###### National Assembly

###### Question Number: 3212

**3212. Ms D Carter (Cope) to ask the Minister of Transport:**

With reference to remuneration packages at the Road Traffic Management Corporation, what are the reasons for the exorbitant and above-inflation increases in the packages of (a) the Chief Executive Officer, which has increased by 31,6% from R5,950,000 in 2015-16 financial year to an enormous R7,830,000 in the 2016-17 financial year, (b) executive senior management, which have increased by an average of 19,11% and (c) non-executive Board members, which increased by an average of 22,16%? NW3541E

**REPLY:**

1. The total package of the Chief Executive Officer for 2016/17 financial year is R4, 905m compared to R4 5m in the 2015/16 financial year. This resulted into a 9% increase which was applicable to all employees. Included in the total package is the basic salary of R2,781m and the other benefits inclusive of Provident Fund, Non-Pensionable Allowance, Medical and Housing of R2,124m. Performance bonus is generally what is due to employees, however the contract of employment of the CEO makes specific provision for performance bonus, which bonus is determined by the Board from time to time and the CEO was granted R2,925m post assessment of his performance and performance of the organisation. It should be noted that the package of the CEO did not increase with 31.6% but with 9%.It should be noted that there were changes on year to year non-recurring items (performance bonus)
2. The packages of the Executive Senior Management increased by 9% across the board, which includes the basic salary and other benefits inclusive of Provident Fund/Pension Fund, Non-Pensionable Allowance, Service bonus provision, Car allowance, Medical and Housing. It should be noted that included in the Other benefits is non-recurring items like Subsistence, reimbursive kilometres and Performance bonus.
3. There was no increase to the individual remuneration (retainer and meeting attendance) of non-executive Board members. It should be noted that the increase reflected when comparing the financial years relates to all non-executive Board members and meeting attendance year to year as they are not the same as a result a bottom line comparison does not give a true reflection. The following are the main reasons for year to year differences in the total amount for all totals non-executive Board members:

* two non-executive Board members (DH Ewertse and TMN Kgomo) served the full term of the financial year compared to 2015/16. The two members were appointed with effect from 1 December 2015 and served four (4) months in 2015/16, as the remaining period before the end of the financial year.
* three of the non-Executive Board Members retired in December 2016, and replaced by three new non-executive Board members appointed with effect from January 2017.