

Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID-AFRIKA

Vol. 533

Pretoria, 12 November 2009

No. 32711

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GOVERNMENT NOTICE

THE PRESIDENCY

No. 1078

12 November 2009

INDEPENDENT COMMISSION FOR THE REMUNERATION OF PUBLIC OFFICE BEARERS

RECOMMENDATIONS ON SALARIES, ALLOWANCES AND BENEFITS OF PUBLIC OFFICE BEARERS FOR THE FISCAL YEAR COMMENCING 1 APRIL 2009

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.
2. On 27 February 2009 the Commission met and resolved to recommend the 2009/2010 annual remuneration for public office bearers. The Commission considered, amongst others, the following factors to be relevant which forms the basis for its recommendations:
3. A link between labour costs and inflation was regarded as a sound basis for making remuneration adjustments.



Commissioners: Judge LW Seriti (Chairperson); Ms AM Mokgabudi (Deputy Chairperson); Ms N Newton-King;
Mr R Martin; Dr MHR Bussin; Dr MP Sithole; Ms P Buthelezi; Mr BK Mosley-Lefatola

Head of Secretariat: PM Makapan

4. The Commission considered the relevant annual and month-on-month CPIX figures, as well as the percentage remuneration increases for executives, mid-management and Public Office Bearers for each year since 2005.
5. The most recent central forecast of inflation by the Reserve Bank indicated that the inflation declined at average of 7.5% in the first quarter of 2009, and further declined to below the upper end of the inflation target range during the third quarter of the year by an average 5.2%. The inflation is then forecast to increase again and to breach the upper end of the target range in the first quarter of 2010. The month-on-month CPIX for April 2008 was 10.4% and for April 2009 was 8.4%.
6. The Commission acknowledges the fact that South Africa like other countries is experiencing the effects of the global economic downturn. Slowing revenue growth, contracted GDP by 6.4% and 3.3% in first quarter and second quarter of 2009 respectively. Revenue collections are expected to decline by approximately R 70 billion in the 2009/10 fiscal year. However, economists predict that the upturn in the economy should reach South Africa by the 4th quarter of 2009.
7. The Reuters consensus survey conducted in December indicates that analysts expect inflation to average 6.4% in 2009 and 5.8% in 2010, and the trend of wage settlements still poses an upside risk to the inflation outlook.
8. According to Andrew Levy Employment Publications, the average level of wage settlements amounted to 9.4% in the first nine months of 2009 compared with 9.6% in the corresponding period of 2008. These increases are consistent with the Quarterly Employment Survey (QES) of Statistics South Africa, which reported that growth in average nominal remuneration per worker in the formal non-agricultural sector of the economy moderated from 11.5% in the first quarter of 2009 to 8.7% in the second quarter. Unit labour cost increases declined from 11.3% in the first quarter to 9.3% in the second quarter.
9. In 2008/2009 the public office bearers' remuneration packages were increased by 11%. In light of the Senior Management Service's increase, world economic difficulties and the decreasing CPIX, it would be justifiable for the Commission to consider the economic realities that the country is facing in determining 2009/2010 remuneration for public office bearers.



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10. It is imperative for the Commission to maintain independence from the public service salary negotiations and other potential distractions in making its recommendations.
11. The Commission duly consulted, as it is statutorily mandated to do, with the Ministers of Finance and of Justice and Constitutional Development, as well as with the Chief Justice of South Africa, before compiling its annual recommendations.
12. The Commission further made courtesy consultations with the Minister of Public Service and Administration and the Minister of Cooperative Governance and Traditional Affairs and received support from both Ministers for the Commission's proposal.
13. The Commission considered the responses received from the relevant Ministers and the Chief Justice in terms of the consultations conducted. All responses received supported the Commission's proposal of 8% cost of living adjustment except for the response received by the Minister of Finance.
14. The Commission considered the views expressed in the response by the Minister of Finance and resolved that the issues raised were previously considered and debated by the Commission.
15. In view of the above the Commission attaches schedules 1, 2, 3, 4, 5 and 6 which reflect the general percentile increase of total recommended remuneration packages of 8% per annum for all Public Office Bearers effective from 1 April 2009.
16. The recommended total remuneration reflected in schedules 1, 2, and 3 include the following elements:
 - 16.1 A basic salary component equal to 60% of the total package, which constitutes the pensionable salary;
 - 16.2 An amount of R 120 000 per annum determined as the amount to which section 8 (1)(d) of the Income Tax Act, 1962, applies. This amount is included in the basic salary component;
 - 16.3 An employer's pension benefit contribution equal to 22.5% of pensionable salary. The remaining 32% of the recommended employer pension benefit contribution will not form part of the total remuneration package. The state

