Savings Bonds			
Media Mix 360	R10 700 000.00	-	-
Busi Ntuli Communications	R13 800 000.00	R10 000 000.00	-
Total	R25 158 836.16	R10 757 725.95	R1 336 077.12

(ii)(c)	(aa) 2016-17	(bb) 2017-18	(cc) 2018-19
Busi Ntuli Communications	R2 800 000.00	R2 000 000.00	-

ASB

- (1) The Accounting Standards board did not spend any amount on advertising during the three years in question.
 - (2) No expenditure was incurred on any means of advertising.
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CBDA

The Co-operative Banks Development Agency (CBDA) did not incur any expenditure related to outdoor advertising

DBSA

(a) (aa) (bb) (cc)

Supplier	2017	2018	2019	Grand Total
Independent Newspaper Pty Ltd	14,954.29	6,656.69		21,610.98
Mail and Guardian	103,626.00	36,115.20		139,741.20
Media24 Limited	144,782.92	51,436.80		196,219.72
Tiso Blackstar Group Pty Ltd	1,668,369.48	1,176,372.84	1,424,735.15	4,269,477.47
Grand Total	1,931,732.69	1,270,581.53	1,424,735.15	4,627,049.37

(b) (a) (b) (i)(ii) (c) **N/A** (we have not done any outdoor advertising)

FAIS OMBUD

1. (a) Advertising Costs:

Financial Period	Amount
2016/17	R51 418.00
2017/18	R30 277.94
2018/19	R140 870.07

2. (i) Black Owned Media Company (BOMC)

Financial Period	Amount
2016/17	R0.00
2017/18	R0.00

2018/19	R0.00
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- Advertising related to tender and employment advertisements which were placed with the Government Printing Works or a media group with national footprint.

(ii) Outdoor Advertising

Financial Period	Amount spent on Outdoor Advertising**
2016/17	R0.00
2017/18	R0.00
2018/19	R0.00

*** No money was spent on outdoor advertising

(c) Amount spent on Outdoor Advertising to BOMC

Financial Period	Amount spent on Outdoor Advertising to BOMC***
2016/17	R0.00
2017/18	R0.00
2018/19	R0.00

*** Refer to point 2(ii) above

FIC

(1)(a)(ii) The FIC spent the following advertising costs for the identified financial years:

ADVERTISING EXPENDITURE

Total spend on advertising	(aa) 2016/17	(bb) 2017/18	(cc) 2018/19	TOTAL
Exempt Micro Enterprise	48 035.00	-	38 675.00	86 710.00
Qualifying Small Enterprises	48 165.00	788 840.16	861 203.07	1 698 208.23
Generic Enterprises	62 130.07	129 138.60	150 121.18	341 389.85
Not considered - Government	10 590.36	7 500.00	9 570.38	27 660.74
Total	168 920.43	925 478.76	1 059 569.63	2 153 968.82

(2)(b)(i)

Total adverting spent through black owned entities	2016/17	2017/18	2018/19	TOTAL
Highbury Media	-	-	62 100.00	62 100.00
Tiso Blackstar Group	-	788 840.16	799 103.07	1 587 943.23
Total	-	788 840.16	861 203.07	1 650 043.23

(2)(b)(ii) Not applicable.

(2)(c) Not applicable.

FSCA

Not applicable to the Financial Sector Conduct Authority (FSCA).

GEPF

2016/2017

Advertising Expense 2016/2017

Advertising - Media Campaigns	68 229,00
Advertising - Tenders	84 759,11
Total Advertising expense	152 988,11

<u>Advertising expense breakdown per supplier</u>	<u>Amount spend</u>	<u>Black ownership</u>
Wise Water Media Ltd	68 229,00	100,00%
Jonti Tenders	24 175,30	53,00%
Ultimate Recruitment Solutions CC	60 583,81	100,00%
Total Advertising expense	152 988,11	

2017/2018

Advertising Expense 2017/2018

Advertising - Recruitment	569 290,00
Advertising - Media Campaigns	890 193,97
Advertising - Tenders	33 520,44
Total Advertising expense	1 493 004,41

<u>Advertising expense breakdown per supplier</u>	<u>Amount spend</u>	<u>Black ownership</u>
Jonti Tenders	33 520,44	53,00%
Media Beperk (Beeld)	510 467,73	52,94%
Time Media(Pty)Ltd	280 072,00	58,47%
Independent Newspapers Pty(Ltd)	99 654,24	55,00%
Ultimate Recruitment Solutions CC	569 290,00	100,00%

Total Advertising expense 1 493 004,41

2018/2019

Advertising Expense 2018/2019

Advertising - Recruitment	878 823,72
Advertising - Media Campaigns	6 148 194,09
Advertising - Tenders	<u>102 720,58</u>
Total Advertising expense	<u><u>7 129 738,39</u></u>

<u>Advertising expense breakdown per supplier</u>	<u>Amount spend</u>	<u>Black ownership</u>
Independent Newspapers Pty(Ltd)	2 676 056,59	55,00%
Tiso Blackstar (Pty)Ltd	3 472 137,50	55,80%
Siyafika Communications (Pty)Ltd	102 720,58	51,00%
Kelly A division of Kelly Group Limited	132 499,04	91,80%
Kone Staffing solutions (Pty)Ltd	177 034,68	100,00%
Ultimate Recruitment Solutions CC	<u>569 290,00</u>	100,00%
Total Advertising expense	<u><u>7 129 738,39</u></u>	

The GEFP didn't spent any money on outdoor advertising during the reporting period.

