

DEPARTMENT OF DEFENCE

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Defence Force Service Commission
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**RECOMMENDATION BY THE DEFENCE FORCE SERVICE COMMISSION PAY AND
SERVICE BENEFITS COMMITTEE (DFSC-PSBC) ON THE DELINKING SALARY FROM
RANK**

INTRODUCTION

1. The Defence Force Service Commission (DFSC) was established in terms of Section 62 of the Defence Amendment Act 22 of 2010. Section 62 (B) (1) (a) determines that the DFSC must, amongst other functions and on an annual basis, make recommendations to the Minister on improvements of salaries and service benefits of members. For purposes of making such recommendations, the DFSC should enquire into or conduct research on conditions of service, consult with various internal DOD primary stakeholders, consider representations made to the Commission, consult with National Treasury and consider, among others, the rank structure of the Defence Force, the affordability of different levels of remuneration, current principles and levels of remuneration in the Public Service and inflationary increases [Section 62 (B) (1) (d)]. The Minister of Defence and Military Veteran (MODMV), after receiving recommendations from the Commission in terms of Sec 62B(4) the MODMV, in consultation with the Minister of Finance, determines the conditions of service for members of the Defence Force.

2. In line with Section 62(B) (1) (a) of the Act the DFSC-PSBC is mandated by the DFSC to review pay and service benefits of the South African National Defence Force (SANDF) members and make recommendations to the DFSC Plenary based on research, consultations with internal DOD key stakeholders and external experts, other Government Departments as well as findings of the consultative visits to the SANDF Units/Bases in order to formalise a recommendation to the MODMV on Delinking Salary from Rank for members of the SANDF.

3. The importance of Delinking Salary from Rank in the SANDF was articulated by the former Minister of Defence and Military Veterans Lindiwe Sisulu on 17 May 2012 to the National Assembly during her budget vote when she said "Essentially we are de-linking salaries from rank. Because of the sheer size of the Defence Force a great number of our soldiers are trapped in particular ranks with no prospect of improvement of their salaries".

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4. Subsequently, the Defence Force Service Commission was tasked to deal with the matter of Delinking Salary from Rank.

5. In the 2013/14 financial year, the DFSC developed a model for delinking salary from rank. The proposed model was based primarily on the United States of America Defence Forces' pay tables, which had pay grades for different ranks, recognising years of service with overlapping salary bands.

6. On 10 January 2013, the full cost of the model was estimated at Rbn1, 45 in addition to the HR budget. The model was deemed to be unaffordable for the SANDF and the DFSC was then tasked to explore alternative models or implementation strategies.

7. In February 2013, the Military Command Council approved the DOD HR Charter and the Defence Review 2014 was approved by Cabinet in March 2014.

8. Both these documents provide plans for the future SANDF and in particular the HR Charter, the human resource management aspect of the SANDF. It is because of this that the DFSC-PSBC is of the opinion that Delinking of Salary from Rank will provide an interim solution to stagnation while the Defence Review and the DOD HR Charter will provide a more permanent solution to challenges associated with salary stagnation.

9. With that being said, officials of the DFSC-PSBC participated in consultative visits to SANDF bases/units during the 2015/16 financial year. During these visits, members of the DFSC-PSBC noted remuneration concerns and challenges raised by SANDF members so as to inform the decision making processes of the committee when making recommendations to the DFSC Plenary Board.

10. Furthermore the DFSC-PSBC participated in benchmarking exercises to the Botswana Defence Forces (BDF), Tanzania People's Defence Forces (TPDF), Namibian Defence Forces (NDF), and Zimbabwe Defence Force (ZDF). During these benchmarking visits, the subject of Delinking Salary from Rank was one of the significant topics which were raised and discussed with the different Defence Forces.

AIM

11. The aim of this report is to present to the Defence Force Service Commission Plenary, a recommendation on Delinking Salary from Rank for members of the South African National Defence Force in order to address the predicament of soldiers that are trapped in particular ranks with no prospect of improvement of their salaries.

SCOPE

12. This report considers DFSC's previous recommendation on Delinking of Salary from Rank. The report concludes with the DFSC-PSBC findings and recommendations on the Delinking of Salary from Rank for the SANDF.

13. Recommendations contained in this report are for members who are employed in terms of the Defence Act, excluding members covered by OSDs.

FACTORS CONSIDERED FOR DELINKING SALARY FROM RANK

14. The DFSC-PSBC considered the Defence Review as approved by Cabinet, the DOD HR Charter as approved by the Military Command Council, presentations, comments, uniqueness of the SANDF and inputs made by stakeholders it interacted with internally and the external benchmarking exercises undertaken by both the Interim National Defence Force

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Service Commission and the Defence Force Service Commission. Furthermore the committee also considered factors which are stipulated in section 62B (viii) of the Defence Amendment Act. The factors that were considered are:

- a. The rank structure of the Defence Force;
- b. The affordability of different levels of remuneration of the Defence Force;
- c. Current principles and levels of remuneration in the public service generally; and
- d. Inflationary increases.

