**NATIONAL ASSEMBLY**

**QUESTION No. 537 – 2019**

**FOR WRITTEN REPLY**

**INTERNAL QUESTION PAPER NO.10 – 2019, DATE OF PUBLICATION, 23 – 09 – 2019: “537”.**

**Mr T W Mhlongo (DA) to ask the Minister of Sports, Arts and Culture”**

(1) Why did the Athletics South Africa (ASA) General Council refuse to answer the queries raised by KwaZulu-Natal Athletics (KZNA) at the ASA annual general meeting held on 27 October 2017; (2) (a) can she provide Mr T W Mhlongo with (i) a list of each source of income from which ASA has benefited in the past three years and (ii) a copy of ASA's annual budget and business plan for the (aa) 2016-17, (bb) 2017-18 and (cc)2018-19 financial years and (b) what percentage of ASA's total income is attributable to (i) fees/commission charged by ASA on road running events, (ii) sponsorship related to road running events and (iii) the issuing of ASA permanent licenses to road runners and/or road running clubs? NW2461E

**REPLY:**

1. KZNA submitted the questions after the deadline stipulated by the notice of the AGM.
2. The ASA Board did have the answers on the KZNA questions ready, but the ASA Council instructed the Board not to answer, as KZNA did not follow constitutional protocol.
3. Furthermore KZNA submitted Delegates for the AGM after the deadline. One of the 2 Delegates was not eligible as per ASA Constitution.
4. The ASA Council ruled that the KZNA President must be allowed to be part of the Council Meeting but the ineligible member was not allowed to attend the ASA Council meeting.
5. The KZNA President refused to be part of the ASA Council, and the ASA Council, with a quorum present, continued without the KZNA Delegation present.
6. The ASA Council also reprimanded KZNA for submitting the financial statements to the media soon after ASA send the ASA Financial Statements to the ASA Members for scrutiny, but KZNA fail to submit the questions on the financial statements to the ASA Council in time.
7. The ASA Council also mandated the ASA board to consult the KZNA regarding the manner the KZNA Delegation tried to intimidate and discredit the ASA Council.

(2) (a) can she provide Mr T W Mhlongo with

1. a list of each source of income from which ASA has benefited in the past three years and

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| **ASA income** | **2017** | **2016** | **2015** |
| **SABC** | 13 250 000.00 | 12 500 000.00 | 8 333 333.34 |
| **SASCOC** | 5 250 000.00 | 12 836 713.00 | 1 498 587.75 |
| **IAAF- Grant** | 374 943.00 | 3 425 967.00 |  |
| **Permanent licences** | 2 581 579.00 | 2 369 079.00 | 2 274 818.45 |
| **Rental Inc - Telkom tower** | 80 040.00 |  |  |
| **Grant - Lotto** | 14 260 400.00 | 36 884 800.00 | 2 500 000.00 |
| **SRSA Grant income** | 2 000 000.00 | 2 000 000.00 | 700 000.00 |
| **Rule book** | 84 296.00 | 168 290.00 | 27 350.00 |
| **Temporary licence** | 1 317 323.00 | 570 064.00 |  |
| **Old mutual** |  |  | 2 192 982.46 |
|  | **39,198,581.00** | **70,754,913.00** | **17,527,072.00** |

1. a copy of ASA's annual budget and business plan for the (a) 2016-17, (bb) 2017-18 and (cc)2018-19 financial years and
2. The ASA Business Plan was endorsed at the 2016 ASA AGM and is effective for the period 2016 – 2020, in other words for the 4 years from Olympic Games to Olympic Games.
3. The Business Plan and annual budgets are attached.

(b) what percentage of ASA's total income is attributable to:

1. From 2014 to 2017, 100% of the ASA income was applied mainly due to the debt of more than R20 000 000.00 liabilities, inherited mainly from the previous Boards of 2010 & 2012, as well as projects according the ASA Business Plan.
2. Although some of the projects where scaled down during the period 2014 – 2017 to adhere to budget constraints, none of the ASA projects were cancelled and took place successfully.
3. fees/commission charged by ASA on road running events,
4. ASA charged no commission or fees for any event including Road Races.
5. Provinces do charge levies on events, but ASA has no access to these resources as it is intended to finance the development of athletics at provincial and club level.
6. sponsorship related to road running events and
7. ASA did not have a Road Running Sponsor since 2010. National Road Running events are funded from levies from the sale of licenses.
8. The primary challenge is clubs called “Corporate Clubs” whom claim special treatment, yet contaminate the commercial space with their branding on clothing, in violation with IAAF advertising regulations.
9. All clubs are equal within ASA structures. The fact that some clubs are financially stronger does not give “Corporate Clubs” special rights within ASA.
10. “Corporate Clubs” whom claim to sponsor athletes, do not contribute towards the funding of races where their athletes must run, and fail to assist on expenses related to funding South African teams to international events.
11. “Corporate clubs” are using athletes as “running billboards” and very little of the commercial profits from such exposure is invested in developing athletics.
12. (iii) the issuing of ASA permanent licences to road runners and/or road running clubs? NW2461E
13. ASA obtain income annually on average R2 400 000.00 from the sale of licenses.
14. On average the cost of printing the licenses are R1 300 000.00.
15. The remaining income on license levies, on average R1 100 000.00, are used to subsidize the provinces who host the National Road Running Championships ( 10km; 21.1km; 42.2 km) and prize money for the road running category winners.

Expenses from Road Running often are more than the income obtained from licenses and have to be balanced from other income

  