GPAA

Kindly see the attached Excel spreadsheet that will answer question (1) and (2).



Copy of Media
Advertising - Paymer

IRBA

- 1)
- aa) 2016-17 R203 240
- bb) 2017-18 R44 000
- cc) 2018-19 R207 244

- 2)
 - aa) 2016-17
 - b) (i) IE Communications – Level 3 (26% black ownership) R85 617
 - Media Shop – Level 2 (55.3% black ownership) R81 786
 - Times Media – Level 3 (58.47% black ownership) R16 272
 - (ii) No outdoor advertising
 - c) No outdoor advertising
 - bb) 2017-18
 - b) (i) None
 - (ii) No outdoor advertising
 - c) No outdoor advertising
 - cc) 2018-19
 - b) (i) Human Communications – Level 1 (51% Black Ownership) R97 830
 - Arina Wilson – Level 4 (Less than 51% Black Owned) R74 588
 - (ii) No outdoor advertising
 - c) No outdoor advertising

LAND BANK

Land Bank has spent the following on advertising in the financial years requested as follows:

1. Advertising

(aa) Financial Year 2016/17

(a) Total amount spent on advertising – R350 968.53

(bb) Financial Year 2017/18

(a) Total amount spent on advertising – R2 571 439.51

(cc) Financial Year 2018/19

(a) Total amount spent on advertising – R1 575 352.33

2. Advertising and Outdoor Advertising

(aa) Financial Year 2016/17

(a) Total amount spent on advertising – R350 968.54

- (i) Total amount on black-owned media/advertising companies – R195 223.54
- Top Media and Communications (25% Black Owned) – R78 750.00
 - CTP Limited (14.81% Black Owned) – R6 508.80
 - Human Communications (51% Black Owned) – R109 964.74

(ii) Total amount on outside advertising – None

(c) Total amount on black-owned outside advertising companies – None

(bb) Financial Year 2017/18

(a) Total amount spent on advertising – R2 571 439.51

- (i) Total amount on black-owned media/advertising companies – R1 204 073.80
- Human Communications (51% Black Owned) – R97 033.12
 - CTP Limited (14.81% Black Owned) – R23 455.00
 - Saki Print (100% Black Owned) – R47 980.00
 - Picasso Headline (65.34% Black Owned) – R43 000.00
 - Cape Media (24.8% Black Owned) – R81 950.00
 - Highbury Media (32.00% Black Owned) – R68 400.00
 - Media 24 (56.16% Black Owned) – R29 550.00
 - Times Media (53.25% Black Owned) – R384 588.00
 - Independent Newspapers (55% Black Owned) – R85 304.88
 - VKB Landbou (10.96% Black Owned) – R50 000.00
 - OFM (34.79% Black Owned) – R127 773.10
 - United Stations (6.29% Black Owned) – R165 039.70

(ii) Total amount on outside advertising – None

(c) Total amount on black-owned outside advertising companies – None

(cc) Financial Year 2018/19

(a) Total amount spent on advertising – R1 575 352.33

- (i) Total amount on black-owned media/advertising companies – R1 266 640.53
- Human Communications (51% Black Owned) – R96 721.56
 - CTP Limited (14.81% Black Owned) – R32 600.00

- Primedia Broadcasting (37.40% Black Owned) – R762 031.97
- Cape Media (24.8% Black Owned) – R26 000.00
- Highbury Media (32.00% Black Owned) – R142 232.00
- Media 24 (56.16% Black Owned) – R36 155.00
- Tiso Blackstar (53.25% Black Owned – R167 400.00
- Pure Brown Design Junkies (100% Black Owned) – R3 500.00

(ii) Total amount on outside advertising – None

(c) Total amount on black-owned outside advertising companies – None

PFA

The Office of the Pension Funds Adjudicator confirms that;

(1)(a)(ii) Advertising expenses amounted to

- (aa) R1,500.00 (2016/17)
- (bb) R29,332.80 (2017/18) and
- (cc) R176,068.84 (2018/19)

(2)(b) Percentage total to black owned media company and 0% outdoor advertising:

- 100% (2016/17)
- 100% (2017/18)
- 81% (2018/19)

Black-owned media companies used based on BBBEE ratings:

Wise Water Media Pty (Ltd) (Level 2), Mozolo Pty (Ltd) (Level 1), SABC (SOE - Level 1), Tiso Black Star (Level 1), Bojanala Radio Station (Level 1), Government Printing works (SOE - Level 1) and Zulu Observer (Level 1)

SARS

(1) In order for SARS to carry out its duties among others being that of creating awareness and making it easy for taxpayers to comply, marketing communication activities are executed. During 2017 SARS entered into one such contract after

issuing a request for a proposal for the provision of media bulk buying services. The inventory (channels) selection is based on campaign objectives, target markets, media audiences and media value.