HR CHARTER AND THE DEFENCE REVIEW

15. Currently in the SANDF, the compulsory exit age is 60 years, which in our view compounds, amongst others, the challenges faced with promotion and salary stagnation.

16. Principles contained in the HR Charter which relate to the structure, remuneration and salary stagnation of members and how the HR Charter seeks to address such challenges are as follows:

- a. The Rank-Age policy is linked to Corps and mustering requirements that inform military personnel in respect of their individual career path and exit stages (members who have reached a career plateau).
- b. Exit stages and the progression or stagnation of members are supported by an attractive exit mechanism (including an appropriate benefit structure).
- c. A flexible remuneration system makes provision for broad-banding and limits rank inflation.
- d. Exit benefits (pension) make provision for compulsory preservation of pensions for those who exit the organisation before the retirement dates.
- e. A flexible remuneration system makes provision for broad-banding and limits rank inflation.

17. The objectives of the DOD HR Charter have been incorporated into the Defence Review 2014.

18. More importantly, the Defence Review envisages the desired personnel component of the SANDF to be the following:

- a. 90 000 Regular Force
- b. 82 000 Reserve Force
- c. 17 000 Defence Civilians (excludes civilians employed in the Defence Secretariat and Ministry of Defence)

19. In order to achieve sustainability, the Defence Review commands that the compensation for employees must not exceed 40%.

20. For 2015/16 financial year, the HR budget accounted for 55.6% (Rbn 24, 7) of the total defence budget (Rbn 44). This requires the DOD to decrease its HR budget by 15.6% in relation to its total defence budget over a specific period.

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21. Notwithstanding the current and projected future of the South African economy, Public Service wage bill concerns, budget cuts and the effect they have on the DOD HR budget, members who are affected by salary stagnation cannot be expected to make unreasonable sacrifices which currently and will in the future affect their private lives.

22. It is important to also note that Reserve Force members are currently and will in future be part of the SANDF; therefore the DFSC-PSBC cannot neglect similar concerns which have been raised by both members and the Reserve Force Council relating to salary stagnation.

23. The DFSC-PSBC also took these factors into consideration when recommendations on Delinking Salary from Rank were made.

CURRENT REMUNERATION MODEL**PERMANENT FORCE**

24. The SANDF's current model is similar to that of the Public Service with a few notable differences.

25. The SANDF's remuneration model consists of 5 dispensations which are:

- a. Senior Management Service (SMS – For Generals)
- b. Middle Management Service (MMS – For Colonels)
- c. Occupational Specific Dispensation (OSD)
- d. Grades A1-D1 (Private to Lieutenant Colonel)
- e. Personnel Management Code (PMC)

26. In the SANDF, a member may progress from the first notch of their respective rank through the pay progression system to the last notch of that salary scale/grade linked to the rank. When this occurs, one would stop progressing and become stagnated until they are promoted to the next rank, the processes would be repeated for the new rank after promotion.

27. The current structure, where salaries overlap, means that a member could reach the top notch of their respective rank in five years. An example of this can be seen in the illustration 1 below when a member who has been a Private for twelve years is promoted to the rank of Lance Corporal.

28. For a member to progress in their respective rank, that member's performance would have to be at least satisfactory and would have had to have spent a period of twelve months in that rank.

29. Some of the salary scales in the SANDF model overlap, unlike in the Public Service. Example of this overlap of salaries is demonstrated in the illustrations below:

CONFIDENTIAL**Illustration: 1**

Salary/Package	Rank	Salary/Package	Rank
R 821 820	COL (C7-2)	375084	WO 1
R 805 704		367731	
R 789 906		360522	
R 774 411		353454	
R 759 231		346521	
R 744 345		339726	
R 729 750		333063	
R 715 443		326538	
R 701 409		320133	
R 687 660		313854	
R 674 178	COL (C7-1)	307671	WO 2
R 660 957		301671	
R 648 000		295752	
R 635 298		289953	
R 622 836		284271	
R 610 626		278694	
R 598 647		273231	
R 586 914		267864	
R 466 368	LT COL	262620	SSGT
R 457 224		257466	
R 448 260		252420	
R 439 470		247470	
R 430 860		242625	
R 422 406		237867	
R 414 129		233196	
R 406 005		228630	
R 398 046		224142	
R 390 240		219750	SGT
R 382 587	MAJ	215439	
R 375 084		211218	
R 367 731		207078	
R 360 522		203013	
R 353 454		199035	
R 346 521		195129	
R 339 726		191310	
R 333 063		187557	
R 326 538		183873	
R 320 133		180270	Cpl
R 313 854		176739	
R 307 671		173274	
		169875	
		166548	
		163278	L Cpl
		160077	
		156933	
		153858	
		150843	
		147888	Pte
		144990	
		142143	

RESERVE FORCE

30. The Reserve Force members on Grade B1-C7-2 do not have a way of progressing within their respective ranks as their salaries are calculated on a single fixed daily allowance per rank.

