

Reference number: RCS/C.6

Private Bag X9165  
CAPE TOWN  
8000

## TREASURY CIRCULAR NO. 33/2018

THE PREMIER

THE MINISTER OF ECONOMIC OPPORTUNITIES

THE MINISTER OF COMMUNITY SAFETY

THE MINISTER OF CULTURAL AFFAIRS AND SPORT

THE MINISTER OF EDUCATION

THE MINISTER OF FINANCE

THE MINISTER OF HEALTH

THE MINISTER OF HUMAN SETTLEMENTS

THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING

THE MINISTER OF SOCIAL DEVELOPMENT

THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT

THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV. B GERBER)

THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (DR G LAWRENCE)

THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR Z HOOSAIN)

THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (MR G MORRIS)

THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR BK SCHREUDER)

THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR B ENGELBRECHT)

THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)

THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR T MGULI)

THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)

THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)

THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)

THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)

THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)

THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (MR G PAULSE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)

THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)

THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MS A SMIT)

THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)

THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)

THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)

THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)

THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)

THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUYS)

THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (ADV. C SMITH)

THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)

THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)

THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)

THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR T HARRIS)

THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MS K BEUKES) (ACTING)

THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR M BRINKHUIS)

THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (DR L MDUNYELWA)

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MS Z SIWA)

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR M BHAYAT)

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS K ZAMA)

THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS B RUTGERS)

For information

THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)  
THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)  
THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MS V LETSWALO)  
THE DIRECTOR: GOVERNMENT MOTOR TRANSPORT (MR R WIGGILL)  
THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)  
THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (MR H MALILA)  
THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR IG SMITH) (ACTING)  
THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MR ML BOOYSEN) (ACTING)  
THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)  
THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (VACANT)  
THE CHIEF DIRECTOR: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)  
THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)  
THE CHIEF FINANCIAL OFFICER (MS A SMIT)  
THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV. E PRETORIUS)  
THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)  
THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)  
THE DIRECTOR: FISCAL POLICY (DR N NLEYA)  
THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)  
THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR L BRINDERS)  
THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR D CRONJÉ) (ACTING)  
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (VACANT)  
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)  
THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)  
THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)  
THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS RH SLINGER)  
THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)  
THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS T RAKIEP) (ACTING)  
THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS R JULIE) (ACTING)  
THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)  
THE PROVINCIAL AUDITOR  
MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT  
THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

## **2018 AMENDED REMUNERATION RATES - COMMISSIONS/COMMITTEES OF INQUIRY, AND AUDIT COMMITTEES AND BOARD MEMBERS**

### **PURPOSE**

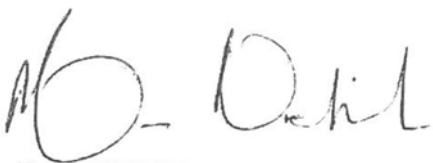
To inform all relevant stakeholders of the approved remuneration adjustments for 2018 for non-officials serving on commissions and/or committees of inquiry, and audit committees and office-bearers of certain statutory and other institutions.

### **BACKGROUND**

In terms of NTR 20.2.2, a non-official must be remunerated according to scales approved by the National Treasury. The National Treasury issued remuneration adjustments for 2018, as attached. These remuneration adjustments are effective from 1 April 2018.

### **REQUEST**

Kindly implement the attached remuneration adjustments, where applicable.



**MS M VAN NIEKERK**  
**DIRECTOR: FINANCIAL GOVERNANCE**  
**DATE: 5 October 2018**



**NATIONAL TREASURY  
REPUBLIC OF SOUTH AFRICA**

Private Bag X115, Pretoria, 0001 Tel: +27 12 315 5111, Fax: +27 12 315 5234

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TO ALL –

ACCOUNTING OFFICERS OF CONSTITUTIONAL INSTITUTIONS, AND NATIONAL AND PROVINCIAL DEPARTMENTS, HEADS OF PROVINCIAL TREASURIES AND ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES

**2018 ADJUSTMENT OF THE REMUNERATION LEVELS: SERVICE BENEFIT PACKAGES FOR OFFICE-BEARERS OF CERTAIN STATUTORY AND OTHER INSTITUTIONS**

1. The Minister of Finance has approved a cost-of-living adjustment of between 5,5 (*categories S to B2*) and 6,0 (*categories C1 to E2*) per cent as indicated in Annexure A with effect from 1 April 2018.
2. The approval provides for an all-inclusive flexible remuneration package (inclusive of service benefits) for all relevant category levels. Full-time members' remuneration packages must be structured in accordance with the principles of the *Senior Management Service (SMS)*<sup>1</sup>. In structuring the packages, office-bearers should make due provision for pension and medical aid and must also ensure that taxation rules governing the structuring of salary packages are complied with. The indicated rates are sitting fees and exclusive of payments in respect of preparation, research and travelling (to and from meeting venues) time. The rate per day is the maximum allowable remuneration in any 24-hour day irrespective of the number of boards/councils and/or committees non-official members serve on.
3. The relevant executive authorities also need to approve an increase in the remuneration of office-bearers. These authorities therefore need to ensure that the increased remuneration is affordable, before granting such approval. The extent to which the authorities wish to apply the adjusted remuneration should be based on the evaluation of work done by the office-bearers of the relevant institution.
4. Current VAT law requires non-executive directors (NEDs) of companies to register for and charge VAT in respect of any director's fees earned for services rendered as a non-executive director. **Kindly note that the above rates are VAT inclusive.**  
  
