

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

NO. 2502

16 September 2022

CONTINUING EDUCATION AND TRAINING ACT, 2016

CALL FOR PUBLIC COMMENTS ON THE DRAFT POLICY ON THE REMUNERATION OF COUNCIL MEMBERS OF PUBLIC TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING COLLEGES IN TERMS OF SECTION 41D OF THE CONTINUING EDUCATION AND TRAINING ACT, 2006 (ACT NO 16 OF 2006)

I, Bonginkosi Emmanuel Nzimande, MP, Minister of Higher Education, Science and Innovation in accordance with section 41B of the Continuing Education and Training Act, 2006, hereby publish the draft ***POLICY ON THE REMUNERATION OF COUNCIL MEMBERS OF PUBLIC TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING COLLEGES*** for public comment.

The purpose of the policy is to provide a set of uniform guidelines on the remuneration of council members of public colleges. The policy is informed and predicated on the National Treasury Directive on the *Remuneration of various governing bodies, state entities and other institutions*. The policy is applicable to all persons appointed as members of council and council sub-committees appointed in terms of the Continuing Education and Training Act, 16 of 2006.

All persons and organisations are invited to comment on the draft national policy in writing, and direct their comments to – The Director-General, Private Bag X174, Pretoria, 0001 for attention of Mr A Garza, Email: Garza.A@dhet.gov.za, Telephone: 012 312 5051/5473.

Kindly provide the name, address, telephone number, fax number and email address of the persons or organization submitting the comments.

The copy of the draft policy can be downloaded from the website of the Department at www.dhet.gov.za.



Dr BE Nzimande, MP

Minister of Higher Education Science and Innovation

Date: 22/07/2022

DRAFT TVET COUNCIL RENUMERATION POLICY



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

**DRAFT POLICY ON REMUNERATION OF COUNCIL
MEMBERS OF PUBLIC TECHNICAL AND VOCATIONAL
EDUCATION AND TRAINING COLLEGES**

JANUARY 2021

DRAFT TVET COUNCIL RENUMERATION POLICY

1. Definitions

- 1.1. **The CET Act:** the Continuing Education and Training Act, No. 16, of 2016, as amended.
- 1.2. **TVET College:** The public Technical and Vocational Education and Training college as defined by CET Act.
- 1.3. **Sitting Allowance:** For purposes of this policy an allowance is any form of remuneration paid in terms of the rates approved by this policy.
- 1.4. **Member of Council:** A person appointed as a member of a public Technical and Vocational Education and Training (TVET) college council in terms of the CET Act.
- 1.5. **Member of Council Sub-Committee:** A person appointed as a member of a sub-committee of a public Technical and Vocational Education and Training (TVET) college council in terms of the CET Act and the college statute.
- 1.6. **Official Council Member** A person who is appointed to serve on the council or a sub-committee of council and is **employed** by a national, provincial or local government or by an agency or entity of government. These members are remunerated accordingly and **do not** receive any additional compensation for sitting on a TVET college council or council subcommittees. Students who are council members also fall in this category.
- 1.7. **Non-Official Council Member:** A person who is appointed to serve on the council or a sub-committee of council and is **not employed** by a national, provincial or local government or by an agency or entity of government. These council members **are compensated** for attending approved council and sub-committee meetings of council.
- 1.8. **Internal Council Member:** A person who is appointed on the council or a council subcommittee, in terms of the CET Act, and who is an employee of the college or the Department of Higher Education and Training or is a registered student of the college.
- 1.9. **External Council Member:** A person who is appointed on the council or a council subcommittee, in terms of the CET Act, and who is not an employee of the college or the Department of Higher Education and is not a registered student at the college.

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- 1.10. Official Council Activities:** means meetings of council and sub-committees of council and activities that have been approved by the full council. This may include workshops and conferences that are attended in the capacity as a council or council sub-committee member and must be of benefit to the college and must be approved by the council.

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2. Purpose of the Policy

The purpose of this policy is to provide a set of uniform guidelines on the remuneration of council members of public Technical and Vocational Education and Training colleges.

3. Scope of Application

This policy is applicable to all persons appointed as council members and members of council sub-committees appointed in terms of the CET Act.