31. These daily allowances are adjusted annually with the Cost of Living Adjustment instruction.

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32. Scales from the 2016/17 financial year for reserve force members on grades B1-C7-2 are presented as an example on table below.

TABLE 1: SCALES FOR RESERVE FORCE MEMBERS, FY 2016/17

SER NO	GRADE	MUSTERING	DAILY TARIFF
1	B1	Private (Std 8)	R 511.21
2	B1	Private (Std 10)	R 511.21
3	B1	Private (Std 8 plus 1)	R 511.21
4	B2	Lance Corporal	R 553.35
5	B3	Corporal	R 598.98
6	B4	Sergeant	R 661.31
7	B5	Staff Sergeant	R 759.64
8	B6	Warrant Officer	R 907.84
9	B7	Warrant Officer	R 1084.96
10	C1	Cadet Officer 1st	R 553.35
11	C3	Lieutenant	R 701.79
12	C4	Captain	R 907.84
13	C7-1	Colonel	R 1730.19
14	B5	Senior Chaplain	R 759.64

33. This is also the case for musicians who fall within the Reserve Component in the SANDF; it is to be noted that, as stated in paragraph 13 above, members on OSD were excluded from this recommendation and its process.

34. The absence of a system for Reserve Force members to progress within their ranks suggests that members will remain stagnated up until such time they are promoted to the next rank.

ANALYSIS OF CURRENT DATA PER RANK GROUP OF MEMBERS WHO ARE CURRENTLY AFFECTED BY SALARY STAGNATION

35. The DFSC-PSBC analysed data with the intention of determining the possible cause of salary stagnation. The analysis was done per rank group with data received from State Information and Technology Agency (SITA) (based on PERSOL data as at 31 May 2016) on the current statistics of members in the SANDF who are affected by salary stagnation, year of retirement, years of service in rank and full years of service of members are summarised in the tables and graph below.

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TABLE 2: YEARS OF SERVICE IN RANK

RANK	YEARS OF SERVICE IN RANK										GRAND TOTAL
	0-3	4-7	8-11	12-15	16-19	20-23	24-27	28-31	32-35		
Gen/Adm		1								1	
Lt Gen/V Adm	8	1	1							10	
Maj Gen/R Adm	25	8	8	1						42	
Brig Gen/R Adm (JG)	78	53	16	9	4					160	
Col/Capt (SAN)	235	224	139	118	74	20				810	
Lt Col/Cdr	615	587	432	193	112	39	1			1979	
Maj/Lt Cdr	999	793	255	90	32	6	3	1		2179	
Capt/Lt (SAN)	1314	492	80	36	10	2				1934	
Lt/S Lt	636	190	12	1	1					840	
2 Lt/Esn	101	21	2							124	
WO1	499	509	498	573	332	98	28	5		2542	
WO2	1049	770	457	479	106	12	2	2		2877	
S Sgt/F Sgt/CPO	2003	2013	1603	923	212	48	19	8	1	6830	
Sgt/PO	3175	2403	1414	846	225	46	10	4	1	8124	
Cpl/LS	4477	3899	1264	566	335	153	13			10707	
L Cpl/AB	3500	1960	288	178	155	85	7			6173	
Pte/Amn/Sea	2421	4359	2441	114	994	2645	388	125	6	13493	
Chief Pioneer				1						1	
Sen Pioneer						3				3	
Pioneer						4	20	1	8	33	
Cpln	25	31	19	30	13	11	3	1		133	
Grand Total	21160	18314	8929	4158	2605	3172	494	147	16	58995	
Percentage	35.87%	31.04%	15.14%	7.05%	4.42%	5.38%	0.84%	0.25%	0.03%		