(a)(i) NT to respond

(ii) The total amount spent on advertising in the respective years is;

(aa) 2016/ 17: R 61, 099, 924. 07

(bb) 2017/18: R 63, 214, 567. 81

(cc) 2018/ 19: R 51, 908, 110. 71

(2)(a) NT to respond

(b)(i)(ii)(c)The Agency does not record the ownership structure of sales houses or media owners. Also, the data available relates to “pay-to vendors” and not final owners. A vendor may therefore be utilised to book outdoor sites, and our expenditure data will reflect accordingly. However, the vendor acts as a sales house and doesn’t actually own the individual outdoor sites.

The same holds in other cases, where a vendor acts on behalf of a radio station. However, the shareholding in these stations is not necessarily identical to the shareholding of the vendor. Our data therefore does not reflect ultimate ownership.

The expenditure on outdoor advertising in relation to the total expenditure on advertising is reflected in the below table:

Financial year	Total advertising spend	Outdoor advertising total spend
2016-17	R 61, 099, 924.07	R 3, 691, 898.38
2017-18	R 63, 214, 567.81	R 4, 804, 629.26
2018-19	R 51, 908, 110.71	R 4, 570, 486.76
Total	R 176, 222, 602.60	R 13, 067, 014.40

The current contract does not prescribe on the media houses to be utilised by the Agency. However, going forward with a new contract the Preferential Procurement Regulations of 2017 will obligate SARS to award a contract to a supplier that can sub-contract a minimum of 30% to small, micro and medium companies for any

contract that is R30 million and above. The current contract was signed just before the regulations were in place; hence the compulsory sub-contracting was not required in their case.

It should be noted that the cost reflected above excludes that of the Tax Ombuds Office and only reflect SARS expenditure. Even though SARS currently still administer their budgetary process the office will respond separately.

SASRIA

Sasria's advertising costs for the three years ending 31 March 2017, 2018 and 2019 respectively are as follows:

Sasria's advertising expenses line item in the Annual Financial Statements, is made up of external and internal marketing. The bulk of these relate to Sasria product training.

Financial year ending 31 March 2017

Advertising expenses were R5.95 Million (audited).

Financial year ending 31 March 2018

Advertising expenses were R5.38 Million (audited).

Financial year ending 31 March 2019

Advertising expenses were R7.29 Million (audited).

TAX OMBUD

(1) The Office of the Tax Ombud has spent the following amount on advertising

(aa) 2016-17	(bb) 2017-18	(cc) 2018-19
R4 104 236.60	R2 298 395.18	R4 398 410.67

(2)The following is the total expenditure incurred by Office of the Tax Ombud

(i) Amount spent on black owned media company in 2016-17	(i) Amount spent on black owned media company in 2017-18	(i) Amount spent on black owned media company in 2018-19
n/a	n/a	n/a

(ii) Amount spent on outdoor advertising in 2016-17	(iii) Amount spent on outdoor advertising in 2017-18	(iv) Amount spent on outdoor advertising in 2018-19
R171 079.78	R31 365.39	R51 682.16

(c) Outdoor advertising that went to black owned in 2016-17	(c) Outdoor advertising that went to black owned in 2017-18	(c) Outdoor advertising that went to black owned in 2018-19
n/a	n/a	n/a

Notes

The Tax Ombud is accountable to the Minister of Finance in terms of section 14(5)(a) of the *Tax Administration Act No 28* of 2011 (hereinafter the TAA), the Office of the Tax Ombud is not established as a legal entity and therefore lacks the legal capacity to enter into any contracts. Accordingly, the Office of the Tax Ombud shares services with the South Africa Revenue Services (SARS) where it has existing contracts in place. During 2017 SARS entered into one such a contract after issuing a request for a proposal for the provision of media bulk buying services under RFP 39/2016. The service provider (Spacegrow media (PTY) LTD registration no 2003/025736/07) submitted a proposal to SARS to render the services and was successful. The contract is effective from 02 June 2017 to 01 June 2021. Consequently The Office of the Tax Ombud uses SARS's media bulk buying service provider in order to procure media services, which is then paid out of the budget allocated to the Office of the Tax Ombud by the Minister of Finance. Inventory selection on media buying is based on campaign objectives, target markets, media audiences and media value. Spacegrow media (PTY) LTD as a service provider does not record the ownership structure of sales houses or media owners, and therefore the Office of the Tax Ombud is not able to report on the latter.

The information relating to the Office of the Tax Ombud will also be included in SARS's more comprehensive response.
