**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 872 [NW994E]**

# DATE OF PUBLICATION: 11 APRIL 2016

**872. Dr P J Groenewald (FF Plus) to ask the Minister of Finance:†**

(1) Whether South African Airways (SAA) allocated any sponsorship in the financial years (a) 2013-14, (b) 2014-15 and (c) 2015-16; if so, (i) to whom, (ii) for what amount, (iii) for which period and (iv) what the activity was in each case in respect of each financial year;

(2) whether he was consulted in advance regarding the announcement that SAA would sponsor Bafana Bafana; if so, on what grounds he approved this, in the light of the savings measures that were announced for the financial year 2016-17;

(3) what the full sponsorship of SAA to Bafana Bafana comprises;

(4) whether he will make an announcement about the matter?

NW994E

**REPLY:**

1. Yes. According to South African Airways, their sponsorships in the financial years (a) 2013-14, (b) 2014-15 and (c) 2015-16 were as following (all these sponsorships were approved in accordance with the company’s delegation of authority requirements and followed an internal approval process which included the approval of a business case):

|  |  |  |  |
| --- | --- | --- | --- |
| **Sponsorship Property** | **Right Holder** | **Value** | **Period** |
| Springboks | SA Rugby | R22.5m per annum | 2013-14 |
|  |  |  |  |
| SA Olympic Teams | SASCOC | R6m per annum | 2014-15 |
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|  |  |  |  |
| SA Olympic Teams | SASCOC | R6m per annum | 2015-16 |
| Springboks | SA Rugby | R22.5 per annun | 2015-16 |
| Miss South Africa | Sun International | R594k | 2015-16 |
| World Routes | UBM | R1.5m | 2015-16 |
| NBA Africa Games | NBA Africa | R1.3m | 2015-16 |
| International Jazz Extravaganza | Teacup Projects Proprietary Limited | R1.1m | 2015-16 |

**Notes:**

* The SA Rugby sponsorship was a four (4) year agreement that ended in on 31 December 2015
* The SASCOC sponsorship is a three (3) year agreement that expires in March 2017
* All other sponsorship listed above with the exception of SA Rugby and SASCOC were agreements reviewed annually
* All SAA sponsorships including the ones listed above, are offered strictly on Value-In-Kind (VIK) basis with no outlay of cash. The sponsored parties are liable for airport taxes.

1. There is no mandatory provisions in the cost containment measures (National Treasury Instruction 01 of 2013/14) prohibiting sponsorships although accounting authorities were required to implement measures to contain operational costs and eliminate all non-essential expenditure. SAA is only required to obtain the Minister’s approval for significant transactions outlined in terms of Section 54(2) of the PFMA.
2. According to SAA, the Bafana Bafana sponsorship is valued at R110m in value in kind over a five (5) year period.
3. The Minister does not intend to make an announcement on this matter as SAA announces and accounts for all its sponsorships.

Nonetheless, prudence is required in exercising financial authority during times of financial constraints.