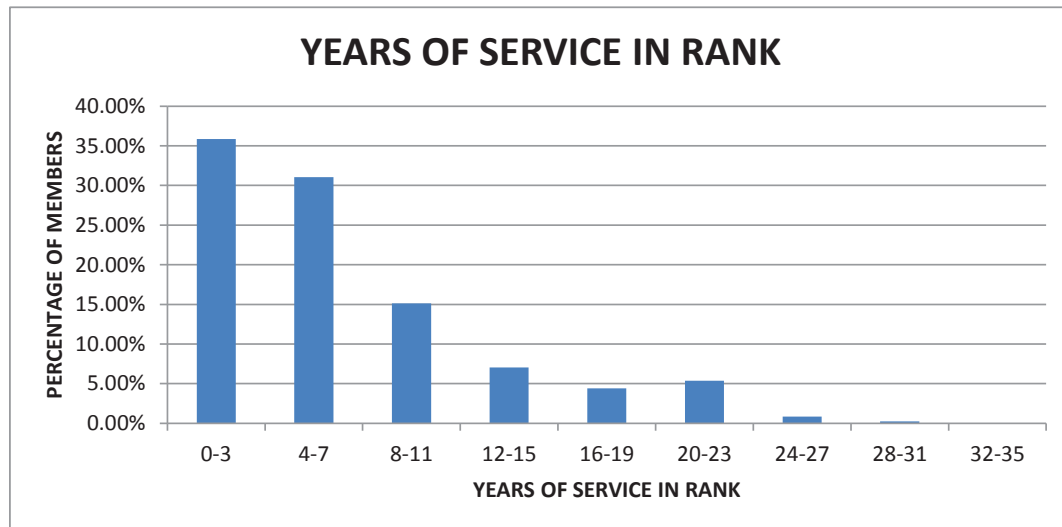
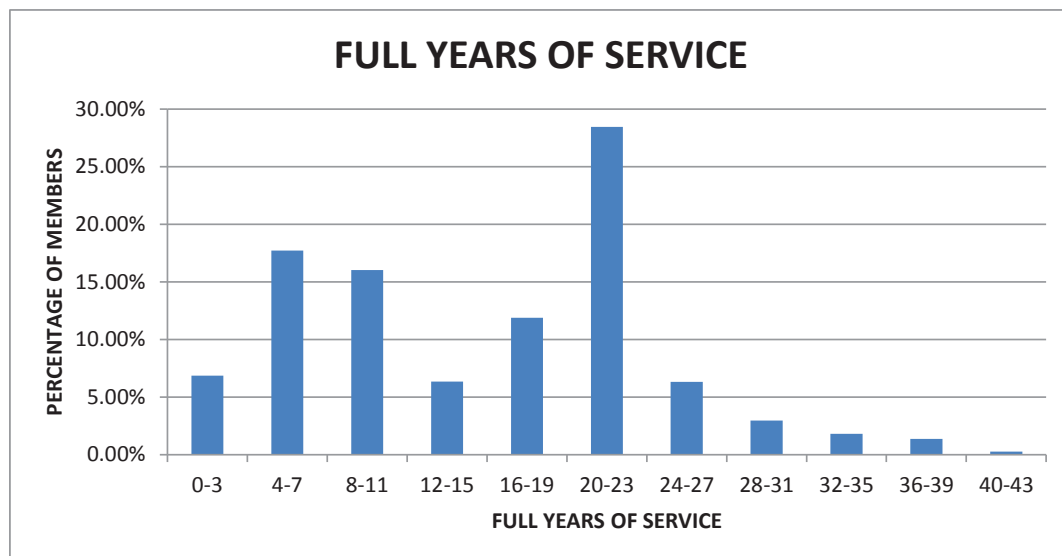
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TABLE 3: FULL YEARS OF SERVICE

RANK	FULL YEARS OF SERVICE												GRAND TOTAL
	0-3	4-7	8-11	12-15	16-19	20-23	24-27	28-31	32-35	36-39	40-43		
Gen/Adm						1						1	
Lt Gen/V Adm						10						10	
Maj Gen/R Adm					2	30	1		2	5	2	42	
Brig Gen/R Adm (JG)		1		2	17	83	10	8	11	21	7	160	
Col/Capt (SAN)		2	5	15	129	302	69	77	72	110	29	810	
Lt Col/Cdr	1	7	11	94	476	716	341	163	98	64	8	1979	
Maj/Lt Cdr	5	12	118	475	565	772	164	51	11	6		2179	
Capt/Lt (SAN)	8	181	731	462	218	294	36	4				1934	
Lt/S Lt	28	292	292	78	42	102	6					840	
2 Lt/Esn	14	61	42	7								124	
WO1		4		8	179	672	378	376	392	441	92	2542	
WO2		3	7	50	490	1125	573	327	215	79	8	2877	
S Sgt/F Sgt/CPO	8	30	216	634	1459	3258	753	275	135	56	6	6830	
Sgt/PO	83	424	1790	991	1190	3056	403	123	56	7	1	8124	
Cpl/LS	381	3152	2704	668	868	2422	337	128	42	5		10707	
L Cpl/AB	1098	1899	1077	115	376	1284	239	80	3	2		6173	
Pte/Amn/Sea	2399	4352	2450	113	994	2637	409	129	7	3		13493	
Chief Pioneer										1		1	
Sen Pioneer								1	2			3	
Pioneer							12	3	15	3		33	
Cpln	24	30	16	31	12	14	4	1	1			133	
Grand Total	4049	10450	9459	3743	7017	16778	3735	1746	1062	803	153	58995	
Percentage	6.86%	17.71%	16.03%	6.34%	11.89%	28.44%	6.33%	2.96%	1.80%	1.36%	0.26%		

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CONFIDENTIAL**GRAPH 1: YEARS OF SERVICE IN RANK****GRAPH 2: FULL YEARS OF SERVICE**

36. From the tables 2 and 3 and graphs 1 and 2 above, 82.05% of members have spent less than 12 years on their current rank.

