To: The President of the Republic of South Africa

I have the honour, in terms of section 10(1) of the Independent Commission for the Remuneration of Public Office Bearers Act, 1997 (Act No. 92 of 1997), to present the Annual Report which covers the activities of the Commission for the period 01 January 2011 to 31 December 2011.

Section 10(2) requires the President to cause a copy of the Annual Report submitted by the Commission to be tabled in Parliament as soon as may be practicable.

Yours sincerely

Judge Legoabe Willie Seriti Chairperson

The administrative offices of the Independent Commission for the Remuneration of Public Office Bearers are situated in the Union Building, Pretoria.

Postal address:	The Head of the Secretariat Independent Commission for the Remuneration of Public Office Bearers Private Bag X1000
	Pretoria 0001
Telephone:	(012) 308 1707 / 308 1706
Fax:	(012) 324 4044
E-mail:	peterm@po.gov.za
Website:	www.remcommission.gov.za
Office hours:	08:00 – 16h00; mon-fri

TABLE OF CONTENTS

1.	ACK	NOWLEDGEMENTS	_ 3
2.	PRE	VIEW OF THE REPORT	_ 5
3.	ABO	DUT US	
	Visio	n	_ 8
	Miss	ion	_ 8
	3.1	Underlying principles	_ 9
	3.2	Mandate	_ 9
	3.3	History	_ 10
	3.4	Composition	_ 12
	3.5	Profiles of the Commissioners	_ 13
	3.6	Appointments and resignation	_ 17
	3.7	Roles and functions	_ 17
	3.8	Secretariat	_ 18

4. THE LEGISLATIVE FRAMEWORK

6.

- - - to in succession

GOVERNANCE _

4.1	Who is a public office bearer?	23
4.2	What must the Commission recommend?	. 23
4.3	Publication of recommendations – when and where?	24
4.4	Section 219 of the Constitution?	26
4.5	The Independent Commission for the Remuneration of Public Office-bearers Act, 1997?	27
4.6	The Remuneration of Public Office Bearers Act, 1998?	28

5. FACTORS THAT THE COMMISSION CONSIDERS WHEN MAKING RECOMMENDATIONS 33

37

7. KEY ACTIVITIES

7.1	Short term objectives	41
7.2	Long term objectives	41
7.3	Key priorities	41
7.4	Key Outputs	41
7.5	Challenges	41

8.	THE COMMISSIONS' PROGRAMME FOR THE YEAR 2011	47

9. PROGRESS REPORTS AND MILESTONES

9.1	Annual recommendations for 2011/2012	51
9.2	International visits	68

77

10. ANNEXURES

1. ACKNOWLEDGEMENTS

The Commission wishes to acknowledge the following individuals and institutions, and thank them for their contributions towards the functioning of the Commission during 2011, and in generating this Annual Report:

- 1. The Presidency, for administrative support to the Commission;
- 2. 4Images Design and Print, for the design and publication of this Report;
- 3. All public office bearers and other stakeholders who actively participated in productive consultation and communication with the Commission in the execution of its responsibilities;
- 4. All Commissioners during the reporting period, for their diligence, dedication and commitment to the Commission's activities; and
- 5. The Commission's Secretariat for its commitment to utmost performance and quality.

2. PREVIEW OF THE REPORT

The Commission comply with section 10(1) of the Independent Commission for the Remuneration of Public Office-Bearers Act, 1997 (Act No. 92 of 1997) to report on the Commission's activities of the previous year. The reporting period is for 01 January 2011 to 31 December 2011.

The Commission noted changes occurred at public office bearers' institutions that include, amongst others, the third Local Government elections were new Councillors were sworn in and the appointment of the 21st Chief Justice of the Republic of South Africa.

The medium term budget policy statement of the Minister of Finance indicated that government aimed to strengthen infrastructure investment and maintenance, because this is a key contribution to the underlying growth potential of the economy. The Minister called for moderation in the growth of the wage bill, and spending on goods and services over the MTEF period ahead.

The Minister further indicated that over the past three years, the public service wage bill has increased from 35% to nearly 40% of non-interest expenditure. The proposed framework for the 2012 budget provides for more moderate cost-of-living-adjustments for public sector employees than in previous years, to be implemented with effect from April each year.

The Minister called all to share in creating a greater momentum for growth, jobs and investment. The Minister sees the need for the same principles of moderation to be applied to Cabinet Ministers and other political office bearers. The call was extended to senior management in the public service, executive of state owned entities and responsible leadership to private sector.

The Commission made its recommendations independently taking into consideration factors such as the role status, duties, functions and responsibilities of office bearers concerned; affordability; current principles and levels of remuneration; inflationary increases; available resources of the State; and any other factor in its opinion which was relevant.

The Commission achieved publication of its Annual Recommendations on Cost of Living Adjustment for public office bearers for the fiscal year 2011/2012; Headmen/Headwomen remuneration; Once of Gratuity for Non-Returning Councillors after 2011 Local Government elections; and Tools of Trade for certain public office bearers.

The Annual Report creates an understanding of the Commission, its mandate, roles, functions, major projects undertaken, challenges, programme and the context within which the Commission operates. **Chapter 3 and Chapter 4** of the Annual Report are theoretical but indispensable to fully understanding the ethos and nature of the Commission.

ANNUAL REPORT ZUT

Chapter 3 deals with amongst other things the vision, mission, underlying principles, mandate, history, composition, Commissioners, appointments and resignations, roles and functions, and the Secretariat of the Commission. It further provides an understanding of the Commission legislative mandate and how this mandate is carried out.

Chapter 4 deals with the legislative framework within which the Commission operates. The Commission is a creature of statute and as such must comply with the provisions of the Constitution and National Legislations. The definition of **"public office bearer"** is key to the mandate of the Commission.

Chapter 5 highlights the factors the Commission must consider when making recommendations. It stipulates Legislative factors that the Commission must consider when making recommendations.

Chapter 6 provides for governance and more specifically describe when the Commission meets, the budget and the administration of the Commission.

Chapter 7 sets out the key activities of the Commission which includes the Commission's short and long term objectives; key priorities; key outputs and challenges. The highlights in this chapter are the recommendations on cost of living adjustments, once-off gratuity of non-returning Local Councillors, and tools of trade.

Chapter 8 provides for the programme of the Commissions during 2011 which includes all meetings attended by the Commission, the Subcommittees and the Secretariat.

Chapter 9 provides for progress reports, milestones and the activities of the Commission during 2011.

Chapter 10 are Annexures reflecting the Commission programme and meeting attendance registry.

The Commission endeavours to support public office-bearer institutions in attracting, and retaining skilled and competent staff across the spectrum of public office-bearer groups through its research and recommendations and affirms its commitment to continuous improvement.

A full copy of the Annual Report 2011 is available on the Commission's website at http://www.remcommission. gov.za.



ABOUT US



Vision

The Commission envisages independent, transparent and sustainable determinations of equitable and accountable total remuneration for all public office bearer positions in the Republic of South Africa.

Mission

The Commission strives, inter alia, to undertake researched recommendations as required in respect of the remuneration of all Public Office Bearers.

3. ABOUT US

3.1 Underlying principles

The Commission formulated a set of underlying principles it has utilized in exercising the discretion and responsibility conferred on it by the Constitution and relevant legislations. The principles are drawn from the objectives and values of the constitutional democracy, and are meant to be practical guides in formulating a just remuneration dispensation.

These principles are as follows:

- Good governance
- Lawful, open, fair and justifiable
- Consideration of separation of powers
- Consideration of public interest
- Affordability
- Transparent and accessible
- Performance and market driven

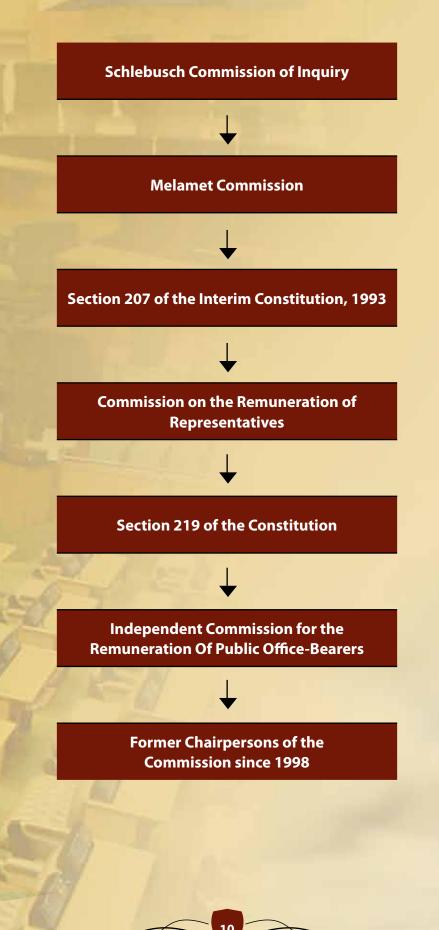
3.2 Mandate

The Commission is a statutory entity established in terms of section 2 of the Independent Commission for the Remuneration of Public Office-bearers Act, 1997 (hereinafter referred to as "the Act"). The Commission obtains its **mandate** mainly from:

- The Constitution of the Republic of South Africa;
- The Independent Commission for the Remuneration of Public Office-bearers Act, 1997;
- The Remuneration of Public Office Bearers Act, 1998.

3.3 History

The existence of the Commission can best be understood by tracing the historical background of the Commission.



Schlebusch Commission of Enquiry

The Commission was established in 1985 to inquire into the structure of the remuneration and conditions of service of the then State President, Ministers, Deputy Ministers, Members of Parliament and members of the President's Council.

Melamet Commission

The Commission was established in 15 March 1994 by the Transitional Executive Council to consider the remuneration of persons elected to legislative bodies at the various levels of government during the April 1994 elections, and to establish a consistent and coherent remuneration structure for members of national and provincial legislatures.

Section 207 of the Interim Constitution, 1993

The Interim Constitution promulgated a Commission to make recommendations to Parliament, the provincial legislatures and local governments regarding the nature, extent and conditions of the remuneration and allowances of the members of all elected legislative bodies of the national, provincial and local governments. **Commission on the Remuneration of Representatives**

The Commission was instituted in terms of the Commission on the Remuneration of Representatives Act, 1994. The Commission functioned from 21 April 1995 to 05 April 1998. The first Chairperson of this Commission was Justice HW Levy, who was succeeded by Justice JH Steyn.

Section 219 of the Constitution

Prescribed that National legislation must establish an independent commission to make recommendations concerning the salaries, allowances and benefits referred to in subsection 219 (1).

Independent Commission for the Remuneration of Public Office Bearers

As a consequence of section 219 of the Constitution, the Independent Commission for the Remuneration of Public Office Bearers Act, 1997, established the current Commission to make recommendations concerning the salaries, allowances and benefits of defined public office-bearers.

Former Chairpersons of the Commission since 1998

	No	Date of appointment	Name
	1.	21 August 1998 - 30 April 2000	Justice JH Steyn
-	2.	10 May 2000 -31 March 2004	Justice RJ Goldstone
	3.	01 April 2004 - 31 March 2009	Deputy Chief Justice Dikgang Moseneke
	4.	01 September 2009 – to date	Justice LW Seriti
		A 11 Sector Manual A 1997	

3.4 Composition

Section 3 of the Act provides for the Commission to consist of eight members appointed by the President. All members of the Commission serve in a part-time capacity for a non-renewable term of office of five years.