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will be liable to inject the cash on an annual basis into the pension fund (item 16.3 is not applicable to the position of the President); and

- 16.4 A flexible portion of the remaining amount of the total remuneration.
17. The recommended total remuneration reflected in schedule 4 includes the following elements:
- 17.1 A basic salary component equal to 60% of the total package, which constitutes the pensionable salary.
- 17.2 An amount of R 120 000 per annum determined as the amount to which section 8 (1)(d) of the Income Tax Act, 1962, applies. This amount is included in the basic salary component.
- 17.3 A flexible portion of the remaining amount of the total remuneration.
18. The recommended total remuneration reflected in schedule 5 includes the following elements:
- 18.1 A cash annual salary component representing 72.24%; and
- 18.2 A non-cash component of 27.76% (which includes motor allowance and employer medical aid contribution).
- 18.3 The total remuneration structure does not include pension benefits which are separately regulated by the Judges' Remuneration and Conditions of Employment Act, 2001.
19. The recommended total remuneration reflected in schedule 6 includes the following elements:
- 19.1 A basic salary component equal to 60% of the total package, which constitutes the pensionable salary;
- 19.2 An employee's pension benefit contribution to the applicable pension fund; and
- 19.3 A flexible portion of the remaining amount of the total package.

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20. In addition to the recommended total remuneration reflected in schedule 7 the following benefits are recommended to the Traditional Leaders:

20.1 Pension benefits

Traditional Leaders who are full time members of the National House and Provincial House of Traditional Leaders be allowed to join the Political Office Bearers Pension Fund.

20.2 Risk Benefits

Traditional Leaders who are not full time members of the National House and Provincial House of Traditional Leaders who are currently receiving a basic salary are offered additional monthly benefits as follows:

- A Death Benefit with Government contribution of 5% on member monthly premium, and
- A Funeral Benefit with Government contribution of 5% on member monthly premium.

Signed at Pretoria on 12 November 2009.


JUDGE LW SERITI
CHAIRPERSON

Commissioners: Judge LW Seriti (Chairperson); Ms AM Mokgabudi (Deputy Chairperson); Ms N Newton-King; Mr R Martin; Dr MHR Bussin; Dr MP Sithole; Ms P Buthelezi; Mr BK Mosley-Lefatola

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SCHEDULE 1				
REVISED REMUNERATION LEVELS ADJUSTED BY 8% WITH EFFECT FROM 1 APRIL 2009				
NATIONAL EXECUTIVE AND DEPUTY MINISTERS				
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION 1 APRIL 2008	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2009
EA	1	President	2,107,224	2,275,802
EB	1	Deputy President	1,896,546	2,048,270
EC	1	Minister	1,612,053	1,741,017
ED	1	Deputy Minister	1,327,560	1,433,765

SCHEDULE 2				
REVISED REMUNERATION LEVELS ADJUSTED BY 8% WITH EFFECT FROM 1 APRIL 2009				
NATIONAL PARLIAMENT				
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION 1 APRIL 2008	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2009
PA	1	Speaker: National Assembly	1,896,546	2,048,270
		Chairperson: NCOP	1,896,546	2,048,270
PB	1	Deputy Speaker: National Assembly	1,327,560	1,433,765
		Deputy Chairperson: NCOP	1,327,560	1,433,765
	2	House Chairperson	1,232,766	1,331,387
PC	1	Chief Whip: Majority Party	1,043,067	1,126,512
		Chief Whip: NCOP	1,043,067	1,126,512
		Parliamentary Counsellor: President	1,043,067	1,126,512
		Parliamentary Counsellor: Deputy President	1,043,067	1,126,512
		Leader of Opposition	1,043,067	1,126,512
	2	Chairperson of a Committee	948,273	1,024,135
PD	1	Deputy Chief Whip: Majority Party	853,479	921,757
		Chief Whip: Largest Minority Party	853,479	921,757
		Leader of a Minority Party	853,479	921,757
PE	1	Whip	791,985	855,344
		Member: National Assembly	714,618	771,787
		Permanent Delegate: NCOP	714,618	771,787