37. The current salary scale per rank provides for twelve notches per rank, meaning that approximately 82.05% of members in the SANDF are currently not affected by salary stagnation. Of the total data analysed, only 17.95% have been in ranks for periods longer than twelve years. In terms of full years of service, a peak can be seen in the 20-23 year group which can be attributed to the integration process that was undertaken by the SANDF.

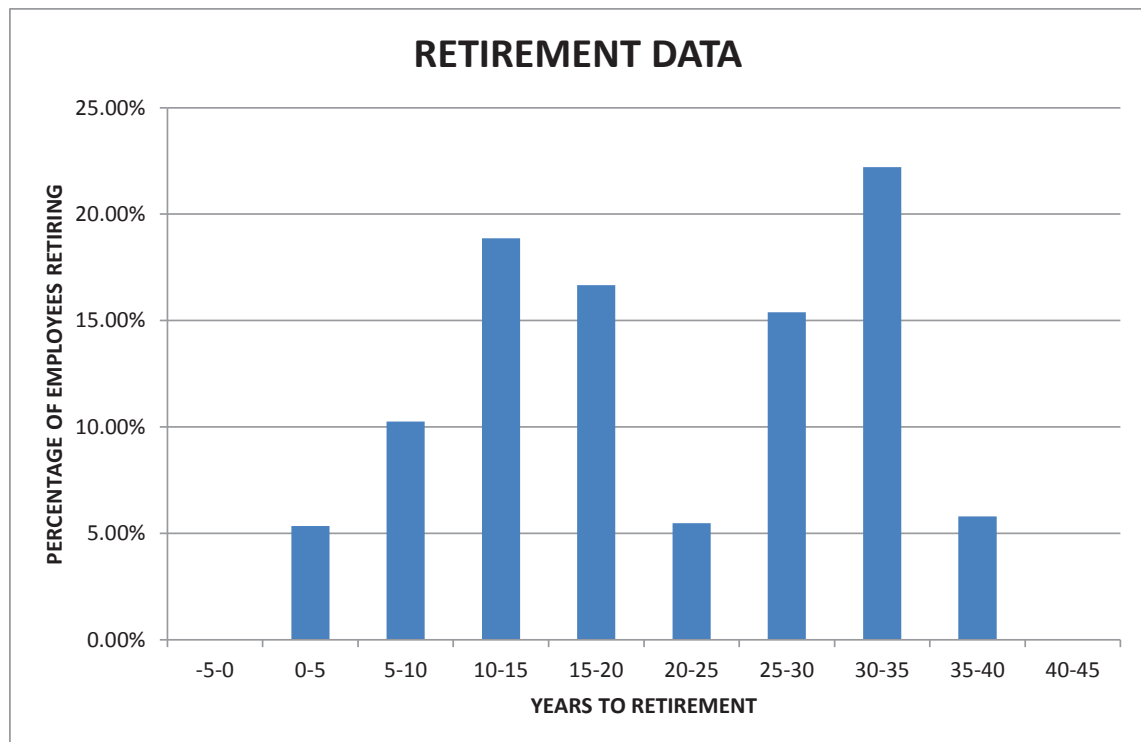
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TABLE 4: RETIREMENT DATA

RANK	YEARS TO RETIREMENT											GRAND TOTAL
	-5-0	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40-45		
Gen/Adm		1									1	
Lt Gen/V Adm		9	1								10	
Maj Gen/R Adm		30	8	3	1						42	
Brig Gen/R Adm (JG)	1	80	39	35	5						160	
Col/Capt (SAN)	1	276	244	194	88	7					810	
Lt Col/Cdr		245	368	590	546	212	18				1979	
Maj/Lt Cdr		53	108	439	721	501	347	10			2179	
Capt/Lt (SAN)		9	31	119	308	290	883	293	1		1934	
Lt/S Lt		1	19	47	70	53	274	363	13		840	
2 Lt/Esn						3	26	75	20		124	
WO1		942	794	544	245	16	1				2542	
WO2		320	708	968	737	128	16				2877	
S Sgt/F Sgt/CPO		439	1115	2057	2006	722	459	32			6830	
Sgt/PO		271	836	1870	1763	647	1908	827	2		8124	
Cpl/LS		181	727	1514	1275	379	2399	3829	403		10707	
L Cpl/AB		80	352	900	617	105	868	2377	874		6173	
Pte/Amn/Sea		175	651	1817	1424	156	1872	5292	2104	2	13493	
Chief Pioneer		1									1	
Sen Pioneer	2	1									3	
Pioneer	9	12	11	1							33	
Cpln		26	33	28	21	14	7	4			133	
Grand Total	13	3152	6045	11126	9827	3233	9078	13102	3417	2	58995	
Percentage	0.02%	5.34%	10.25%	18.86%	16.66%	5.48%	15.39%	22.21%	5.79%	0.00%		

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CONFIDENTIAL**GRAPH 3: RETIREMENT DATA**

38. In the next five years, a considerable number of members in leadership positions will reach the compulsory retirement age and majority of the retirements are in the groups which are currently the most affected by stagnation.