The value of the fees must, however, exceed the compulsory VAT registration threshold of R1 million in any 12-month consecutive period but NEDs can voluntarily register for VAT as well.<sup>2</sup>
5. Funds for inflation-related increases in expenditure and salary adjustments for 2018/19 have been made available in the MTEF and were allocated to departments and public

<sup>1</sup> The SMS handbook is compiled by and available from the Department of Public Service and Administration.

<sup>2</sup> Further details on the remuneration of Non-executive Directors is available on <http://www.sars.gov.za/Media/MediaReleases/Pages/14-February-2017---Non-Executive-Directors-of-Companies-must-register-for-VAT.aspx>.

entities. Any additional expenditure that could arise by implementing this approval must be defrayed from departments'/public entities'/institutions' existing budget allocations.

6. *Employees of National, Provincial and Local Government or Institutions, Agencies and Entities of Government serving as office-bearers on Public Entities/Institutions are not entitled to additional remuneration.*



Goolam Manack

GOOLAM MANACK  
(CHIEF DIRECTOR: PUBLIC ENTITIES GOVERNANCE UNIT)  
for DIRECTOR-GENERAL: NATIONAL TREASURY  
DATE 26/9/2018

## CONVERSION KEY: WITH EFFECT FROM 1 APRIL 2018

Category, sub-category and official designation	2017/18 remuneration					2018/19 remuneration				
	Comparative full-time p.a.	Part-time				Comparative full-time p.a.	Part-time			
		Meeting fee per:		Board fee per annum			Meeting fee per:		Board fee per annum	
		day	hour	5%	8%		day	hour	5%	8%
<b>CATEGORY S</b>										
Chairperson	<b>1 325 472</b>	5 260	657	66 274	106 038	<b>1 398 373</b>	5 549	694	69 919	111 870
Vice-chairperson	<b>1 124 907</b>	4 464	558	56 245	89 993	<b>1 186 777</b>	4 709	589	59 339	94 942
Member	<b>1 031 165</b>	4 092	511	51 558	82 493	<b>1 087 879</b>	4 317	540	54 394	87 030
<b>CATEGORY A</b>										
<b>Sub-category A1</b>										
Chairperson	<b>1 249 170</b>	4 957	620	62 458	99 934	<b>1 317 874</b>	5 230	654	65 894	105 430
Vice-chairperson	<b>1 061 685</b>	4 213	527	53 084	84 935	<b>1 120 078</b>	4 445	556	56 004	89 606
Member	<b>928 702</b>	3 685	461	46 435	74 296	<b>979 781</b>	3 888	486	48 989	78 382
<b>Sub-category A2</b>										
Chairperson	<b>1 109 646</b>	4 403	550	55 482	88 772	<b>1 170 677</b>	4 646	581	58 534	93 654
Vice-chairperson	<b>941 782</b>	3 737	467	47 089	75 343	<b>993 580</b>	3 943	493	49 679	79 486
Member	<b>876 381</b>	3 478	435	43 819	70 110	<b>924 582</b>	3 669	459	46 229	73 967
<b>CATEGORY B</b>										
<b>Sub-category B1</b>										
Chairperson	<b>1 031 165</b>	4 092	511	51 558	82 493	<b>1 087 879</b>	4 317	540	54 394	87 030
Vice-chairperson	<b>902 542</b>	3 582	448	45 127	72 203	<b>952 181</b>	3 778	472	47 609	76 175
Member	<b>625 675</b>	2 483	310	31 284	50 054	<b>660 087</b>	2 619	327	33 004	52 807
<b>Sub-category B2</b>										
Chairperson	<b>928 702</b>	3 685	461	46 435	74 296	<b>979 781</b>	3 888	486	48 989	78 382
Vice-chairperson	<b>654 016</b>	2 595	324	32 701	52 321	<b>689 986</b>	2 738	342	34 499	55 199
Member	<b>568 994</b>	2 258	282	28 450	45 519	<b>600 288</b>	2 382	298	30 014	48 023
<b>CATEGORY C</b>										
<b>Sub-category C1</b>										
Chairperson	<b>876 381</b>	3 478	435	43 819	70 110	<b>928 964</b>	3 686	461	46 448	74 317
Vice-chairperson	<b>592 974</b>	2 353	294	29 649	47 438	<b>628 553</b>	2 494	312	31 428	50 284
Member	<b>501 412</b>	1 990	249	25 071	40 113	<b>531 497</b>	2 109	264	26 575	42 520
<b>Sub-category C2</b>										
Chairperson	<b>625 675</b>	2 483	310	31 284	50 054	<b>663 215</b>	2 632	329	33 161	53 057
Vice-chairperson	<b>534 113</b>	2 119	265	26 706	42 729	<b>566 160</b>	2 247	281	28 308	45 293
Member	<b>473 071</b>	1 877	235	23 654	37 846	<b>501 456</b>	1 990	249	25 073	40 116

