

Ramaphosa's 'bloated cabinet' costs South Africans billions of rands, says DA

February 7, 2018

Since becoming head of state, President Cyril Ramaphosa promised to address government lavishness including giving due thought to chopping his Cabinet, says Democratic Alliance (DA) Shadow Minister of Public Administration Desiree van der Walt.

In a statement on Sunday, Van der Walt said it is obvious from some Parliamentary answers DA have received that President Ramaphosa has not addressed some extravagant costs that accompany his Cabinet.

“He had neglected to address a similar issue when he was Leader of Government Business in his previous capacity as Deputy President,” said Van der Walt.

He said South Africa's sluggish economy and growing spending shortage calls for limitation in government spending.

The ANC government, despite, said Van der Walt shows up far separated from this reality and keeps on spending for the solace and unrestrained ways of life of members from the Executive.

Van der Walt added that South Africans are as of now bearing the full cost of a 15% VAT increment, however, the administration's iniquity still goes unchecked.

Below document sets out the present condition of the Cabinet and proposes immediate steps which President Ramaphosa has neglected to establish.

Ministerial salaries and Size of the Cabinet

The overstuffed Cabinet of former President Jacob Zuma keeps on living on through the present administration.

This Cabinet is by far one of the biggest in the world with 35 ministers, far bigger than the United States at 15 ministers, Kenya with 18 ministers and the United Kingdom with 21 ministers.

This year alone our 35 ministers and 37 deputy ministers will earn R163.5 million and over R510.5 million over the medium-term.

Minister's Private Offices

The Ministerial Handbook proposes that Ministers' and Deputy Minister's Office be restricted to 10 and 6, respectively.

Ministers have not stuck to this as confirmed by the former Minister of Public Service and Administration, Faith Muthambi, who had 26 people in her office.

The present Minister of Public Service and Administration, Ayanda Dlodlo, made a call Wednesday that ministers should stick to 10 employees for their private offices.

Under her tenure at Home Affairs between October 2017 and February 2018, she had 17 people in her own private office.

The DA laid a complaint with the Public Service Commission over the private office of the then-Minister Muthambi who enlisted loved ones to her overstuffed office that totaled 26.

Minister Dlodlo has not answered to Parliamentary inquiries, but rather in view of her forerunner and her own record she has a swollen office as well.

Some Departments, for example, the Department of Defense will burn through R76.5 million of every 2018/19 and R244.3 million over the medium-term.

Private offices also redirect funds from other vital functions in the department as confirming in the Department of Women where the current year's financial plan for Minister Bathabile Dlamini is almost 20% (R16.1 million) of the aggregate Administration components (R78.7 million) of the Department.

In total this year, all private office will cost an incredible R1.09 billion and R3.485 billion over the medium-term.

Ministers Houses

The Department of Public Works has a particular division called the "Notoriety Portfolio" that deals with the settlement for the Presidency, Ministers, Deputy Ministers and other VIPs.

The Department spent over R188 million on getting only 33 properties in Pretoria and Cape Town at a staggering average of R5.7 million for each residence.

It was uncovered a year ago that an extra R48 million will be spent on getting six extra homes at a normal of R8 million for every residence in the 2017/18 financial year.

The total of R236 million spent on gaining 39 ministerial houses could have been spent on building about 2 000 RDP houses.

Prestige Accommodation and State Functions funds allotments for activities relating to the residence of parliamentarians, Ministers, Deputy Ministers, the Deputy President and the President is set to cost R87.5 million out of 2018/9 and R298.4 million over the medium-term.

Ministers Vehicles

The present Chapter 5 of Ministerial Handbook takes into account a maximum of 70% of comprehensive yearly compensation bundle of the Ministers and their Deputies for official vehicles chosen (R1.75 million for Ministers and R1.44 million for Deputies in 2018/19).

Where the DA governs in the Western Cape, Ministerial vehicles are topped at 40% of the comprehensive compensation bundle of provincial Ministers.

A set of Parliamentary inquiry answers last year uncovered that Ministers were living the high life with Faith Muthambi, the then-Minister of Communication burning through R2.9 million on cars and the current Deputy Minister of Justice and Constitutional Development, Thabang Makwetla, burning through R2.4 million on vehicles.

If the National Handbook arrangements are considered in view of the current bloated Cabinet and tolerating that two official vehicles are allowed (in Cape Town and Pretoria), Ministers and Deputies are allowed to spend as much as R3.5 million and R2.9 million, respectively.

In this manner, the National Handbook provisions consider a total spend of R229 million on luxury cars.

Subsistence and Travel Allowance

This year the taxpayer is set to spend R296.9 million on Travel and Subsistence for Ministries and R934 million over the medium-term. Ministries are set to spend R5.7 million on “entertainment” over the medium-term and R1.8 million in this year.