39. The rank groups being referred to in paragraph 38 above are:

- a. Colonel/ Captain (SAN)
- b. Lieutenant Colonel/ Commander
- c. Warrant Officer Class 1
- d. Warrant Officer Class 2
- e. Staff /Flight Sargent/ Chief Petty Officer
- f. Sargent/ Chief Petty Officer
- g. Lance Corporal/ Able Seaman
- h. Private

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CONFIDENTIAL**MEMBERS CURRENTLY AFFECTED BY STAGNATION****TABLE 5: PERMANENT MEMBERS**

RANK	TOTAL NO OF MEMBERS	NO OF AFFECTED MEMBERS	PERCENTAGE
Gen/Adm	1	0	0.00%
Lt Gen/V Adm	10	0	0.00%
Maj Gen/R Adm	42	0	0.00%
Brig Gen/R Adm (JG)	160	6	0.01%
Col/Capt (SAN) C7-2	615	169	0.29%
Col/Capt (SAN) C7-1	195	0	0.00%
Lt Col/Cdr	1979	270	0.46%
Maj/Lt Cdr	2179	145	0.25%
Capt/Lt (SAN)	1934	37	0.06%
Lt/S Lt	840	56	0.09%
2 Lt/Esn	124	0	0.00%
WO1	2542	885	1.50%
WO2	2877	423	0.72%
S Sgt/F Sgt/CPO	6830	843	1.43%
Sgt/PO	8124	800	1.36%
Cpl/LS	10707	790	1.34%
L Cpl/AB	6173	687	1.16%
Pte/Amn/Sea	13493	3773	6.40%
Chief Pioneer	1	0	0.00%
Sen Pioneer	3	0	0.00%
Pioneer	33	0	0.00%
Cpln	133	10	0.02%
Grand Total	58995	8894	15.08%