## CONVERSION KEY: WITH EFFECT FROM 1 APRIL 2018

Category, sub-category and official designation	2017/18 remuneration					2018/19 remuneration				
	Comparative full-time p.a.	Part-time				Comparative full-time p.a.	Part-time			
		Meeting fee per:		Board fee per annum			Meeting fee per:		Board fee per annum	
		day	hour	5%	8%		day	hour	5%	8%
<b>CATEGORY D</b>										
<b>Sub-category D1</b>										
Chairperson	<b>501 412</b>	1 990	249	25 071	40 113	<b>531 497</b>	2 109	264	26 575	42 520
Vice-chairperson	<b>455 631</b>	1 808	226	22 782	36 450	<b>482 969</b>	1 917	240	24 148	38 637
Member	<b>414 210</b>	1 644	205	20 710	33 137	<b>439 062</b>	1 742	218	21 953	35 125
<b>Sub-category D2</b>										
Chairperson	<b>473 071</b>	1 877	235	23 654	37 846	<b>501 456</b>	1 990	249	25 073	40 116
Vice-chairperson	<b>425 110</b>	1 687	211	21 256	34 009	<b>450 617</b>	1 788	224	22 531	36 049
Member	<b>396 769</b>	1 574	197	19 838	31 742	<b>420 576</b>	1 669	209	21 029	33 646
<b>CATEGORY E</b>										
<b>Sub-category E1</b>										
Chairperson	<b>407 670</b>	1 618	202	20 383	32 614	<b>432 130</b>	1 715	214	21 606	34 570
Vice-chairperson	<b>372 789</b>	1 479	185	18 639	29 823	<b>395 156</b>	1 568	196	19 758	31 612
Member	<b>340 088</b>	1 350	169	17 004	27 207	<b>360 493</b>	1 431	179	18 025	28 839
<b>Sub-category E2</b>										
Chairperson	<b>385 869</b>	1 531	191	19 293	30 870	<b>409 021</b>	1 623	203	20 451	32 722
Vice-chairperson	<b>348 808</b>	1 384	173	17 440	27 905	<b>369 737</b>	1 467	183	18 487	29 579
Member	<b>309 567</b>	1 228	154	15 478	24 765	<b>328 141</b>	1 302	163	16 407	26 251



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ACCOUNTING OFFICERS OF CONSTITUTIONAL INSTITUTIONS, AND NATIONAL AND PROVINCIAL DEPARTMENTS, HEADS OF PROVINCIAL TREASURIES AND ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES

**2018 REMUNERATION OF NON-OFFICIAL MEMBERS: COMMISSIONS & COMMITTEES OF INQUIRY, AND AUDIT COMMITTEES**

1. The Minister of Finance, in terms of Treasury Regulation 20.2.2, granted approval to amend the **maximum remuneration payable per day** to non-official members of *Commissions* and *Committees of Inquiry* by 5,5 per cent with effect from 1 April 2018 as follows:

	COMMISSION OF INQUIRY		COMMITTEE OF INQUIRY	
	Per day	Per hour	Per day	Per hour
Chairperson	R5 230	R654	R4 317	R540
Member	R3 888	R486	R2 619	R327

2. With reference to Treasury Regulation 3.1.6, the remuneration applicable to **Committees of Inquiry** is applicable to members of **Audit Committees** appointed from outside the public service.
3. The indicated rates are sitting fees and exclusive of payments in respect of preparation, research and travelling (to and from meeting venues) time.
4. Current VAT law requires non-executive directors (NEDs) of companies to register for and charge VAT in respect of any director's fees earned for services rendered as a non-executive director. **Kindly note that the above rates are VAT inclusive.**

The value of the fees must, however, exceed the compulsory VAT registration threshold of R1 million in any 12-month consecutive period but NEDs can voluntarily register for VAT as well.<sup>1</sup>

5. *Employees of National, Provincial and Local Government or Institutions, Agencies and Entities of Government serving on Commissions or Committees of Inquiry or audit committees are not entitled to additional remuneration.*

<sup>1</sup> Further details on the remuneration of Non-executive Directors is available on <http://www.sars.gov.za/Media/MediaReleases/Pages/14-February-2017---Non-Executive-Directors-of-Companies-must-register-for-VAT.aspx>.

6. Any additional expenditure that could arise by implementing this approval must be defrayed from institutions'/departments'/public entities' existing budget allocations.

 GH MANACK

GOOLAM MANACK  
(CHIEF DIRECTOR: PUBLIC ENTITIES GOVERNANCE UNIT)  
for DIRECTOR-GENERAL: NATIONAL TREASURY  
DATE 26/9/2018