The members are appointed in terms of their knowledge of, or experience in, matters relating to the functions of the Commission. The Act also provides for criteria for disqualification of appointment and vacation of office of members of the Commission.

The Commission comprises the following members:



3.5 Profiles of the Commissioners



Judge LW Seriti Chairperson

Judge Willie Legoabe Seriti was born in Pretoria and has been involved in various human rights cases, political trials and community projects. He was admitted as an attorney in 1977. Judge Seriti was a former senior partner of Seriti, Mavundla & Partners before appointment to the bench. He was a Director in the law firm Maluleke, Seriti, Makume & Matlala Inc.

He holds Bluris and LLB degrees, two Masters Degrees and a Doctorate in Law which he obtained from the University of Pretoria. Judge Seriti was an Executive Member of the Black Lawyers Association. He held the position of High Court Judge in Pretoria from 2003 and was recently appointed as Judge of the Supreme Court of Appeal with effect from 04 December 2010. Judge Seriti is the Chairperson of the Independent Commission for the Remuneration of Public Office Bearers.



and as such as a

Mrs MV Phiyega Deputy Chairperson

Mrs Phiyega was appointed by President Jacob Zuma as Chairperson of the Presidential State Owned Entity Review Committee. She is the Vice Chairperson of the Independent Commission for Remuneration of Public Office Bearers. A past-Group Executive of Absa, Mrs Phiyega chaired and sat as a Board Member of numerous Absa subsidiaries. She is also a past-Group Executive of Transnet and was an Executive Member of the National Ports Authority. She serves on boards of the Southern Africa Trust and the Nelson Mandela Children's Fund. She is part of Kapela Holdings.

Mrs Phiyega was a Board Member of the 2010 Bid Committee and Commissioner of the Road Accident Fund Commission. She chaired the Road Traffic Management Corporation Task Team appointed by the Minister of Transport. Mrs Phiyega involvement with the advancement of women's include being a member of the International Women's Forum of South Africa, a coach and mentor linked to various organisations.

She holds a BA (SW) from the University of the North, a BA (SS) Hons from UNISA, an MA (SS) from the University of Johannesburg and a Post-Graduate Diploma in Business Administration from Wales University. Mrs Phiyega also attended Executive Development Programmes at the National University of Singapore and Wharton University, Pennsylvania.



Dr MHR Bussin Commissioner

commissioner

Dr. Mark Bussin has a doctorate in commerce and is the Chairperson of 21st Century Pay Solutions Group. Dr Bussin has over 20 years of remuneration experience across all industry sectors. He has experience in running large projects for more than half the companies listed on the Johannesburg Stock Exchange. He serves on numerous boards and remuneration committees and has worked for clients in 22 countries over the last 5 years. He supervises Master's and Doctoral thesis, and is a guest lecturer at several academic institutions around the country.



Prof P Sithole Commissioner

Prof Sithole graduated with a BA (Hons) from the University of Durban-Westville in 1993. She also worked and obtained her MPhil and PhD in Anthropology from the University of Cambridge. She was a senior Research Specialist at the Human Research Council and has a long research experience on rural development, land use and governance structures in rural KwaZulu-Natal.

Her research experience ranges from dealing with issues of identity and social change to dealing with issues in kingship studies, policy and public interest, anthropological theory and indigenous knowledge systems. She also analyzes higher education and writes on scholarship and politics of knowledge production. Her career involved research and teaching in a wide range of issues and consulting at a local government level. She is currently a Professor at University of KwaZulu-Natal.



Mr B Mosley-Lefatola Commissioner

Mr Mosley-Lefatola is an Honours graduated from Wits University, in Industrial Sociology. Before joining the State Information Technology Agency (SITA) as Chief Executive Officer (CEO) on 10 January 2011, Mr Mosley–Lefatola's career includes a very strong leadership and managerial background that spanned over a period of more than 20 years, 14 of which were spent at the Provincial and Local sphere of government.

Mr Mosley-Lefatola joins SITA from the Gauteng Economic Development Agency where he worked as CEO. His illustrious career includes a stint in the Trade union environment as national Education Coordinator and six years as Programme manager at Planact, Mr Mosley-Lefatola occupied key positions in government. These include Deputy Director-General in the Department of Developmental Local Government and Housing, North West Provincial government.

During the years between 2001 and 2008 Mr Mosley-Lefatola applied his trade in the local government sphere which is often referred to as the coalface of service delivery. First joining the city of Johannesburg metro as regional director of Region Seven and City of Tshwane Metro as municipal manager, Mr Mosley-Lefatola's tenure in this critical sphere of our government further honed his leadership and management acumen having to deal with a wide array of areas such as Financial, Strategic, HR, Policy and Operational management.

In addition, Mr Mosley-Lefatola served as commissioner to the Fiscal and Finance Committee following his appointment by the Minister of Finance on behalf of the President of the Republic of South Africa in 2005.

Mr C Economou Commissioner

Mr Economou was appointed as a Commissioner to the Independent Commission for the Remuneration of Public Office Bearers in 2010. He is an Actuary by qualification and is the Chief Executive Officer of Colourfield Liability Solutions (Pty) Ltd, a boutique investment management business, having assumed this position in January 2010. Colourfield is recognised as South Africa's leading provider of liability driven investment solutions in South Africa.

Formerly, he served as an Executive Head at Alexander Forbes Financial Services (one of South Africa's largest employee benefit companies), where he worked for 18 years. In his role at Alexander Forbes Financial Services, he was responsible for Business and Product Development and headed up their Special Projects area.



This area provided specialised investment consulting advice to institutional investors. He was also the Statutory Actuary to some of South Africa's largest corporate and municipal sponsored pension funds. He was also formerly a Director of Alexander Forbes Financial Services (East Africa) Ltd.

In addition to being an Actuary, Costa holds an MBA in Finance and Economics (with Honours) from the University Of Chicago Booth School Of Business. The University of Chicago is regarded as one of the world's leading universities in the fields of economics and finance and its MBA Program continues to receive international recognition. The university also holds a very proud record of Nobel Prize laureates in the fields of economics and finance. Costa is a member of Beta Gamma Sigma – an association of high academic achievers amongst leading colleges and universities across the world.

Costa was formerly a Council Member of the Actuarial Society of South Africa and still serves on the Actuarial Society's Retirement Matters Committee. He has also served on the Actuarial Society's Accounting Disclosures, Surplus Legislation and Member Services Committees.

Costa is married and is the proud father of twins.

Adv HFN Sephoti

Commissioner

Adv Sephoti is currently appointed by the South African Breweries as Corporate Affairs Manager (October 2005) and she is based in Central Region, Bloemfontein. Her role is to manage the Corporate Affairs Department for the region – amongst others dealing with stakeholder relations; management of the Corporate Social Responsibility / Initiatives undertaken by the organisation; ensuring effective internal and external communication in the region; offering a support function on policy drafting, implementation and monitoring as well as being responsible for legal matters for the region.

Her previous work experience includes the following:

Director Regulatory Services from 01 May 2002 to 30 September 2005 and Acting Chief Director: Corporate & Regulatory Services from November 2002 to 30 May 2004 at the Department of Finance & Economic Development. She was responsible for the Directorate: Regulatory Services which encompassed the sub-directorates Liquor Trade Administration, Consumer Affairs, Gambling and Legal Services.

She was appointed as Legal Advisor at North West Provincial Legislature from February 1998 to April 2002. She acted as Legal Advisor to all Parliamentary Committees (Standing and Portfolio Committees); rendered legal advice to the Secretary and any other



Member of the Provincial legislature; and was responsible for ensuring Constitutional compliance in all dealings and business of the Legislature. She was admitted as an Advocate of the High Court in 1999.

- From 1 January 1996 to 31 January 1998 she was a Legal Officer (Military Law Officer) at South African National Defence Force responsible for enforcement of the Defence Act of 1957 by ensuring proper discipline in the Force and held the rank of Lieutenant and provided Training at the Army College on legal subjects to ranked officials within the SANDF.
- From November 1993 December 1995 appointed as Prosecutor but tasked to be Control Prosecutor from January 1994 until her transfer in December 1995 to the SANDF.
- In 1993 was candidate Attorney at Kraamwinkel Attorneys.

3.6 Appointments and resignation

In terms of section 3(1) read with section 5(2) of the Independent Commission for the Remuneration of Public Office Bearers Act of 1997, The President appointed the following Commissioners:

Name	Designation	Appointment Date
Ms Mangwashi Victoria Phiyega	Deputy Chairperson	02 February 2011
Mr Constantinos Economou	Commissioner	02 February 2011
Ms Hope Fiona Neo Sephoti	Commissioner	10 March 2011
Mr Lesenyego Winston Matlhape	Commissioner	02 December 2011

The Commission expresses its sincere thanks and appreciation to Ms Nicky Newton-King – Commissioner whose term of office ended on 10th March 2011, and to Ms P Buthelezi – Commissioner who was appointed on 24th July 2009 and resigned on 31st March 2011. The Commission wishes both Commissioners the best in their future endeavours and will miss their insightful inputs and contribution provided during their tenure with the Commission.

3.7 Roles and functions

The role of the Commission is to make recommendations on salaries, allowances and benefits of public office-bearers. The Commission's role is critical as it promotes a democratic society where public office-bearers do not set remuneration for themselves.

The functions of the Commission are set out fully in the Independent Commission for the Remuneration of Public Office-Bearers Act, 1997 and are summarised to include:

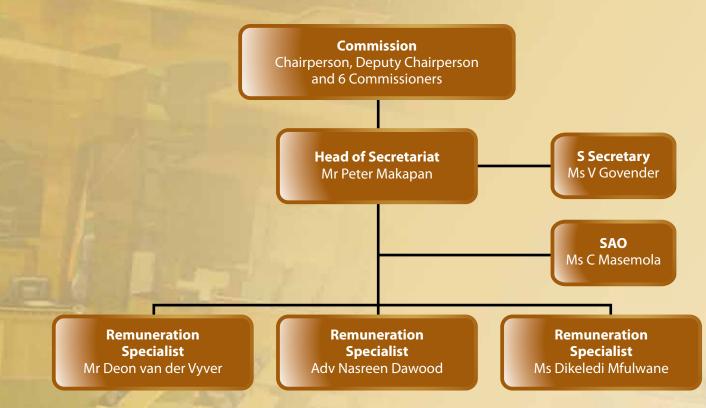
- the powers and duties conferred to the Commission by section 219 of the Constitution, 1996;
- conducting inquiries into any statutorily authorized matter;

- conducting research, or causing research to be conducted as may be necessary for the performance of the functions of the Commission;
- publishing annual recommendations concerning salaries, allowances and benefits of all public office bearers, and resources necessary to enable an office-bearer to perform his or her functions effectively; and

publishing an Annual Report on its activities.

The Commission operates in an environment where it is required to balance the views and submissions of public office bearers with the economic circumstances of the Republic, the perceptions of the general public and the current trends in remuneration.

