

# Presentation to the Portfolio Committee on Finance

6 October 2004



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# Government Outcomes

“At the core of our response to all these challenges is the struggle against poverty and underdevelopment, which rests on three pillars. These are:

- encouraging the growth and development of the First Economy, increasing its possibility to create jobs;
- implementing our programme to address the challenges of the Second Economy; and,
- building a social security net to meet the objective of poverty alleviation. ”

*President Mbeki's State of the Nation Address – May 2004*



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# Key Government Challenges

- Efficient delivery of social grants to rural beneficiaries
- Expanding the Public Works programme
- Addressing HIV and AIDS and other emerging diseases
- Matching the skills to the requirements of the economy
- Meeting increasing demand for housing and services
- Promote National identity and pride
- Border security
- Reducing the levels of crime
- Provide the necessary skills the economy needs
- Extend and protect the fruits of democracy to most vulnerable groups
- Position SA strategically in the global environment
- Enhance service delivery and capacity
- Improve intergovernmental relations and integration in implementation



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# SARS Mandate

- To collect all national revenue for Government.
- Ensure optimal compliance with the legislation.
- Provide a customs service that will protect and secure our borders as well as facilitate trade.
- Advise Ministers on tax and trade policy



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# Strategic platform

- SA Reality
- Compliance model
- Taxpayer awareness campaigns
- Risk and Enforcement model
- Taxpayer Service Charter



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# What do we strive to achieve

- All South Africans recognise that paying tax is their contribution to building a new nation
- SARS will assist South Africans to understand their compliance obligations
- SARS will strive to make it easier for Taxpayers and Traders to meet their legal obligations
- Import and Export Trade will be facilitated whilst at the same time security at the border will be strengthened



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# What we need to do

- Apply the law in a fair and consistent way
- Provide information and assistance to our customers to help them meet obligations
- Efficiently and accurately process payments and returns
- Follow up on those who don't file or pay on time
- Perform audits and inspections to verify that customers have paid the right amount
- Adjudicate and litigate on disputes



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# SARS Outputs

- Revenue Performance
- Service
- Accurate and Timeous assessments
- Responsible Enforcement
- Trade Facilitation and Border security
- Organisational Transformation



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## Revenue Performance 2003 / 04 Highlights (R million)

- ❑ Printed Estimate: R310 025
  - ❑ Revised Estimate: R303 318
  - ❑ Actual R302 510
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- ❑ Decrease on printed estimate: R7 515
  - ❑ Decrease on revised estimate: R808



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# Service

1. Making it easier to meet obligations
  - Call centres upgrades
  - Taxpayer Service Charter
  - Simplification of tax forms
  - Single view of the taxpayer
  - Free e-filing
  - Closer relationships with practitioners
  - Guides for the public



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# Assessment

- 2 Process payments and returns
  - Improved submission of returns
  - Tax register has grown
  - Quality improvements
  - Process improvements
  - Turnaround time for assessments
  - Increased usage of electronic filing



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# Filing Campaign

- The 2004 Filing Campaign marked as an overwhelming success.
- Met with great enthusiasm
- Some statistics :
  - IT returns received 1 April – 22 July 2004:
    - 2 377 723 (41.89% increase over prior year)
  - Extensions received at 22 July 2004:
    - 1 021 905 (13.5 % increase over prior year)
  - New registrations processed 1 April – 22 July 2004
    - 239 614 (19.28% increased over prior year)



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# Responsible Enforcement

- Increasing focus on areas of greatest revenue risk
  - Closing legislative loopholes
  - Analysis of Tax Gap
  - Risk profiling
  - Audit
  - Outstanding returns
  - Debt
  - Criminal investigations
  - Rulings
  - Dispute resolution
  - Litigation



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# Trade facilitation and Border Security

- Ensuring South Africa benefits from global trade
  - Global trade context
  - SARS' global role
  - Continued role in Africa
  - Role in facilitating local trade
  - Private sector stakeholders and trade facilitation
  - Investigations and Prosecutions
  - Border Control Improvement programme
  - Container security initiative



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# Developing our people – leadership and technical capability

- To achieve our desired future requires the commitment and energy of every person within SARS as well as ensuring that we have strong, credible leadership
  - Training/ development
  - Recruitment
  - Employment Equity
  - Wellness @ work programme
  - Employees relations



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# Transforming the Institution

- Easier, more cost-effective and more personalised interactions with SARS
  - Large Business Centre
  - Extending Siyakha roll-out
  - New technology platform
  - New Financial system (Kopano)
  - SARS Academy
  - Process Optimisation
  - New Infrastructure



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Thank you for your support



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