

GOVERNMENT NOTICE

THE PRESIDENCY

No. 692

29 August 2011

THE INDEPENDENT COMMISSION FOR THE REMUNERATION OF PUBLIC OFFICE BEARERS



ANNUAL RECOMMENDATIONS FOR 2011/2012

A handwritten signature in black ink, located at the bottom right of the page.

INDEPENDENT COMMISSION FOR THE REMUNERATION OF PUBLIC OFFICE BEARERS

PART A

1. ANNUAL REMUNERATION RECOMMENDATION FOR THE PUBLIC OFFICE-BEARERS FOR 2011/2012

1.1 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.

1.2 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

1.2.1 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 is expected to average 4,7% in 2011.



- 1.2.2 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 recommends a **5%** salary increase for public office bearers for the year 2011/2012 effective from 01st April 2011.
- 1.2.3 The Commission attaches its recommendations, which reflect the general percentage increase of **5%** in the total remuneration packages of all Public Office-Bearers for the 2011/2012 fiscal year.

2. ONCE-OFF GRATUITY FOR NON-RETURNING LOCAL COUNCILORS

- 2.1 The Commission further recommends 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 should 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.



SCHEDULE 1				
REVISED REMUNERATION LEVELS ADJUSTED BY 5% WITH EFFECT FROM 1 APRIL 2011				
NATIONAL EXECUTIVE AND DEPUTY MINISTERS				
GRADE	PAY LEVEL	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
PB	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	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 Committees	902,141	947,248
		Deputy Chief Whip: Majority Party	902,141	947,248
		Chief Whip: Largest Minority Party	902,141	947,248
		Leader of a Minority Party	902,141	947,248
LD	1	Parliamentary Counsellor to a King	802,873	843,017
		Whip	802,873	843,017
	2	Member of Provincial Legislature	777,059	815,912



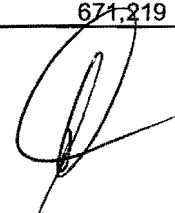
SCHEDULE 4				
REVISED REMUNERATION LEVELS ADJUSTED BY 5% WITH EFFECT FROM 1 APRIL 2011				
LOCAL GOVERNMENT				
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION 1 APRIL 2010	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2011
MA	1	Executive Mayor	943,919	991,115
		Mayor	943,919	991,115
MB	1	Deputy Executive Mayor	765,087	803,341
		Speaker/Chairperson	765,087	803,341
		Deputy Mayor	765,087	803,341
MC	2	Member of Executive Council	720,441	756,463
		Member of Mayoral Committee	720,441	756,463
		Chairperson of a Sub-council	720,441	756,463
		Whip	720,441	756,463
MD	1	Municipal Councillor	362,777	380,916



SCHEDULE 5				
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: Supreme 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



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				
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
TB	1	Chairperson: NHTL	625,787	657,077
	2	Full time Chairperson: PHTL	515,420	541,191
	3	Deputy Chairperson: NHTL	478,631	502,563
	4	Full time Deputy Chairperson: PHTL	441,718	463,803
TC	1	Full time Member: NHTL	257,648	270,530
	2	Full time Member: PHTL	220,859	231,902
TD	1	Senior Traditional Leader	161,996	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
<p>* 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)</p>				

PART B**RECOMMENDATION FOR HEADMEN/HEADWOMEN REMUNERATION****1. PURPOSE**

- 1.1 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.
- 1.2 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.
- 1.3 Following a consideration of relevant information presented to it, the Commission sets out its recommendations on the remuneration of Headmen/Headwomen in this document.

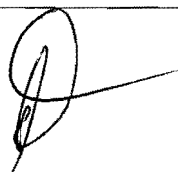
2. ISSUES OF CONCERN

- 2.1 In working through the issues it needs to determine in order to make final recommendations, the Commission discovered that:
- 2.1.1 It was extremely difficult to determine with any certainty the number of Headmen/Headwomen in the Provinces;
- 2.1.2 Some Provinces paid much higher stipends to Headmen/Headwomen than others;
- 2.1.3 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.

3. VERIFIED DATA ON HEADMEN/HEADWOMEN

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

NO	PROVINCE	REMUNERATION		NUMBER EMPLOYED	
		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
6.	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 Verified information					7 219



4. APPROPRIATE LEVEL OF STIPEND FOR HEADMEN/HEADWOMEN

- 4.1 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**.
- 4.2 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.

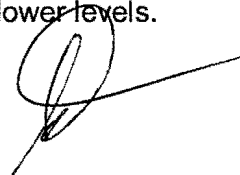
5. FINANCIAL IMPLICATIONS

- 5.1 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

6. RECOMMENDATION

- 6.1 The Commission noted the following:
- 6.1.1 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.
- 6.1.2 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.
- 6.1.3 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.
- 6.2 In the above circumstances the Commission recommends the following:
- 6.2.1 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.



- 6.2.2 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.
- 6.2.3 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".
- 6.2.4 The implementation of the Commission's recommendations should be left to the Provinces. **In this regard:**
- 6.2.4.1 Provinces should determine with certainty how many Headmen/Headwomen are in each Province and what functions are performed by each.
- 6.2.4.2 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.
- 6.2.4.3 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.
- 6.2.4.4 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.
- 6.2.4.5 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.

Signed at Pretoria on this 16th day of August 2011.



Judge LW Seriti
Chairperson