Not only current ministers, their deputies, MECs, Presiding Officers and their deputies in Parliament and the Provincial Legislatures, but also former ministers, deputy ministers and their spouses still benefit.

Chapter 10 of the Ministerial Handbook describes their travel privileges that include:

- 48 single domestic flights in business class per annum for former ministers and 24 of their spouses;
- 36 single domestic flights in business class per annum for former deputy ministers and 18 of their spouses; and
- 12 single domestic flights in business class per annum to widows/widowers of former ministers or deputy ministers.

In the DA-run Western Cape, the Provincial Handbook states members should fly economy class, unlike their national counterparts.

Currently, spouses are included for international travel which is a huge cost to the taxpayer and is not necessary (air tickets/hotel fees/daily allowance).

It has now emerged that a staggering R873 366.68 was blown on international travel for the Minister of Finance’s spouse, Norma Gigaba, who accompanied him on investor roadshows to China, the United Kingdom, and the United States.

While national ministers like the then-Minister of Police, Nathi Mthetwa, spent R734 448 on accommodation at five-star hotels in Cape Town and Durban in 2011, the Western Cape Handbook states that ministers must, as a rule, avoid staying in five-star hotels.

VIP protection services/Static and Mobile Security

Ministers are provided with VIP security services in the Police's budget programme including security at their ministerial residences.

The total budget for VIP protection over the medium-term stands at a staggering R4.84 billion (includes protection for the President, ministers, and other VIPs) and R1.5 billion in 2018/19.

Static and Mobile Security provides for the protection of local VIP residences that include ministerial residences, foreign dignitaries and the places in which all dignitaries, including persons related to the President and the Deputy President, are present.

Static and Mobile Security is set to cost R3.411 billion over the medium-term and R1.062 billion in 2018/19.

The DA's Plan for a cutting the costs of the Cabinet

The bloated Cabinet has simply become a waste of taxpayers' money and will only worsen the poor state of public finances.

The section below sets out proposals in order to contain and reduce the huge expenditure of the current Cabinet.

Cut the size of the Cabinet

Simply put the country's current Cabinet is not fit for purpose and needs to be cut. We don't have to look abroad for a more frugal cabinet: previous presidents had smaller Cabinets as outlined below.

Former President's Cabinet sizes:

- Nelson Mandela – total Cabinet size: 50 (28 ministers)
- Thabo Mbeki – total Cabinet size: 50 (28 ministers)
- Kgalema Motlanthe – total Cabinet size: 47 (28 ministers)
- Jacob Zuma/Cyril Ramaphosa – total Cabinet size: 73 (35 ministers)

The table below sets out the various savings scenarios if the salaries of this year were applied to the smaller Cabinet sizes.

Thus, if for example, Ramaphosa used the same Cabinet size as Mbeki he would save R52.5 million in 2018/19 and R163.7 million over the medium-term.

2018/19	2019/20	2020/21	MTEF	
Savings Mandela model	52,451,304	54,549,356	56,731,330	163,731,990
Savings Mbeki model	52,451,304	54,549,356	56,731,330	163,731,990

Savings Motlanthe model	54,508,211	56,688,539	58,956,081	170,152,830
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Review the National Ministerial Handbook

The National Handbook is extraordinarily lenient in some respects, allowing for excessive expenditure. Ministers have therefore used the Handbook as an excuse for exorbitant expenditure, which cannot be justified, given the levels of inequality we live with.

The Handbook was set for an update but has not been updated since 2007, while millions are wasted.

The Department of Public Service and Administration already stated in 2014 that they are reviewing the Handbook with little to show.

If the President is serious about helping National Treasury reign in the runaway budget deficit, he will have to cut executive spending by finalising a stricter and more frugal Ministerial Handbook, as well as cutting the overall size of the Cabinet.

The Western Cape Ministerial Handbook already provides for a model of more austere spending and we call for an immediate review of the current National

Ministerial Handbook to rein in spending and provide clear measures to enforce compliance.

Submit the Executive to Lifestyle Audits

President Ramaphosa stated during the debate on his State of the Nation Address that he wants lifestyle audits for the Executive. While this is welcome, no action has been taken to date.

Conclusion

South Africa's sluggish economy and growing budget deficit call for restraint in government spending.

The ANC government, however, appears far removed from this reality and continues to spend recklessly for the comfort and extravagant lifestyles of members of the Executive.

The unrestrained spending is an insult to ordinary South Africans, of whom 9.5 million are unemployed and struggling to survive in this tough economic environment.

The government cannot honestly expect South Africans to tighten their belts when it is doing the exact opposite.