3.8 Secretariat



Legislation requires that the administration of the Commission be conducted by such officers in the Presidency as designated by the Director-General: Office of the President after consultation with the Commission.

The Secretariat under the leadership and stewardship of Mr PM Makapan performs vital support and infrastructure work pivotal to the exercise or performance of the Commission's powers and duties.

The Secretariat consist of the following members:



Head of Secretariat Mr Peter Makapan



Remuneration Specialist Mr Deon van der Vyver



Remuneration Specialist *Ms Dikeledi Mfulwane*



Remuneration Specialist Adv. Nasreen Dawood



Senior Admin Officer Ms Constance Masemola



Senior Secretary Ms Vassie Govender



THE LEGISLATIVE FRAMEWORK



4. THE LEGISLATIVE FRAMEWORK

4.1. Who is a public office bearer?

In terms of Section 1 of the Independent Commission for the Remuneration of Public Office-bearers Act, 1997, as amended by section 7 of the Judicial Officers (Amendment of Conditions of Service) Act, 2003, **"office-bearer"** means-

- any member of the Cabinet, any Deputy Minister, any member of the National Assembly, or any permanent delegate to the National Council of Provinces;
- b) any member of the Executive Council of a Province or any member of any provincial legislature;
- c) any member of any Municipal Council of any category or type of municipality;
- d) any person holding the office of
 - i) Constitutional Court judge or a judge, as defined in section 1 of the Judges' Remuneration and Conditions of Employment Act, 2001 (Act No. 47 of 2001); and
 - ii) magistrate, who is appointed under section 9 of the Magistrates' Courts Act, 1944 (Act No. 32 of 1944), read with section 10 of the Magistrates Act, 1993 (Act No. 90 of 1993); and
- e) any member of the National House of Traditional Leaders, any member of any provincial house of traditional leaders or any traditional leader.

Section 5(5) of the Remuneration of Public Office Bearers Act, 1998 defines a Traditional leader as - "a person identified by the Minister for Provincial Affairs and Constitutional Development after consultation with the Premier concerned, by notice in the Gazette, for the purpose of this Act."

4.2 What must the Commission recommend?

In terms of Section 8(4) of the Independent Commission for the Remuneration of Public Office Bearers Act,1997, as amended, the Commission shall, after taking into consideration the factors referred to in subsection (6), publish in the Gazette recommendations concerning -

- a) the salaries, allowances and benefits of any office-bearer, as defined in paragraphs (a), (d) and (e) of the definition of 'office-bearer' in section 1;
- b) the upper limits of the salaries, allowances or benefits of any office-bearer as defined in paragraphs
 (b) and (c) of the definition of office-bearer' in section 1, and
- the resources which are necessary to enable an office-bearer, as defined in paragraphs (a), (b), (c) and
 (e) of the definition of 'office-bearer' in section 1 to perform the office-bearer's functions effectively.

4.3 Publication of recommendations – when and where?

Section 8(5) of the Independent Commission for the Remuneration of Public Office Bearers Act,1997, provides that recommendations referred to in subsection (4) must be published in the Gazette at least once a year in respect of each category of office-bearers and must be submitted to Parliament before publication.

Table 1 on pg 25 sets out briefly the legislative framework within which the Commission operates and indicates, where applicable, which Acts have been amended or repealed. Regarding amendments to the Remuneration of Public Office Bearers Act, 1998, the question of affordability is a key aspect and recommendations cannot be made where there are no resources by the State to remunerate in terms of such recommendations.

Table 1: Legislative framework

and a solution of

93conditions Magistrate Magistrate93Promulgat Commissio on remune93Establishe recommer nature, ex remunerat elected m and local I traditional94Provided f and allowa Parliamen94Provided f and allowa Parliamen95Provided f and allowa Presidents96Provides f Independe stated offi97Establishe recommer allowance	ted legislation establish on to make recommen eration of office-bearer d a Commission to main ndations regarding the tent and conditions of tion and allowances of embers of national, pro- legislative bodies, and l leaders for payment of remune ances to Members of	hing a hadations ake fall ovincial eration outy nisters aries, in hing a 108/ 92/ 92/ 92/ 92/ 92/ 04/ 20/ 108/ 1	I/A /1996 1997 1998 1998 1998
93Commission on remund recommer nature, ex remuneration elected mand local I traditional4Establisher recommer nature, ex remuneration elected mand local I traditional4Provided f and allowa Parliamen94Provided f and allowa Presidents95Provided f and allowa Presidents96Provides f Independe stated officient allowance allowance97Establisher recommer allowance	on to make recommeneration of office-bearer d a Commission to mandations regarding the tent and conditions of tion and allowances of embers of national, pro- egislative bodies, and l leaders for payment of remune ances to Members of t for payment of remune ances to Executive Dep s, Ministers, Deputy Mir for the remuneration of iditional leaders or legislation and ent Commission to mandations regarding salar is and benefits of certainers d this Commission to re- ndations regarding salar	ndations 108/ prs 108/ prs 108/ prs 108/ prs 108/ prs 108/ poly 108/ p	1997 1998 1998 1998
Participationrecommend nature, exclassionParticipationProvided f and allowa ParliamenProvided f and allowa ParliamenProvided f and allowa PresidentsProvided f and allowa PresidentsProvided f and allowa PresidentsProvided f and allowa PresidentsProvided f and allowa PresidentsProvided f certain tra allowance stated offiProvides f allowance allowance allowance	ndations regarding the tent and conditions of tion and allowances of embers of national, pro- egislative bodies, and l leaders for payment of remune ances to Members of t for payment of remune ances to Executive Dep s, Ministers, Deputy Mir for the remuneration of iditional leaders or legislation and ent Commission to mal ndations regarding sala is and benefits of certai ce-bearers d this Commission to re ndations regarding sala	eration 20/ eration 20/ eration 20/ of 20/ of 20/ of 20/ of 20/ oke aries, N make aries	1998 1998 1998
4and allowa Parliamen4Provided f and allowa Presidents94Provided f and allowa Presidents95Provided f certain tra96Provides f Independe recomment allowance stated offi97Establishe recomment allowance	ances to Members of t for payment of remune ances to Executive Dep s, Ministers, Deputy Mir for the remuneration of iditional leaders or legislation and ent Commission to main dations regarding sala is and benefits of certai ce-bearers d this Commission to re indations regarding sala	eration puty nisters 20/ of 20/ ake aries, in N make aries	1998 1998
and allows Presidents94and allows Presidents95Provided f certain tra96Provides for Independer recomment allowance stated offit97Establishe recomment allowance	ances to Executive Dep s, Ministers, Deputy Mir for the remuneration of iditional leaders or legislation and ent Commission to main dations regarding sala is and benefits of certai ce-bearers d this Commission to re ndations regarding sala	puty nisters 20/ of 20/ oke aries, nin N make	1998
 25 certain tra Provides for Independer Independer recommer allowance stated offi Establishe recommer allowance 	iditional leaders or legislation and ent Commission to main dations regarding sala is and benefits of certain ce-bearers d this Commission to mindations regarding sala	aries, N make	
96 Independer recomment allowance stated offi Establishe recomment allowance	ent Commission to main ndations regarding sala is and benefits of certain ce-bearers id this Commission to r ndations regarding sala	aries, N nin N make	I/A
97 recommer allowance	ndations regarding sala	arios	
bearers			I/A
98 salaries, al	framework for determ lowances and benefits ffice-bearers		I/A
	gulates remuneration of ffice bearers	of N	I/A
-	remuneration of Tradit olding more than one o		I/A
	or remuneration and s of employment of all .	Judges N	I/A
			I/A
			I/A
	•		
	03 scope and 03 Changes t leadership	⁰³ scope and definition of office-be Changes the structure of traditional structure of traditiona structure of tradi	Changes the structure of traditional

1

4.4 Section 219 of the Constitution

Section 219 provides Constitutional acknowledgement and recognition for the need for ongoing impartial adjudication of appropriate levels of remuneration for all Public Office Bearers. It acknowledges that public trust of and confidence in South African public office-bearers could only be achieved and maintained at acceptable levels if this task is conducted with scrupulous objectivity.

It was with this objective in mind that the Independent Commission for the Remuneration of Public Office Bearers Act, 1997 was enacted to give effect to the Constitutional prescripts of Section 219. Section 219 of the Constitution stipulates that –

- "(1) An Act of Parliament must establish a framework for determining-
 - (a) the salaries, allowances and benefits of members of the National Assembly, permanent delegates to the National Council of Provinces, members of the Cabinet, Deputy Ministers, traditional leaders and members of any councils of traditional leaders; and
 - (b) the upper limit of salaries, allowances or benefits of members of provincial legislatures, members of Executive Councils and members of Municipal Councils of the different categories.
- (2) National legislation must establish an independent commission to make recommendations concerning the salaries, allowances and benefits referred to in subsection (1).
- (3) Parliament may pass the legislation referred to in subsection (1) only after considering any recommendations of the commission established in terms of subsection (2).
- (4) The national executive, a provincial executive, a municipality or any other relevant authority may implement the national legislation referred to in subsection (1) only after considering any recommendations of the commission established in terms of subsection (2).
- (5) National legislation must establish frameworks for determining the salaries, allowances and benefits of judges, the Public Protector, the Auditor-General, and members of any commission provided for in the Constitution, including the broadcasting authority referred to in section 192."

4.5 The Independent Commission for the Remuneration of Public Office Bearers Act, 1997

Section 2 of the Act establishes the Commission.

Section 3 (as substituted by section 8 of Act 28 of 2003) provides that the Commission shall consist of eight members appointed by the President.

Section 8 outlines the following functions of the Commission:

- (1) The Commission may exercise the powers and shall perform the duties entrusted to the Commission by this Act, section 219 of the Constitution or any other law.
- (2) (i) The Commission may conduct an inquiry into any matter in respect of which it is authorized by this Act, section 219 of the Constitution or any other law to perform any function.
 - (ii) For the purposes of the inquiry, the Commission shall have the powers contemplated in section 3 of the Commission Act, 1947, and the provisions of subsections (3) and (4) of the said section 3 shall apply in respect of a person who gives evidence before the Commission or who has been summoned to attend any meeting of the Commission as a witness or to produce any book, document or object.
- (3) The Commission may conduct or cause to be conducted such research or obtain such information from the Secretary to Parliament, the secretary to any provincial legislature, the secretary to the National House of Traditional Leaders, the secretary to any provincial house of traditional leaders, the chief executive officer of any municipality, the Chief Justice or any person designated for that purpose by the Chief Justice, or any functionary or body as may be necessary for the performance of the functions of the Commission under this Act, section 219 of the Constitution or any other law.
- (3A) Whenever the Commission performs any function in terms of this Act relating to the remuneration of any office-bearer as defined-
 - (a) in paragraph (d) (i) of the definition of 'office-bearer' in section 1, it must have regard to the provisions of the Judges' Remuneration and Conditions of Employment Act, 2001 and in particular to section 2 of that Act; or
 - (b) in paragraph (d) (ii) of the definition of 'office-bearer' in section 1, it must have regard to the provisions of the Magistrates Act, 1993 (Act 90 of 1993), and in particular to section 12 of that Act
- (3B) (a) If the chairperson of the Commission is an office-bearer as defined in paragraph (d) (i) of the definition of 'office-bearer' in section 1, that member must refrain from participating in any of the Commission's deliberations relating to the remuneration of any office-bearer as defined in paragraph (d) of the said definition.
 - (b) Any member of the Commission who may directly or indirectly derive any benefit from the acceptance by the President of any recommendations by the Commission must refrain from participating in any of the Commission's deliberations relating to such recommendations.