TABLE 6: RESERVE FORCE MEMBERS

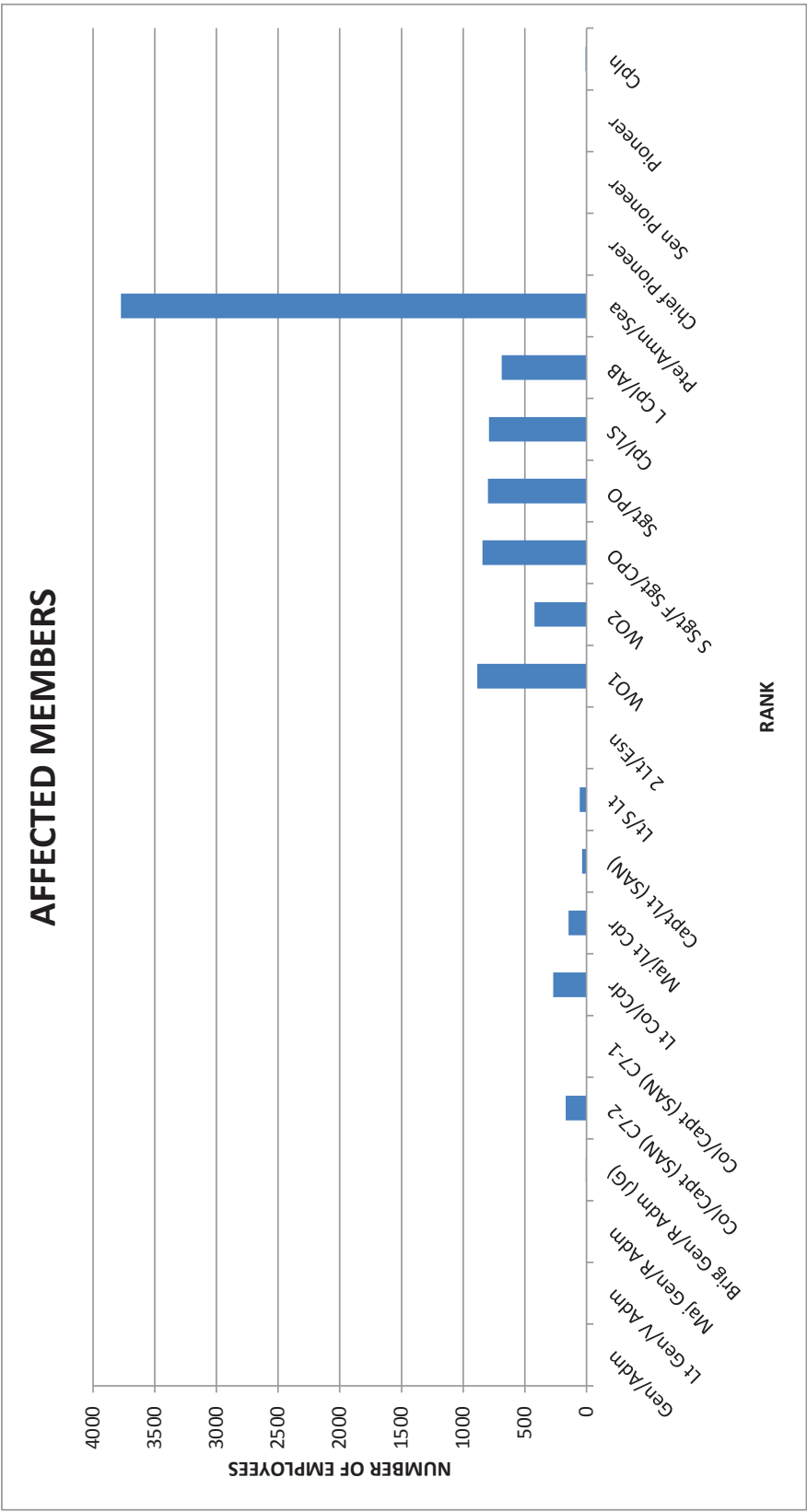
RANK	STRENGTH	ACTIVE STRENGTH (UTILISED IN THE LAST 2 YEARS)
Lt Gen/V Adm	2	1
Maj Gen/R Adm	14	8
Brig Gen/R Adm (JG)	50	25
Col/Capt (SAN)	218	104
Lt Col/Cdr	406	205
Maj/Lt Cdr	381	205
Capt/Lt (SAN)	444	281
Lt/S Lt	447	269
2 Lt/Esn	54	33
WO1	523	323
WO2	404	261
S Sgt/F Sgt/CPO	696	480
Sgt/PO	1 047	721
Cpl/LS	2 233	1 832
L Cpl/AB	2 356	1 861
Pte/Amn/Sea	13 518	9 195
Cpln	124	97
TOTAL	22 917	15 901

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40. The graph below illustrates the current situation.

GRAPH 4: NO OF MEMBERS CURRENTLY AFFECTED



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41. The DFSC-PSBC considered reports by the INDFSC from Russia, USA, UK, and DFSC's reports on Botswana Defence Forces, Namibia Defence Forces, Tanzania Peoples Defence Forces, and Zimbabwe Defence Forces. A summary of lessons learnt on delinking salary from rank from the various Defence Forces on how they deal with stagnation are presented below.

TABLE 7: LESSONS LEARNT

Russia	USA	UK	Botswana	Namibia	Tanzania	Zimbabwe	SANDF
Value of pay and allowances are dependent on rank, years in service and specialisation.	Pay determined by rank, of years of service, duties and skills.	Base pay (based on rank), X factor, specialist pay and retention incentives	The Botswana Defence Force had delinked salary from rank; however they were in the process of reversing this practice due to the unintended consequences of delinking salary from rank. The Botswana Defence Force advised the DFSC not to delink salary from rank.	Remuneration for members is determined on the basis of qualification and experience.	Basic pay makes up the largest portion of most members' salary. Rank and length of service are factors which are used to determine members' basic pay.	ZDF has a unitary salary structure that remunerates every officer and member in terms of rank regardless of professional qualifications. Professionals are paid allowances that are commensurate with their professional qualifications.	Salary is based on rank and length of service on rank level. For members who fall under the OSD and PMC, pay is determined on the basis of qualification and years of service irrespective of rank

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CONFIDENTIAL**LESSONS LEARNT FROM OTHER GOVERNMENT DEPARTMENTS IN SOUTH AFRICA**

42. The DFSC-PSBC also consulted with other Government Departments to ascertain how they deal with salary stagnation, Government Department that were consulted were the Department of Public Service and Administration in terms of the Public Service Resolutions (Public Service Co-ordinating Bargaining Council Resolution 3 of 2009), South African Police Services and the Department of Correctional Services. A summary of lessons learnt from the various Government Departments are presented in table below.

