**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **1309 [NW1569E]**

**DATE OF PUBLICATION: 1 APRIL 2022**

**1309. Dr L A Schreiber (DA) to ask the Minister of Finance:**

Whether, in terms of paragraph 2.6 of the *Guide for Members of the Executive* that became effective on 20 November 2019, the National Treasury has made any adjustments to the spending limit of R700 000, inclusive of value-added tax, security upgrades and maintenance plan, imposed on the purchase of official vehicles; if not, why not; if so, what are the relevant details? NW1569E

**REPLY**

The price threshold for official vehicles for members of the executive is reviewed regularly and considers different criteria. Among these are budget constraints, the changing market price of vehicles, the practical requirements of executive members to fulfill their portfolio responsibilities, as well as safety and reliability, including for travelling in difficult terrain. The Guide for Members of the Executive (“the Guide”) confers powers to the Minister of Finance to determine any annual adjustments to the threshold. The National Treasury maintains a transversal contract for the purchase of official vehicles for use by the executive which should be used by government departments. This contract allows for vehicles to be purchase directly from the manufacturer where the vehicle is new. This ensures superior value-for-money compared to purchasing vehicles from dealers.

Paragraph 2.6 of the Guide states the following: *“The price for the purchase of official vehicles shall not exceed R700 000-00, inclusive of VAT, security upgrades and maintenance plans. The limitation on the cost of the vehicle must be adjusted annually by the Minister responsible for Finance, in consultation with the Ministers responsible for Police, Transport and State Security”.*

In the period since the finalization of the Guide, National Treasury Instruction no. 6 of 2019/2020 was issued, stating in paragraph 3.1 that the threshold for the procurement of official vehicles for members of the executive is revised from R700 000 to R800 000.00 inclusive of VAT and security features. Paragraph 3.3 of the said Instruction further provides that it is the responsibility of each department to ensure confirmation of the price of security features is obtained from the South African Police Service prior to finalization of the vehicle purchase.

The above is the most recent instruction note issued in this regard, and ongoing reviews will continue to be undertaken.