- (4) The Commission shall, after taking into consideration the factors referred to in subsection (6), publish in the Gazette recommendations concerning-
 - (a) the salary, allowances and benefits of any office-bearer as defined in paragraphs (a), (d) and (e) of the definition of 'office-bearer' in section 1;
 - (b) the upper limits of the salary, allowances or benefits of any office-bearer as defined in paragraphs (b) and (c) of the definition of 'office-bearer' in section 1; and
 - (c) the resources which are necessary to enable an office-bearer as defined in paragraphs (a), (b), (c) and (e) of the definition of 'office-bearer' in section 1 to perform the office-bearer's functions effectively.
- (5) Recommendations referred to in subsection (4) must be published in the Gazette at least once a year in respect of each category of office-bearers and must be submitted to Parliament before publication.
- (6) Subsection 6 provides for the factors the Commission must take into account when making recommendations in subsection (4).

4.6 The Remuneration of Public Office Bearers Act, 1998

This is the main Act dealing with the remuneration of office-bearers, and outlines also the processes for determining the salaries, benefits and allowances for office-bearers. The respective processes are summarized below for ease of reference.

(i) The President

The Commission makes recommendations regarding the salary, benefits and allowances of the President of the Republic.

The National Assembly determines, by resolution, the salary, benefits and allowances to be paid to the President.

The National Assembly determines the salary after considering:

- the Commission's recommendations;
- the different roles, status, duties, functions and responsibilities of public office bearers;
- the affordability of different levels of remuneration of public office bearers;
- current principles and levels of remuneration in society in general; and inflationary trends and figures.

The National Assembly also determines the amount to which section 8(1)(d) of the Income Tax Act, 1962, as amended shall apply. This amount is referred to as the political office bearer's allowance.

28

(ii) The Deputy President, Ministers, Deputy Ministers, Members of the National Assembly and permanent delegates to the National Council of Provinces

The Commission makes recommendations to the President regarding the salaries, benefits and allowances of these public office bearers.

The President subsequently determines the salaries, benefits and allowances of these public office bearers after considering:

- the recommendations of the Commission;
- the different roles, status, duties, functions and responsibilities of public office bearers;
- affordability of different levels of remuneration of public office bearers;
- current principles and levels of remuneration in society in general;
- inflationary trends and figures; and
- advice of a relevant Cabinet Committee.

The President also determines the amount which shall constitute the political office bearers' allowance in terms of section 8(1)(d) of the Income Tax Act, 1962.

(iii) Premiers, Members of Executive Committees and Members of Provincial Legislatures

The Commission makes recommendations to the President on the upper limits of the salaries, benefits and allowances of these public office bearers.

The President subsequently determines the upper limits of the salaries, benefits and allowances of the public office bearers.

The applicable Provincial Legislature determines a **Premier's actual salary, benefits and allowances** by way of a resolution.

The Premier in turn determines the actual salaries, benefits and allowances of the Members of Executive Committees and Members of Provincial Legislatures in the applicable Provincial Legislature.

(iv) Traditional Leaders, Members of the National and Provincial Houses of Traditional Leaders

The Commission makes recommendations to the President on the salaries, benefits and allowances of these public office bearers.

The President subsequently determines the salaries, benefits and allowances of these office- bearers, after consultation with the Minister for Provincial and Local Government and relevant Premier(s), and after considering:

- the recommendations of the Commission;
- the roles, status, duties, functions and responsibilities of traditional leaders, members of the National
 House of Traditional Leaders, and members of the Provincial Houses of Traditional Leaders;
- the current principles and levels of remuneration in society generally;
- the need for the promotion of equality and uniformity of salaries and allowances for equal work performed;

- the enhancement of co-operation, unity and understanding between traditional communities nationally;
- the extent of the role and functions of traditional leaders across provincial borders; and
- inflationary trends and figures.

(v) Members of Municipal Councils

The Commission makes recommendations to the President on the upper limits of the salaries, benefits and allowances of these public office bearers.

The Minister for Provincial and Local Government, after consultation with each provincial MEC responsible for local government, determines the upper limits of the salaries, benefits and allowances, after having considered:

- the recommendations of the Commission;
- the respective role, status, duties, functions and responsibilities of the different members of Municipal Councils;
- the different categories or types of municipalities, having regard to their respective powers, duties and functions;
- the gross income, the area of jurisdiction and the nature of settlement of each municipality;
- the affordability of different levels of remuneration of public office bearers;
- the current principles and levels of remunerations in society generally;
- the need for the promotion of equality and uniformity of salaries, benefits and allowances for equal work performed;
- the provision of uniform norms and standards nationally to address disparities; and
- inflationary trends and figures.

A member of a Municipal Council is entitled to an additional allowance in respect of membership of any other Municipal Council than the one elected to, which allowance is determined by a majority resolution of such other Municipal Council in consultation with the MEC responsible for local government in the relevant Province.

(vi) Constitutional Court Judges, Judges and Magistrates

The Commission makes recommendations to the President regarding the salaries, benefits and allowances of these judicial office-bearers. In doing so, the Commission is statutorily obliged to consult with:

- The Minister of Justice and Constitutional Development;
- The Minister of Finance; and
- The Chief Justice or a person designated by the Chief Justice.

The President determines the salaries, benefits and allowances by means of a notice in the Gazette after Parliament considered, and approved the draft notice.

FACTORS THAT THE COMMISSION CONSIDERS WHEN MAKING RECOMMENDATIONS

MULTIVANT LAW COURTS



5. FACTORS THAT THE COMMISSION CONSIDERS WHEN MAKING RECOMMENDATIONS

When making recommendations referred to in section 8(4) of the Independent Commission for the Remuneration of Public Office-bearers Act, 1997 as amended, the Commission in terms of section 8(6) of the same Act, must take the following factors into account:

- (i) the role, status, duties, functions and responsibilities of the office-bearers concerned;
- (ii) the affordability of different levels of remuneration of public office bearers;
- (iii) current principles and levels of remuneration, particularly in respect of organs of state, and in society generally;

- (iv) inflationary increases;
- (v) the available resources of the state; and
- (vi) any other factor which, in the opinion of the Commission, is relevant.

GOVERNANCE



6. GOVERNANCE

The Independent Commission for the Remuneration of Public Office-bearers Act, 1997, regulates the operations and governance of the Commission to a very large extent and determines, amongst others, how the Commission is constituted, the terms of office of members of the Commission, meeting and reporting requirements of the Commission, as well as specific functions and the administration of the Commission.

When should the Commission meet and how are decisions taken?

The Commission is required by law to meet at least once a year, at a time and place determined by the Chairperson of the Commission. The Commission in fact meets far more often than this, as set out more fully below. The Act also sets out that five members of the Commission shall constitute a quorum for Commission meetings, and that a decision of a majority of the members of the Commission present at a meeting shall constitute a decision of the Commission.

The Commission's budget?

The expenditure incidental to the exercise or performance of the powers and duties of the Commission is defrayed from monies appropriated by Parliament for that purpose. The Commission receive financial resources from the Presidency and is managed and controlled in terms of the Presidency regulations.

ANNUAL REPORT **2011**

Administration of the Commission?

The Commission is assisted by the Secretariat as discussed in Chapter 3 of this Annual Report.

KEY ACTIVITIES



7. KEY ACTIVITIES

7.1 Short Term Objectives

- Annual Report 2010
- Annual Recommendations for 2011/2012
- Recommendations of Headmen/Headwomen remuneration
- Recommendations of tools of trade
- Communication with Public Office Bearers
- Review of local government remuneration
- Liaising with relevant Authorities for implementation of the President's determination
- International visits for fact findings mission on performance based pay
- Secure funding for adequate functioning of the commission

7.2 Long Term Objectives

- Determination of a Performance Based remunerative structure for all Public Office Bearers
- Developing internal policies and procedures that ensure the smooth functioning of the Commission
- Fostering the independence of the Commission
- Ensuring optimal permanent composition of Secretariat

7.3 Key Priorities

The Commission identified key priorities listed below toward the fulfillment of its mandate and some of these priorities were achieved in 2011. The outstanding priorities will direct the Commission's activities beyond 2012.

- Investigation into the implementation of pension and medical aid benefits of Traditional leaders
- Investigation into performance based pay of public office bearers
- Review of local government remuneration
- Completion of tools of trade of POB's across the board
- Pension and medical aid of Magistrates
- Independence, reputation and credibility of the Commission
- Effective stakeholder engagement plan
- Recruitment and retention of qualified support staff to the Commission
- Ensure adequate resources to action the strategic focus of the Commission
- Establish a comprehensive intelligence management capability

7.4 Key outputs

7.4.1 Annual Cost of Living Adjustments

The Commission after taking all relevant factors into consideration recommended an annual cost of living adjustment of 5% for all public office bearers. The President, after taking into consideration the recommendations of the Commission and other factors endorsed the annual cost of living adjustments recommendations of the Commission.

7.4.2 Once-Off Gratuity for Non-Returning Local Councilors

The third democratic local government elections held on 18 May 2011 resulted in a high turnover of Councilors due to the two-term tenure of office of Mayors, Executive Mayors, Deputy Mayors, Deputy Executive Mayors and non-returning Councilors. The Commission considered an extension of once-off gratuity to local Councilors as recommended to members of National Parliament and Legislatures during 2008 recommendations.

7.4.3 Headmen/Headwomen remuneration

For some time, the Commission has been working on what recommendations to make in relation to the manner in which Headmen/Headwomen should be remunerated. This matter was investigated by the Commission and numerous representations have been received from the Provinces and the traditional leadership institutions.

In working towards the final recommendations of Headmen/Headwomen remuneration, the Commission discovered that it was extremely difficult to determine with any certainty the number of Headmen/Headwomen in Provinces. Some Provinces paid much higher stipends to Headmen/Headwomen than others and this would significantly cause remuneration disparities in the country. The other concern on the implementation of the Headmen/Headwomen remuneration is the financial implication that may be caused by the increasing number of Headmen/Headwomen.

The Commission noted that the number of Headmen/Headwomen reported by each Province has in general increased since the Commission began considering the matter. This was a concern to the Commission since the Commission was not able to determine with any certainty how many Headmen/Headwomen there are or how such numbers were determined.

In line with the Commission's grading system, Headmen/Headwomen who performs responsibilities over and above those performed ordinarily by Headmen/Headwomen, including attending traditional councils, should be paid as an upper limit of R71 644. The amount is in the nature of a stipend and is the total amount that should be paid an upper limit to Headmen/Headwomen. No other benefits (including pension benefit, medical aid, and motor vehicles) are due to Headmen/Headwomen who receives this stipend.

Headmen/Headwomen who are paid a salary for performing a different public office bearer function are not entitled to be paid both the stipend and the other public officer bearer's salary. This recommendation was made in order to avoid "double dipping". It should be emphasized that the remuneration recommended is closely linked to the numbers of Headmen/Headwomen the Commission received from the relevant structures.