Public Service (RSA)	Department of Correctional Services	South African Police Services
Salary is based appointment/position and length of service on salary level. The Public Service Co-ordinating Bargaining Council (PSCBC) Resolution 3 of 2009 introduced a career pathing and grade progression for identified salary levels. The model was implemented, amongst others, to curb salary stagnation for employees.	<p>A grade progression system exists in the Department of Correctional Services.</p> <p>The Minister for Public Service and Administration determined a grade progression system for Correctional Officials.</p>	<p>A grade progression system exists in the South African Police Services which was affected by the Safety and Security Sectorial Bargaining Council Agreement no 3/2011.</p> <p>This agreement is applicable to officials appointed in terms of South African Police Service Act and the Public Service Act</p>

RECOMMENDATIONS

43. In reaching its decision, the DFSC-PSBC considered the delinking of salary from rank, a once off allowance for the affected members and the option of implementing a grade progression system as an interim measure while a unique SANDF dispensation framework is developed that will be in line with the Defence Review by the DFSC.

44. After analysing the data that is presented above, it is a clear that it is not everyone in the SANDF who is affected by salary stagnation, however only a group which constitutes approximately 15% of the SANDF members.

45. It is thus the DFSC-PSBC's opinion that the solution should target members affected by salary stagnation only.

46. The DFSC-PSBC therefore recommends that the SANDF should not delink salary from rank, instead implement a system that will target the affected members.

47. The proposed structure will be similar to the current grade progression model which is implemented in the general Public Service.

48. It is thus clear that delinking the entire SANDF will not be affordable and is unsustainable.

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49. Nonetheless, delinking the entire SANDF would have cost the DOD Rbn 1,45 in 2013 as opposed to the Rm 87 (Cost breakdown presented below) that has been currently estimated with the implementation of this model.

COST OF PROPOSED STRUCTURE**TABLE: 8 COST OF PROPOSED STRUCTURE**

RANK	NO OF MEMBERS CURRENTLY AFFECTED	TOTAL COST
Gen/Adm	0	R 0
Lt Gen/V Adm	0	R 0
Maj Gen/R Adm	0	R 0
Brig Gen/R Adm (JG)	6	R 149 850
Col/Capt (SAN) C7-2	170	R 9 847 590
Col/Capt (SAN) C7-1	0	R 0
Lt Col/Cdr	270	R 35 020 350
Maj/Lt Cdr	145	R 1 170 585
Capt/Lt (SAN)	37	R 249 972
Lt/S Lt	56	R 590 184
2 Lt/Esn	0	R 0
WO1	885	R 7 144 605
WO2	423	R 2 857 788
S Sgt/F Sgt/CPO	843	R 4 757 049
Sgt/PO	800	R 3 931 200
Cpl/LS	790	R 3 519 450
L Cpl/AB	687	R 2 821 509
Pte/Amn/Sea	3773	R 14 341 173
Chief Pioneer	0	R 0
Sen Pioneer	0	R 0
Pioneer	0	R 0
Cpln	9	R 1 167 345
Grand Total	8894	R 87 568 650

50. The costing presented above does not take into consideration any allowances or the employers' portion of the pension contribution.

51. The calculations for members in the rank of Lt Col were calculated using an inclusive package from the Col rank.

52. From the rank of Private to Col, 2016/17 salary scales were used as opposed to 2015/16 for the rank of Brig Gen and above. This is because of the delay in the pronouncement of cost of living adjustment for SMS members.

53. The DFSC-PBSC also recommends that the SANDF develop a pay progression matrix for Reserve Force members which will allow members to progress to the next notch after 12 months of cumulative service in a rank.

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CONFIDENTIAL**SUMMARY OF PROPOSED MODEL FOR PERMANENT MEMBERS**

54. Since this is not a general salary increase, it should be noted that employees will not benefit equally with the implementation of this salary structure.

55. The model will be based on the following principles:

- a. Completed continuous years of service in a rank and corresponding salary grade,
- b. Recognition of performance

56. SANDF members on any rank who have completed 15 years of continuous service in a particular rank, who have obtained at least a satisfactory rating in their most recent performance assessments, shall progress to the next salary grading.

57. Progressed members would then qualify for pay progression in terms the new salary grade.

58. The implementation of this model will not constitute a promotion, members will still retain their ranks and only the salary will be changed on Persol.

59. In practical terms, this means that when a member is appointed on the rank of Private and is remunerated in terms of Salary Grade B1 (for Private), he/she will be progress and be remunerated in terms of Salary Grade B2 (for Lance Corporal).

60. The DFSC found that, the proposed modified model of the public service will be more beneficial for members as this will also contribute to their pension as opposed to a once off allowance that would not be pensionable.

61. Unlike the Public Service, there won't be any accelerated progression, because the DFSC-PSBC anticipates the completion of a unique dispensation for the SANDF members within 24 months as referred to in paragraph 43 above.

CONCLUSION

62. The DFSC-PSBC's targeted approach to address the challenge of stagnation will allow the SANDF to provide relief where it was intended in a cost effective manner.

(E.L. VAN HARTE)
CHAIRPERSON OF THE DFSC

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