4. Mandate of the Policy

This policy is developed in terms of the CET Act to formalise the remuneration of persons appointed to serve as members of a public TVET college council or as members of sub-committees of a public TVET college.

5. Membership of Public TVET College Council

A person who applies to serve as a member of a public TVET college is **volunteering** and is regarded by the Minister as a public service and as such remuneration is only in the form of a meeting-based sitting allowance, with a limitation on the number of meetings for which payment may be made per annum.

The public TVET college reimburses council members for costs directly incurred in the course of their duties, such as travelling and accommodation where required in the execution of their roles as council members. This applies to non-official, external council members only.

6. Legislative Requirement

6.1. In terms of section 9(1) read with section 25(1) (c) of the CET Act, public colleges are required to establish a college council and to implement internal audit and risk management systems that are not inferior to the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) ("the PFMA").

6.2. This policy is informed and predicated on the directive on the remuneration of various governing bodies, state entities and other institutions as issued by the National Treasury. This policy is therefore aimed at facilitating the operational process involved in implementing the directive issued by the National Treasury.

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- 6.3.** This policy makes reference to the latest directive by the National Treasury on remuneration levels was issued in the circular of 30 August 2019. Clause 5 of the Circular provides that employees of national, provincial and local government or institutions, agencies and entities of government serving as office bearers on public entities or institutions are **not** entitled to additional remuneration.
- 6.4.** According to the PFMA, **public entities** means:
- a. national government business enterprise; or
 - b. a board, commission, company, corporation, fund or other entity (other than a national government business enterprise) which is:
 - i. established in terms of national legislation;
 - ii. fully or substantially funded either from the National Revenue Fund, or by way of tax, levy or other money imposed in terms of national legislation; and
 - iii. are accountable to parliament.

This definition includes **employees of universities** as they:

- i. are governed by the Higher Education Act, 101 of 1997, as amended;
- ii. derive their major income from the national revenue; and
- iii. are subject to the national parliament.

While the PFMA does not apply to education institutions, nor does the definition of a *public entity* extend to education and training institutions but the definition of **an organ of state** does apply in terms of the definition of an "organ of state" in section 239 of the Constitution of the Republic of South Africa, 1996.

- 6.5.** Paying sitting allowance to employees of the state and/or public entities, including employees of a public college and the Department of Higher Education and Training may be construed as '**double dipping**', given that the major source of income of the employees are from the state's national revenue. It should be noted that these employees are contracted to work for the whole year, and are therefore subjected to the contractual agreement of their employment. This applies to permanent and fixed-term contract employees.
- 6.6.** In terms of section 25(1)(c) of the CET Act, TVET colleges are obliged to implement internal audit and risk management systems which are not inferior to the standards contained in the Public Finance Management Act, 1999.

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7. Conditions for the payment of sitting allowance

- 7.1. Sitting allowances shall only be paid to **non-official external council members** undertaking official council activities.
- 7.2. No council or sub-committee member who, for the purpose of this policy is deemed an **official council members**, is remunerated accordingly. They will not receive any additional remuneration for serving on the council and/or the sub-committees of the council.
- 7.3. Sitting allowance will be paid to non-official external council members for attending **four (4) meetings per year, plus not more than three (3) special or emergency meetings**, where such meetings will be meant for resolving matters of the public TVET college.
- 7.4. Sitting allowances will be paid to non-official external council members for attending **sub-committee meetings**. The number of meetings for which remuneration is payable is restricted to **four (4) per annum** except for the audit and risk committee, where one special meeting may be arranged, if required.
- 7.5. **Unofficial council visits to the college** do not constitute meetings of council and will not be compensated. Attending events or undertaking travel that has not been approved by the council, will not be compensated.
- 7.6. Payment may be made for **overtime** i.e. if meetings are held beyond working hours. This must be agreed to by both the college management and the college council **before** the beginning of the financial year, subject to available budget.
- 7.7. An allowance may be paid for the performance of **special tasks** at the public TVET college or other venues as determined by the council or the executive committee, provided it is approved by the council. Such allowance payment must not exceed the hourly rate for a period, and must not be more than three (3) hours.
- 7.8. **No sitting or other allowance** is paid to **internal staff members and students**, serving as members of a public TVET college council.