7.4.4 Tools of Trade recommendations

The Commission undertook a comprehensive review of the remuneration of POBs over the past few years. This has altered the manner in which POBs are remunerated specifically by introducing transparency, properly graded job profiles, remuneration linked to the job complexity and by moving towards a philosophy of total cost of remuneration.

Given the magnitude of the Commission's work on remuneration, the Commission finalized its tools of trade review and proposed a manner in which institutions should deal with the reimbursement of expenses for South African POBs. The expenses incurred by POBs to carry out their functions are commonly known as "tools of trade".

The recommendations set out the primary guidelines and/or recommendations in which the tools of trade should be dealt with in the country for POBs. The Commission would appreciate the endorsement of the recommendations by the President.

7.4.5 Communication with stakeholders

The Commission continued its initiative to communicate directly and widely with public office bearer groups and other stakeholders. Apart from the direct interactions with public office bearers and other stakeholders the Commission maintained an open door communication policy through its Secretariat.

The Commission interacted with various stakeholders from public office bearers' institutions through meetings and visits to receive submissions, comments and inputs on matters of remuneration, benefits and allowances. These meetings and visits were successful and assisted in strengthening the relationship between stakeholders and the Commission.

The Commission consulted with the Chief Justice on the manner of communication between the Magistrates and the Commission. In terms of legislation the Commission is obliged to consult with the Chief Justice on matters of the Judiciary. It was agreed amongst other things that matters of remuneration of Magistrates will be discussed with Lower Courts Remuneration Committee as established by the Chief Justice and the Magistrates Commission.

In order to strengthen stakeholder relations and to increase the consultation between the Commission and stakeholders, the Commission formed subcommittees which consist of Commissioners and the Secretariat. The Commission through its website broadcasts relevant information to its stakeholders and the general public and this enables the Commission to operate more transparently. The Commission's website contains the following relevant information:

- Composition of Commission and its Secretariat
- Contact details for the Commission
- List of all public office bearer positions
- Annual remuneration tables since 2005

Full text versions published in the Government Gazette of:

- Commission reports
- Relevant legislation
- Commission's remuneration recommendations
- Remuneration Proclamations
- Links to various other relevant websites
- Relevant articles and news items
- A photo gallery

The Commission remains committed to the facilitation of access to relevant information by any stakeholder which conforms with any laws of South Africa relating to access of information.

ANNUAL REPORT **ZO**1

7.4.6 Subcommittees of the Commission

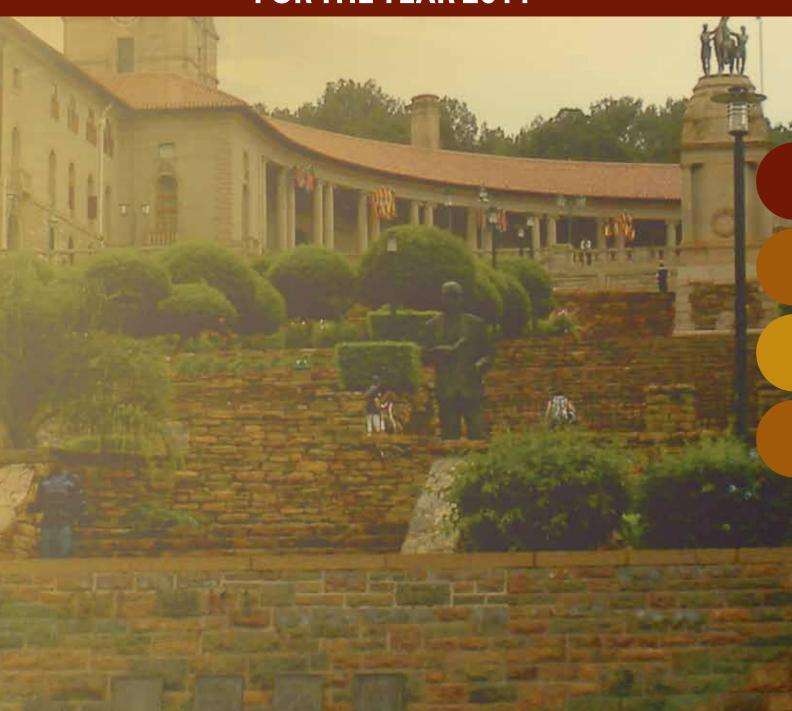
The Commission formed Subcommittees for Parliament and Legislature, Judiciary, and Local Government and Traditional Leaders. The purpose of forming the Subcommittees is to ensure that concerns and submissions are discussed and given due consideration during the Subcommittee meetings well before the Commission meetings are held.

Recommendations of the Subcommittees are tabled at the Commission meetings in order for the Commission to take resolutions on them. The Subcommittees consist of two or three Commissioners and at least one member of the Secretariat.

7.5 Challenges

- Delays in feedback obtained from statutory consultations
- Delays in feedback from stakeholders
- Delays in feedback from African and International countries
- Inadequate financial and human resource assistance from the Presidency

THE COMMISSION'S PROGRAMME FOR THE YEAR 2011



8. THE COMMISSION'S PROGRAMME FOR THE YEAR 2011

A schedule of the Commission's programme of meetings for 2011 is set out in **Annexure A** hereto. The schedule distinguishes between:

- Commission meetings;
- Statutory meetings with officials;
- Meetings with stakeholders; and
- Deadlines for delivery of reports.

The meeting attendance of members of the Commission in 2011 is reflected in the register attached as **Annexure B**.

PROGRESS REPORT AND MILESTONES



9. PROGRESS REPORTS AND MILESTONES

9.1 Annual Recommendation for 2011/2012

The Commission delivered its Annual Recommendations to the President on the 20th July 2011. The recommendations included the following:

- Annual Cost of Living Adjustment,
- Once-off Gratuity for non-returning Local Councillors,
- Headmen/Headwomen remuneration, and
- Tools of Trade



Commission with the President during the delivery of the Annual Remuneration Recommendations on the 20th July 2011

The recommendations were further delivered to the Speaker of Parliament and Chairperson of NCOP on the 21st July 2011. The recommendations were further released to the public during Commission's press conference held on the 26th August 2011, and published on the **Government Gazette No. 34568 and 34569** on the 29th August 2011.



Judge Seriti with Hon Sisulu - Speaker of Parliament, and Hon Mahlangu - Chairperson of NCOP during the delivery of the Commission's Annual Recommendations on the 21st July 2011

9.1.1 Annual Cost of Living Adjustment (COLA)

The Independent Commission for the Remuneration of Public Office Bearers (Commission) is statutorily obliged by virtue of section 8 (4) and (5) of the Independent Commission for the Remuneration of Public Office Bearers Act, 1997, to make annual recommendations relating to the salaries, benefits and allowances, and the resources required by public office bearers to enable them to perform their respective duties effectively.

The Commission in their meeting of the 08th April 2011 resolved to make the annual remuneration recommendations of public office bearers for 2011/2012 financial year. The Commission considered, amongst others, the following factors to be relevant in forming the basis for its decision:

- The Consumer Price Index (CPI) trends
- Affordability
- National market trends including the private and public sector
- Consultation with relevant stakeholders

Economic data has always been used as a guideline in making annual cost of living increase decisions for the employees of an organization(s), whether public or private. The relevant data would normally include the CPI, PPI, quarterly GDP figures released by Statistics South Africa, affordability, general market increases, together with interest rates determined by the South African Reserve Bank (SARB). The most recent forecast of the SA Reserve Bank predicts that inflation was expected to average 4,7% in 2011.

The Commission is obliged by statutory enactment to make recommendations for salary adjustments of public office bearers. After taking into account all relevant factors mentioned here together with applicable legislation, the Commission recommended a **5%** salary increase for public office bearers for the year 2011/2012 effective from 01st April 2011.

The Commission attaches its recommendations (schedules), which reflect the general percentage increase of 5% in the total remuneration packages of all Public Office-Bearers for the 2011/2012 fiscal year.

SCHEDULE 1

RE	REVISED REMUNERATION LEVELS ADJUSTED BY 5% WITH EFFECT FROM 1 APRIL 2011					
	NATIONAL EXECUTIVE AND DEPUTY MINISTERS					
GRADE	PAY POSITION		TOTAL REMUNERATION 1 APRIL 2010	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2011		
EA	1	President	2,367,466	2,485,839		
EB	1	Deputy President	2,130,769	2,237,308		
EC	1	Minister	1,811,142	1,901,699		
ED	1	Deputy Minister	1,491,514	1,566,089		

SCHEDULE 2

REVISED REMUNERATION LEVELS ADJUSTED BY 5% WITH EFFECT FROM 1 APRIL 2011							
	NATIONAL PARLIAMENT						
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION 1 APRIL 2010	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2011			
PA	1	Speaker: National Assembly	2,130,769	2,237,308			
		Chairperson: NCOP	2,130,769	2,237,308			
РВ	1	Deputy Speaker: National Assembly	1,491,514	1,566,089			
		Deputy Chairperson: NCOP	1,491,514	1,566,089			
	2	House Chairperson	1,385,013	1,454,263			
PC	1	Chief Whip: Majority Party	1,171,886	1,230,480			
		Chief Whip: NCOP	1,171,886	1,230,480			
		Parliamentary Counsellor: President	1,171,886	1,230,480			
		Parliamentary Counsellor: Deputy President	1,171,886	1,230,480			
		Leader of Opposition	1,171,886	1,230,480			
	2	Chairperson of a Committee	1,065,385	1,118,654			
PD	1	Deputy Chief Whip: Majority Party	958,884	1,006,828			
		Chief Whip: Largest Minority Party	958,884	1,006,828			
		Leader of a Minority Party	958,884	1,006,828			
	2	Whip	889,795	934,285			
PE	1	Member: National Assembly	Member: 802 873 843 017				
		Permanent Delegate: NCOP	802,873	843,017			

SCHEDULE 3

REVISED REMUNERATION LEVELS ADJUSTED BY 5% WITH EFFECT FROM 1 APRIL 2011							
	PROVINCIAL EXECUTIVES AND LEGISLATURES						
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION 1 APRIL 2010	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2011			
LA	1	Premier	1,704,640	1,789,873			
LB	1	Member of Executive Council	1,491,514	1,566,089			
		Speaker	1,491,514	1,566,089			
LC	1	Deputy Speaker	1,171,886	1,230,480			
		Chief Whip: Majority Party	1,065,385	1,118,654			
	2	Chairperson of Committees	1,065,385	1,118,654			
		Leader of Opposition	958,884	1,006,828			
		Chairperson of a Committee	958,884	1,006,828			
	3	Deputy Chairperson of 902,141		947,248			
		Deputy Chief Whip: 902,141 94		947,248			
		Chief Whip: Largest 902,141 Minority Party		947,248			
		Leader of a Minority Party 902,141		947,248			
LD	1	Parliamentary Counsellor802,87384to a King802,87384		843,017			
		Whip	802,873	843,017			
	2	Member of Provincial Legislature	777,059	815,912			

55

ANNUAL REPORT 2011

•

SCHEDULE 4

REVISED REMUNERATION LEVELS ADJUSTED BY 5% WITH EFFECT FROM 1 APRIL 2011 LOCAL GOVERNMENT **TOTAL REMUNERATION RECOMMENDED TOTAL** PAY GRADE POSITION 1 APRIL 2010 REMUNERATION LEVEL 1 APRIL 2011 MA 1 **Executive Mayor** 943,919 991,115 Mayor 943,919 991,115 MB 1 Deputy Executive Mayor 765,087 803,341 Speaker/Chairperson 765,087 803,341 **Deputy Mayor** 765,087 803,341 MC 2 Member of Executive 720,441 756,463 Council Member of Mayoral 720,441 756,463 Committee Chairperson of a 720,441 756,463 Sub-council Whip 720,441 756,463 MD 1 **Municipal Councillor** 362,777 380,916

56

SCHEDULE 5

QUUUUU0009

- and a solution of a

ELEGENER

REVISED REMUNERATION LEVELS ADJUSTED BY 5% WITH EFFECT FROM 1 APRIL 2011						
	JUDGES					
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION 1 APRIL 2010	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2011		
JA	1	Chief Justice	2,130,769	2,237,308		
JB	1	Deputy Chief Justice	1,917,643	2,013,525		
		President: Supreme Court of Appeal	1,917,643	2,013,525		
JC	1	Deputy President: upreme Court of Appeal	1,811,142	1,901,699		
	2	Judge: Constitutional Court	1,704,640	1,789,873		
		Judge: Supreme Court of Appeal	1,704,640	1,789,873		
	3	Judge President: High Labour Court	1,598,139	1,678,046		
	4	Deputy Judge President: High/Labour Court	1,491,514	1,566,089		
	5	Judge: High/Labour Court	1,385,013	1,454,263		

57

ANNUAL REPORT 2011

•

SCHEDULE 6

REVISED REMUNERATION LEVELS ADJUSTED BY 5% WITH EFFECT FROM 1 APRIL 2011

	MAGISTRATES					
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION 1 APRIL 2010	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2011		
JD	1	Special Grade Chief Magistrate	958,884	1,006,828		
		Regional Court President	958,884	1,006,828		
JE	1	Regional Magistrate	852,258	894,871		
		Chief Magistrate	852,258	894,871		
JF	1	Senior Magistrate	703,107	738,262		
JG	1	Magistrate	639,256	671,219		

SCHEDULE 7

to be be be be decided

- I la subscription of

REVISED REMUNERATION LEVELS ADJUSTED BY 5% WITH EFFECT FROM 1 APRIL 2011					
TRADITIONAL LEADERS					
GRADE	PAY LEVEL	FULL TIME POSITIONS	TOTAL REMUNERATION 1 APRIL 2010	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2011	
TA	1	King	883,161	927,319	
ТВ	1	Chairperson: NHTL	625,787	657,077	
	2	Full time Chairperson: PHTL			
	3	Deputy Chairperson: NHTL	4/8631 50/563		
	4	Full time Deputy Chairperson: PHTL			
TC	1	Full time Member: NHTL 257,648 270,530		270,530	
	2	Full time Member: PHTL	PHTL 220,859 231,902		
TD	1	Senior Traditional Leader 161,996 1		170,096	
		PART TIME POSITIONS*	SITTING ALLOWANCE 1 APRIL 2010 (Per Day)	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2011 (Per Day)	
		Part time Member: NHTL	928	974	
		Part time Chairperson: PHTL	1,104	1,159	
		Part time Deputy Chairperson: PHTL	993	1,042	
		Part time Member: PHTL 769		808	

* In addition to sitting allowances, part time members are entitled to their salaries as Traditional Leaders, as well as subsistence costs (reasonable and actual expenses) and transport costs (Department of Transport tariffs for the use of privately owned vehicles), for their attendance of official meetings, seminars, workshops and conferences of the respective Houses)

9.1.2 Once-Off Gratuity for Non-Returning Local Councillors

The Commission further recommended to the President a once-off gratuity for non-returning Local Councilors who have served the recent full term from 01st March 2006 to 18th May 2011. Non-returning Local Councilors whose term has ended and have served a full five years will be paid a once-off gratuity of three months pensionable salary from the National Fiscus. The Commission consulted with various Ministers and the Minister of Finance in this regard.

9.1.3 Headmen/Headwomen Remuneration

9.1.3.1 Purpose

For some time, the Commission has been working on what recommendations to make in relation to the manner in which Headmen/Headwomen should be remunerated.

This issue has been investigated by the Subcommittee for Local Government and Traditional Affairs created by the Commission and numerous representations have been received from the Provinces and the traditional leadership institutions.

Following a consideration of relevant information presented to it, the Commission sets out its recommendations on the remuneration of Headmen/Headwomen in this document.

9.1.3.2 Issues of concern

In working through the issues it needs to determine in order to make final recommendations, the Commission discovered that:

- It was extremely difficult to determine with any certainty the number of Headmen/Headwomen in the Provinces;
- Some Provinces paid much higher stipends to Headmen/Headwomen than others;
- There would be significant financial implications of implementing any recommendation to increase stipends paid to Headmen/Headwomen because of the increasing number of Headmen/Headwomen.

9.1.3.3 Verified data on Headmen/Headwomen

The Commission received data from the Minister of Co-operative Governance and Traditional Affairs in his letter dated 18th December 2010 on the number of Headmen/Headwomen in the provinces. Below is a table indicating the data supplied to the Commission.

		REMUNERATION		NUMBER EMPLOYED	
NO	PROVINCE	Previous	Current	Previous	Verified Information
1.	Limpopo	13 000	13 000	2 084	1 935
2.	Mpumalanga	13 000	13 000	522	525
3.	Northern Cape	24 000	24 000	23	25
4.	North West	24 000	24 000	240	63
5.	Free State	21 600	21 600	81	94
б.	Kwazulu-Natal	32 343	32 343	1 273	3 372
7.	Eastern Cape	32 466	86 028	1 162	1 193
8.	Gauteng	No salary	No salary	2	12
9.	Western Cape No recognized traditional leaders in Western Cape				
Total Verif	Total Verified information 7 219				

9.1.3.4 Appropriate level of stipend for Headmen/Headwomen

In line with the Commission's grading system, the Commission has determined that Headmen/Headwomen who perform responsibilities over and above those performed ordinarily by Headmen/Headwomen (such as, including but not limited to attending traditional councils), should be paid an upper limit of R71 644.

This upper limit of remuneration should be paid to the most Senior Headman/Headwomen. The Headmen/ Headwomen who has lesser responsibilities should be paid at lower levels.

9.1.3.5 Financial Implications

Assuming that all current Headmen/Headwomen are paid at the upper limit recommended, the financial implication would be as follows:

REMUNERATION	NUMBER OF HEADMEN	CURRENT COST	ESTIMATED COST	ADDITIONAL COST
R71 644	7 219	R247m	R517m	R270m

9.1.3.6 Recommendation

The Commission noted the following:

The number of Headmen/Headwomen reported by each Province has in general increased since the Commission began considering this issue. This is of concern to the Commission since it is not able to determine with any certainty how many Headmen/Headwomen there are or how such numbers were determined. The number of Headmen/Headwomen who could be remunerated following the Commission's recommendations impacts on the affordability of implementing the Commission's recommendations.

Some Provinces currently pay Headmen/Headwomen more than the amount of the stipend that the Commission believes is appropriate for the size of the functions performed by Headmen/Headwomen.

The Provinces have noted that it will be difficult for most of them to afford to implement the stipend proposed by the Commission and that the Provinces would need to look for some contribution in this regard from the Fiscus.

In the above circumstances the Commission recommends the following:

In line with the Commission's grading system, Headmen/Headwomen who performs responsibilities over and above those performed ordinarily by Headmen/Headwomen, including attending traditional councils, should be paid an upper limit of R71 644. The Commission recommends that this is the upper limit of remuneration that should be paid to the most Senior Headmen/Headwomen and that Headmen/ Headwomen who have lesser responsibilities should be paid at lower levels.

The amount of R71 644 is in the nature of a stipend and is the total amount that should be paid at an upper limit to Headmen/Headwomen. No other benefits (including pension benefit, medical aid, and motor vehicles) are due to Headmen/Headwomen who receives this stipend.

Headmen/Headwomen who are paid a salary for performing a different public office bearer function are not entitled to be paid both the stipend and the other public officer bearer's salary. This recommendation is made in order to avoid "double dipping".

The implementation of the Commission's recommendations should be left to the Provinces. In this regard:

Provinces should determine with certainty how many Headmen/Headwomen are in each Province and what functions are performed by each.

Provinces need to consider which Headmen/Headwomen should be paid at/or around the upper limit recommended by the Commission and what should be paid to Headmen/Headwomen who have lesser responsibilities.

Given the concern regarding the affordability to Provinces of implementing the Commission's upper limit recommendation, the Provinces should consider the manner in which to implement the remuneration ultimately decided by the Province, including the necessity of phasing in the recommendations.

Where Headmen/Headwomen are paid above the upper limit recommended by the Commission, the Provinces should determine what steps to take to ensure that, over time, the remuneration paid to Headmen/ Headwomen is brought in line with the Commission's recommendations. Provinces should inform the Commission about the said steps and progress made prior to the Commission making recommendations of possible adjustment of salaries of public office bearers in 2011/2012.

It should be emphasized that the remuneration herein recommended is closely linked to the numbers of Headmen/Headwomen the Commission received from the relevant structures.

9.1.4 Tools of trade recommendations

9.1.4.1 Introduction

Globally, there has been a rising tide of criticism on the way in which Public Office Bearers (POBs) are remunerated and reimbursed for the expenses they incur in performing their public duties. This, in turn, causes the public to be sceptical about the integrity of POBs.

The Independent Commission for the Remuneration of POBs (the Commission) has undertaken a comprehensive review of the remuneration of POBs over the past few years. This has altered the manner in which POBs are remunerated specifically by introducing transparency, properly graded job profiles, remuneration linked to the job complexity and by moving towards a philosophy of total cost of remuneration.

Given the magnitude of the Commission's work on remuneration, the Commission has, until now, not proposed a manner in which institutions should deal with the reimbursement of expenses for South African POBs. In South Africa, expenses incurred by POBs to carry out their functions are commonly known as tools of trade.

What is noteworthy about the discussion on POBs' expenses is that often the expenses incurred turn out to be within the current guidelines for POBs' expense reimbursement scheme. This, in turn, challenges the appropriateness of those guidelines in the first place.

The above causes an unhealthy situation because:

As the pressure on the State increases to ensure effective governance and delivery, we need to encourage an increasing number of competent people to seek public office. It is unlikely that people will seek public office when the ethical compass of POBs is subject to challenge.

It is disheartening for POBs who perform their duties to the best of their abilities and with diligence and integrity to be the subject of public scrutiny and scepticism. We need to ensure an open and transparent manner in which to remunerate POBs and also to encourage the best candidates to seek public office.

This document sets out the primary guidelines and/or recommendations in which the tools of trade should be dealt with in the country for POBs. The Commission would appreciate the endorsement of the recommendations by the President.

9.1.4.2 Scope of the review

The Commission was created by and operates under the provisions of the Independent Commission for the Remuneration of Public Office-Bearers Act, 1997 (Act 92 of 1997).