8. Donation of entitled sitting allowance

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A council member who chooses not to claim sitting fees for her/his personal gain, may donate the sitting allowance due to her/him to the college e.g. to contribute to a bursary fund to support students in need.

9. Rates for sitting allowance

9.1. The maximum remuneration for qualifying (non-official) members of council, as well as approved council sub-committees is based on the rates published by National Treasury annually, under the heading *“REMUNERATION OF NON-OFFICIAL MEMBERS: COMMISSIONS & COMMITTEES OF INQUIRY AND AUDIT COMMITTEES.”*

9.2. Payments may be adjusted annually and retrospectively, as soon as the rates are gazetted by the National Treasury, which is normally three (3) to four (4) months after the end of the fiscal year.

9.3. The rates for the period 1 April 2021 to 31 March 2022 are as follows:

Designation	College Council, Audit and Risk Committees (per day)	Per hour (8 hours per day)	All other Council Sub-Committees (per day)	Per hour (8 hours per day)
Chairperson	R5 230	R654	R4 317	R540
Member	R3 888	R486	R2 619	R327

9.4. The college council, upon consideration of the college finances, may decide to pay less than is indicated by the current directive from the National Treasury.

10. Other Allowances/honorariums

The council, the Audit and Risk Committee and all other approved council sub-committees, may be remunerated for meeting preparation time up to a maximum of three (3) hours per meeting based on the hourly rate as indicated in paragraph (9.3) above.

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11. Subsistence and Travel (S+T)

- 11.1. All council members, who according to this policy are eligible for travel, will only be reimbursed for claims against the **place of residence as per their application**, as it is a criterium used for their appointment.
- 11.2. Council members may travel on the account of the college and in line with the **college's S+T policy and rates** and which must be aligned to the department's rates and policies. This includes flights, accommodation and mileage claims
- 11.3. All **external members** of the council would be reimbursed for travelling and accommodation costs in the execution of officially approved council duties and only if not paid for by their employer.
- 11.4. Travel and accommodation will only be reimbursed to external council members and where members are **officially authorised by the council** to attend official council activities such as meetings, workshops or seminars.
- 11.5. All **international travel** by council members and members of sub-committees of council, must be for official council activities and **must be approved by the Minister**.
- 11.6. External council members on official council approved **international** activities will **only** be **reimbursed for travel and accommodation**. Approved college policies and rates, which are aligned to the Department's policies and rates will be used.
- 11.7. **Internal staff members and students** do not qualify for travel allowance for the attendance of meetings. In instances where meetings take place outside the premises of the public TVET college, transport and where applicable accommodation must be provided by the college in accordance with the policy of the college.
- 11.8. The following costs may be incurred by external members of the council and be reimbursed by the college:
 - a. Domestic hotel accommodation may not exceed the Department's approved rates;
 - b. Overnight accommodation must be limited to instances where the distance by road exceeds 500 kilometers to and from the destination (return journey);

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- c. Vehicle hire for any member must be in accordance with the applicable and approved respective public College's policy;
- d. Travel claims must be in accordance with the applicable and approved respective public TVET college's policy;
- e. A member may not purchase air tickets for business class or first-class travel; and
- f. Travel bookings may be made by the public TVET college on behalf of the external council member, who has the approval of the council and the approval of the Minister in the case of international travel.

12. Annual review

This policy will be reviewed annually by the Department of Higher Education and Training and adjustments will be communicated to the public TVET colleges by the Department.

13. Budget

Colleges must budget for the remuneration payable to all external council members serving on the Public TVET College Council based on the minimum of:

- 13.1.** four (4) quarterly meetings and three (3) special meetings per year;
- 13.2.** one (1) special meeting in respect to the audit and risk committee; and
- 13.3.** four (4) meetings in respect of other approved sub-committees.

An example of a special meeting is if there is a strike at the Public TVET College and the College Council involvement may be required in addition to the quarterly meetings.

14. Pro rata payments

- 14.1.** The full daily allowance is payable where the duration of the meeting is four hours or longer per sitting.
- 14.2.** The daily rate should be prorated for meetings where the duration of the meeting is less than three hours, in which case an hourly rate will apply.