In addition to the legislative requirements to make annual recommendations on POB remuneration, Section 1 of the Act read with Section 7 of the Judicial Officers (Amendment of Conditions of Service) Act, 2003 (Act 28 of 2003), obliges the Commission to publish annual recommendations relating to the resources that are necessary to enable a POB other than a member of the judiciary (including magistrates) to perform the POB's functions effectively.

These resources and/or expenses are commonly known as tools of trade. The term tools of trade is not limited to tools in the narrow sense because it includes items that are required to perform work such as books, computer equipment, and so forth.

It is the Commission's view that it is important to distinguish between remuneration, tools of trade and reimbursable expenses:

Remuneration: Refers to the total monetary value of the salary, benefits and allowances a POB receives. The term is also defined as the amount of income that is paid or is payable to a person by way of salary, leave pay, wages, overtime pay, bonuses, gratuity, commissions, fees, emolument, pension, retirement allowances or stipends, for services rendered.

Tools of trade: Refer to the resources or enabling facilities required by POBs to perform their duties efficiently and effectively.

Reimbursable expenses: Any expenses that are claimed or resources that are used in performing their duties. POBs should take personal responsibility for ensuring that reimbursable expenses are properly incurred.

Against this background, the recommended proposals contained in this document address the tools of trade that should be provided to the following POBs:

- A member of the Cabinet, Deputy Minister, member of the National Assembly, or permanent delegate to the National Council of Provinces;
- A member of the Executive Council of a Province or a member of any Provincial Legislature;
- A member of any Municipal Council of any category or type of municipality;
- A member of the National House of Traditional Leaders, a member of any Provincial House of Traditional Leaders or a traditional leader.

9.1.4.3 The current position in respect of the determination and administration of tools of trade

There are significant differences in the approaches adopted by POB institutions regarding the allocation of tools of trade to POBs. Some institutions have their own independent guidelines and/or regulations of administrating tools of trade such as:

- The executive and presiding officers in national and provincial legislatures administer tools of trade through a Ministerial Handbook, which is adopted by Cabinet and endorsed by the President.
- National Parliament and the National Council of Provinces administer its tools of trade through the Members Facilities Handbook.
- **Provincial legislatures have their own different guidelines and procedures.**
- **Councillors who are elected to local authorities use their municipalities' by-laws and/or regulations.**
- Traditional leaders depend on their respective communities, provincial governments, and the National Department of Local Government but do not use formal guidelines.
- Judges and magistrates use the Public Service Guidelines and the Ministerial Handbook although it is not within the Commission's mandate to make tools of trade recommendations for these POBs.

The current differing administration of tools of trade in these institutions make it almost impossible to ensure their appropriateness, manage the cost of the tools of trade, or ensure the transparency of their use and the accountability of POBs to their stakeholders for the use of the tools of trade.

9.1.4.4 Guiding principles

The Commission is obliged to publish its recommendations regarding the resources annually. The recommendations enable POBs to perform their functions effectively. The Act does not state who must actually determine the tools of trade to be allowed once the Commission has published its recommendations, but it does require that the Commission should submit the recommendations to Parliament. The Act does not state what Parliament should do with the Commission's recommendations.

The Commission's recommendations regarding the tools of trade for POBs are influenced by the:

- statutory requirement that the Commission must publish tools of trade recommendations
- various institutional source documents regulating tools of trade
- institutional inequalities among POB positions
- exclusion of certain POBs' positions from tools of trade
- lack of transparency and clarity in respect of current tools of trade
- current market development trends in relation to the allocation of tools of trade
- adequate tools of trade to enable POBs to perform their duties.

The Commission has made recommendations about the nature of appropriate tools of trade and once these have been accepted by the President, each POB institution would have the discretion to determine the exact tools of trade appropriate for a particular piece of work given the particular work environment, specific requirements of a particular job and work pressure.

The different stakeholders will be able to draft their own policy documents by using the Commission's recommendations, as endorsed by the President, as a guide.

There is a need for an annual review of tools of trade and a process by which each POB institution decides and publishes their available tools of trade. Similarly, there should be annual disclosure by each POB of the amount and value of the tools of trade used by that POB. In this way, the public will be able to determine whether the tools of trade are properly used and will be able to hold POBs and POB institutions accountable for their use.

The provision of tools of trade cost the State money and the current exact value of the tools of trade is not possible to quantify as POB institutions do not track or account properly for it. It is therefore important to identify the tools of trade that should be made available to each POB and to what extent.

The Commission recommends that a framework should be made available to each type of POB by the respective institutions. The framework would determine the tools of trade allowed and each POB institution should determine the exact limit of the actual tools of trade. It is important to emphasise the following in relation to the allocation of tools of trade:

Accessibility: All POBs should have lawful, open and fair access to tools of trade.

Affordability and cost control: Efficient, economic and effective use of resources should be promoted. POBs should use the most cost-effective alternative available. The POBs should be given the means to undertake the duties for which they have been elected or appointed. Wherever practical and economic, such resources should be procured by relevant POB institutions, subject to audit and public disclosure, to ensure propriety and value for money.

There should be no cross-subsidisation between the provided resources. This is to enable POBs to undertake their duties and public activities. Preserving this boundary is important to gain public confidence in the arrangements and it must be rigorously monitored.

Equity: The allocation of tools of trade levels within institutions should be externally comparable. Differences in the allocated amounts should be informed by differences in job complexity or designation.

Flexibility: Institutions should afford POBs the opportunity to select tools of trade that meet their individual needs without adding to the total expenditure of the POB institutions. The tools of trade should be customised to institutions and designations.

Simplicity: Tools of trade arrangements should be simple to administer and easily understood by the POBs.

Transparency and accountability: POB institutions should promote transparency and accountability, providing the public with timely, accessible and accurate information of POB tools of trade to establish good governance. Individual POBs should be personally responsible for the way in which they use the public resources entrusted to them. POBs should publicly disclose their expenses annually.

Value of tools of trade: Access to tools of trade should create appropriate value for POB institutions, POBs and the public.

9.1.4.5 The Commission's recommendations

The Commission consulted extensively with all POB institutions falling within its tools of trade mandate. The Commission has made separate recommendations for the National Executive and Deputy Ministers, Parliament, the Provincial Executive, the Provincial Legislature, Local Government and Traditional leaders. These recommendations are attached.

The Commission's recommendations deal with the following tools of trade as outlined in detail on **"Government Gazette No. 34569"** dated 29th August 2011:

- Official and private accommodation;
- Offices, office supplies and stationery;
- Information technology and communication (ITC) equipment;
- Adequate and professional staff support;
- Official and private travelling facilities;
- Reimbursement allowances;
- Security;
- Study aids;
- Other facilities.

66

9.1.5 Proclamations for remuneration recommendations and determinations

Proclamations for remuneration recommendations and determinations for 2011/2012 were published on Government Gazette as follows:

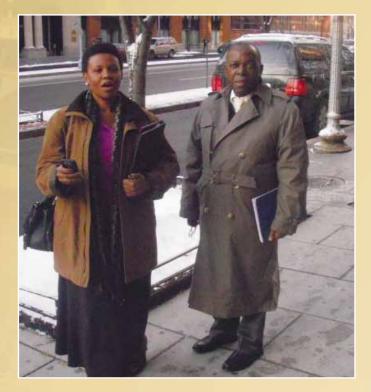
Gazette No.	Date	Proclamation No.	Contents
34568	29 August 2011	692	Independent Commission for the Remuneration of Public Office Bearers: Annual Recommendations for 2011/2012
34569	29 August 2011	693	Independent Commission for the Remuneration of Public Office Bearers: Recommendations on Tools of Trade
34617	16 September 2011	49	Determination of salaries, benefits and allowances of the Deputy President, Ministers and Deputy Ministers
		51	Determination of salaries, allowances and benefits of Members of the National Assembly and Permanent Delegates of the National Council of Provinces
34630	23 September 2011	55	Determination of upper limit of salaries, allowances and the contribution to be made to the pension fund of which Premiers, Members of Executive Councils and Members of Provincial Legislatures
34636	23 September 2011	56	Remuneration of Judges
34629	23 September 2011	54	Remuneration of Magistrates
34847	14 December 2011	69	Determination of salaries and allowances of the Traditional Leaders, Members of National House and Provincial House of Traditional Leaders
34869	14 December 2011	1064	Determination of upper limits of salaries, allowances and benefits of different members of Municipal Council

9.2 INTERNATIONAL VISITS

9.2.1 United States of America visit

The Commission represented by Judge WL Seriti, Prof. MP Sithole and Mr PM Makapan, met with Office of Personnel Management and International Public Management Association for Human Resources on the 11th and 12th January 2011, in Washington DC, United States of America. The purpose of the visit was to discuss international best remuneration practice in respect of public office bearers, with special reference to performance based remuneration for public office bearers.

The Management of the Office of Personnel Management (OPM) is appointed for a four year term concurrently with the term of the President and report to the President. The creation of the US Office of Personnel Management was done to ensure that the system of recruitment to public service and the remuneration system were done on the basis of merit. Previous political events had instigated a worry that political maneuvers and indebtedness could influence the recruitment and remuneration systems. Recruitment is now managed independently of the political regime in place at any given point in time.



The overall responsibility of OPM includes the following:

Judge WL Seriti and Prof P Sithole during the Commission visit to Washington

- Federal Human Resources Management
- Administration of Federal employee job benefits and appointments
- Performance management
- Security clearance of Federal employees
- Administration of retirement benefits for Federal employees and retirees
- Administration of Health Insurance

The OPM role is not to drive the remuneration higher but to meet private sector payment and their payout is capped at half a percentage below that of the private sector. The OPM has power to enhance the retention of the workforce by providing the recruitment payment equal to 25% of the base salary and a flexible relocation allowance. The OPM is having competitive pay rates for Information Technology employees and competitive jobs for students.

Pay for performance is mainly focused on Senior Executive Officials utilizing certain criteria. The OPM has to certify the performance based remuneration of the officials. Congress determines the salaries of political office bearers including the President's salary. Individual candidates decide what to do with their salary; sometimes it is being discretionary donated back to Treasury or charity. The President of the USA has impressive benefits that are determined by the Congress.

The OPM guides state agencies on pay related performance through a programme of certification which grants each agent certification for two years depending on the acceptability of their grading system of performance (at least a three-tier system where specification for performance 'beyond fully' successful must be developed by the agency). The OPM may grant agencies conditional certification for one year pending certain criteria being met as per feedback that it gives to the agency.

The OPM monitors the various costs of labour in different localities and grants permission for setting of remuneration at specific levels in accordance with costs of living in specific localities. It was interesting that on being asked whether the variation of 'localities pay' was associated with revenue generated in the different areas, the response was that it is simply the costs of living in specific areas for different occupations that determine variation

Clarification was also sought on the question of how the SES performance is defined in relation to mere effort/activities on the one hand, and impact, on the other hand – particularly where certain portfolios are challenging and infested with difficult decision making and requirement of discretion. The response suggested a balance of clear performance areas and scope to fund the necessary discretion as well as documentation of the difficulties involved - in order to finally arrive at an assessment of how the individual concerned is performing.

The Congress passes the budget at the beginning of the year after the OPM together with the Budget Office has determined the pay level increase factors relating to the cost of living and cost of labour are considered for locality pay areas. The OPM strategy is rigor in entry assessments and usually makes the criteria for employee removal less frequently used. The doctors are generally highest rated professionals in USA.



Judge WL Seriti, Mr Neil Reichenberg of International Public Management Association for Human Resource; Prof P Sithole, and Mr P Makapan during the visit to Washington

International Public Management Association for Human Resources (IPMA) is the premier public association that has existed for over 100 years ago and it is having a membership of 8 000 members most in US and others in 25 countries. Is a partner with the United Nations in setting public sector HR managers network in Africa. The Association has several international initiatives and training programmes, conferences and HR certification.

IPMA model is driven by being an HR Expert that is supported by three core values that includes, Business Partner, Change Agent and Leadership. This is over and above the normal HR expertise expected of an HR Specialist. IPMA provide a 2 day Managing Employee Performance programme, selected seminars, and development of HR certificate program for HR professionals. IPMA further offers two designations namely, IPMA-CP and IPMA-CS. IPMA conduct HR related issues research and issues reports and most are available to members for free.

The engagement with the stated two organizations was facilitated by the set of questionnaires sent to the organizations relating to performance management remuneration and determinations of remuneration of POB's in USA. It was clear that the US system is such that the remuneration of public office bearers is business of Congress (their National Parliament) and the counterparts at other level of government.

9.2.2 United Kingdom (UK) visit

The Commission represented by Judge WL Seriti, Mrs MV Phiyega, Dr M Bussin, and Mr P Makapan on a benchmarking visit to United Kingdom during the week of 02 to 08 July 2011. The Commission met with the following organizations:

- Department for Communities and Local Government
- Deputy High Commissioner South Africa House
- Senior Salaries Review Body Secretariat, Office of Manpower Economics
- Economic Domestic Affairs Secretariat in Cabinet Office
- Independent Parliament Service Standard
- Ministry of Justice



Ms MV Phiyega, Dr M Bussin, Ms E Daamse, Judge WL Seriti, Ms B Qwabe – Deputy High Commissioner and Mr P Makapan during the courtesy visit to the High Commissioner of South Africa, London

The lessons learned from the visit are that Councilors are seen as volunteers, community champions and must have other employment elsewhere. Councils are independent of central Government and they are accountable to their electorate rather than Government and are required by law to establish and maintain an Independent Remuneration panel. Councilors' allowances are not linked to performance and Councilors have indemnity and public liability insurance.



Ms MV Phiyega, Dr M Bussin, Ms E Daamse, Judge WL Seriti, Ms B Qwabe – Deputy High Commissioner and Mr P Makapan during the courtesy visit to the High Commissioner of South Africa, London

The guiding principles on allowances are that no public representatives should earn more than the Prime Minister. Ministers are currently paid exactly the same and are on "artificially" low salaries relative to senior civil service posts. Ministers are moved around frequently, on average of 18 months or so and some do not take salaries other than their MP salary. Performance remuneration pay is seen as "problematic" due to measurement difficulties.

Judicial positions remuneration is determined with other senior positions in government, like, senior civil servant, senior officers of armed forces and National Health Service. Each institution has its own job evaluation system and pay scales.

ANNUAL REPORT **20**



Commission meeting with representatives from Ministry of Justice, Mr Ian Gray

The broad set of responsibilities of Ministry of Justice includes management of judicial pension scheme, strategic input and submission of evidence to the senior salary review body. Pension plays an important factor in attraction and retention of Judges. Performance does not play a role in salary movement, and good performance management system is currently under investigation



Commission meeting with representatives from Economic Domestic Affairs Secretariat in Cabinet Office (EDS), Mr Jonathan Eddy and Mr Ben Parker

"Civil servanting" is seen as much more professional now, which puts less emphasis on differences between private and public sector. "Gainsharing" is in place for all civil servants where 10% of remuneration is put at risk and it has to be earned back.



Commission meeting with representatives from Independent Parliament Service Standard (IPSA), Mr John Sills and Mr Scotch Ulrich

The type of skill set required for support staff on review Commissions; governance of the Commission/ board; and relationship of Commission/board with its Executive/Administration were also learned.



Dr Bussin, Judge Seriti, and Mr Makapan during the Commission visit to UK

73

The findings from all international visits will be consolidated and be discussed in future for preparation of performance based remuneration project.



Mr P Makapan - Head of Secretariat leaving London



ANNEXURES



ANNEXURES

LI LITTI A LA

LEGGONGOCKER

No.	Item	Page No.
Α	Commission Programme for 2011	79
В	Meeting attendance registers	80

ANNUAL REPORT 2011

-

ANNEXURE A: COMMISSION PROGRAMME FOR 2011

- - h h h h

and all applied and

DATE	ΑCTIVITY	VENUE			
8 - 16 January 2011	Visit to USA	Washington, USA			
4 February 2011	Commission meeting	Midrand			
14 February 2011	Secretariat meeting with officials from Salga	Pretoria			
18 February 2011	Briefing session with service providers on tender for a review of local government remuneration, benefits and allowances Pretoria				
11 March 2011	Meeting with National House of Traditional Leaders	Pretoria			
4 April 2011	Induction meeting	Pretoria			
5 April 2011	Tender Evaluation Committee meeting	Pretoria			
8 April 2011	Commission meeting	Midrand			
15 April 2011	Judiciary subcommittee	Pretoria			
15 April 2011	Meeting with JOASA and ARMSA	Pretoria			
6 May 2011	Secretariat meeting with officials from National Treasury	Pretoria			
27 May 2011	Judiciary subcommittee	Pretoria			
28 May 2011	Commission meeting / Strategic workshop	Kameeldrift			
30 May 2011	Secretariat meeting with officials from Salga and Department of Cogta	Pretoria			
7 June 2011	Meeting with Chief Whips Forum and visit to Parliamentary village	Cape Town			
15 June 2011	Tender Evaluation Committee meeting	Pretoria			
17 June 2011	Secretariat meeting with Task Team from National and Provincial House of Traditional Leaders	Mafikeng			
24 June 2011	Meeting with Speakers' Forum	Durban			
1 July 2011	Commission meeting	Midrand			
2 – 9 July 2011	Visit to United Kingdom	London, UK			
11 July 2011	Meeting with Legislature Sector's Forum	Johannesburg			
20 July 2011	Delivery of the Annual Recommendations to the President of RSA	Pretoria			
21 July 2011	Delivery of the Annual Recommendations to the Speaker of NA and Chairperson of NCOP	Pretoria			
28 July 2011	Meeting with KZN Legislature	Pietermaritzburg			
17 August 2011	Secretariat meeting with officials from Gems, National Treasury and National House of Traditional Leaders	Pretoria			
26 August 2011	Commission Press Conference	Pretoria			
17 September 2011	Commission meeting	Midrand			
14 October 2011	Meeting with the Minister of DPSA	Centurion			
17 October 2011	Meeting with the Premier of Eastern Cape and MEC of Cogta	Bisho			
18 October 2011	Meeting with Lower Courts Remuneration Committee	Pretoria			
21 October 2011	Meeting with Legislature Sector's Forum	Johannesburg			
26 October 2011	Meeting with the Premier of Kwazulu-Natal and MEC of Cogta	Pietermaritzburg			
2 December 2011	Commission meeting	Midrand			

ANNUAL REPORT 2011

•

ANNEXURE B:

MEETING ATTENDANCE REGISTERS

ATTENDANCE OF COMMISSION MEETINGS IN 2011											
Name	04 Feb	08 April	28 May	01 Jul	17 Sep	02 Dec					
Commissioners											
Judge LW Seriti	Р	Р	Р	Р	Р	Р					
Ms MV Phiyega	N/A	Р	Р	Р	Р	Р					
Ms N Newton-King	Р	N/A	N/A	N/A	N/A	N/A					
Dr HMR Bussin	Р	Р	Р	Р	A	Р					
Prof P Sithole	A	Р	Р	Р	Р	Р					
Ms P Buthelezi	A	N/A	N/A	N/A	N/A	N/A					
Mr B Mosley-Lefatola	A	A	Р	А	A	A					
Mr C Economou	N/A	Р	Р	Р	Р	A					
Adv HFN Sephoti	N/A	Р	Р	A	Р	Р					
Secretariat											
Mr PM Makapan	Р	Р	Р	Р	Р	Р					
Mr D van der Vyver	Р	Р	Р	Р	Р	N/A					
Adv NB Dawood	Р	Р	Р	N/A	N/A	N/A					
Ms D Mfulwane	N/A	N/A	N/A	N/A	Р	Р					

P: PRESENT A: APOLOGY N/A:

NOT APPOINTED DURING THAT PERIOD NR: NOT REQUIRED TO ATTEND

ATTENDANCE OF STAKEHOLDERS MEETINGS - 2011

MAGENGGGG

and a subscript of a

JANUARY – JUNE 2011													
Name	08 - 16 Jan	14 Feb	18 Feb	11 Mar	04 Apr	05 Apr	15 Apr	06 May	30 May	07 Jun	15 Jun	17 Jun	24 Jun
Judge LW Seriti	Р				Р		Р			Р			Р
Ms MV Phiyega					Р		Р						Р
Dr HMR Bussin							Р			Р			
Prof P Sithole	Р			Р		Р					Р		
Mr B Mosley-Lefatola				Р									
Mr C Economou					Р					Р	Р		
Ms HFN Sephoti					Р		Р						
Mr P Makapan	Р	Р	Р		Р	Р		Р	Р	Р	Р	Р	Р
Mr D van der Vyver		Р	Р	Р	Р	Р		Р	Р	Р		Р	Р
Adv NB Dawood					Р		Р	Р					

JULY – DECEMBER 2011												
Name	02 – 09 Jul	11 Jul	20 Jul	21 Jul	28 Jul	17 Aug	26 Aug	14 Oct	17 Oct	18 Oct	21 Oct	26 Oct
Judge LW Seriti	Р		Р	Р	Р		Р	Р	Р	Р		
Ms MV Phiyega	Р		Р				Р			Р	Р	
Dr HMR Bussin	Р	Р	Р				Р	Р			Р	
Prof P Sithole							Р		Р			Р
Mr B Mosley-Lefatola												
Mr C Economou		Р	Р								Р	
Adv HFN Sephoti								Р				Р
Mr P Makapan	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р
Mr D van der Vyver		Р	Р	Р	Р	Р	Р					
Ms D Mfulwane										Р		

ANNUAL REPORT 2011

•

SUBCOMMITTEE MEETINGS 2011										
Executive, National Parliament and Provincial Legislature Subcommittee										
Name	Date Date									
Justice LW Seriti	No meeting of the subcommittee was held during the period									
Mr C Economou										
Mr P Makapan										
Judiciary Subcommittee										
Name	15 April	27 May								
Ms MV Phiyega	Р	Р								
Dr HMR Bussin	Р	Р								
Ms HFN Sephoti	Р	Р								
Adv NB Dawood	Р Р									
Local Gov	vernment and Traditional Leaders Subc	ommittee								
Name	Date	Date								
Prof. P Sithole	No meeting of the subcommittee was held during the period									
Mr B Mosley-Lefatola										
Ms HFN Sephoti										
Mr D van der Vyver										