SCHEDULE 3				
REVISED REMUNERATION LEVELS ADJUSTED BY 8% WITH EFFECT FROM 1 APRIL 2009				
PROVINCIAL EXECUTIVES AND LEGISLATURES				
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION 1 APRIL 2008	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2009
LA	1	Premier	1,517,259	1,638,640
LB	1	Member of Executive Council	1,327,560	1,433,765
		Speaker	1,327,560	1,433,765
LC	1	Deputy Speaker	1,043,067	1,126,512
		Chief Whip: Majority Party	948,273	1,024,135
	2	Chairperson of Committees	853,479	921,757
		Leader of Opposition	853,479	921,757
		Chairperson of a Committee	853,479	921,757
	3	Deputy Chairperson of Committees	802,974	867,212
		Deputy Chief Whip: Majority Party	802,974	867,212
		Chief Whip: Largest Minority Party	802,974	867,212
		Leader of a Minority Party	802,974	867,212
LD	1	Parliamentary Counselor to a King	714,618	771,787
		Whip	714,618	771,787
	2	Member of Provincial Legislature	691,641	746,972

SCHEDULE 4				
REVISED REMUNERATION LEVELS ADJUSTED BY 8% WITH EFFECT FROM 1 APRIL 2009				
LOCAL GOVERNMENT				
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION 1 APRIL 2008	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2009
MA	1	Executive Mayor	840,159	907,372
		Mayor	840,159	907,372
MB	1	Deputy Executive Mayor	680,985	735,464
		Speaker/Chairperson	680,985	735,464
		Deputy Mayor	680,985	735,464
MC	2	Member of Executive Council	641,247	692,547
		Member of Municipal Council	641,247	692,547
		Chairperson of a Sub-council	641,247	692,547
		Whip	641,247	692,547
MD	1	Municipal Councillor	322,899	348,731

SCHEDULE 5				
REVISED REMUNERATION LEVELS ADJUSTED BY 8% WITH EFFECT FROM 1 APRIL 2009				
JUDGES				
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION 1 APRIL 2008	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2009
JA	1	Chief Justice	1,896,546	2,048,270
JB	1	Deputy Chief Justice	1,706,847	1,843,395
		President: Supreme Court of Appeal	1,706,847	1,843,395
JC	1	Deputy President: Supreme Court of Appeal	1,612,053	1,741,017
	2	Judge: Constitutional Court	1,517,259	1,638,640
		Judge: Supreme Court of Appeal	1,517,259	1,638,640
	3	Judge President: High/Labour Court	1,422,465	1,536,262
	4	Deputy Judge President: High/Labour Court	1,327,560	1,433,765
	5	Judge: High/Labour Court	1,232,766	1,331,387

SCHEDULE 6				
REVISED REMUNERATION LEVELS ADJUSTED BY 8% WITH EFFECT FROM 1 APRIL 2009				
MAGISTRATES				
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION 1 APRIL 2008	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2009
JD	1	Special Grade Chief Magistrate	853,479	921,757
		Regional Court President	853,479	921,757
		President: Divorce Court	853,479	921,757
JE	1	Regional Magistrate	758,574	819,260
		Chief Magistrate	758,574	819,260
		Presiding Officer: Divorce Court	758,574	819,260
JF	1	Senior Magistrate	625,818	675,883
JG	1	Magistrate	568,986	614,505

SCHEDULE 7				
REVISED REMUNERATION LEVELS ADJUSTED BY 8% WITH EFFECT FROM 1 APRIL 2009				
TRADITIONAL LEADERS				
GRADE	PAY LEVEL	FULL TIME POSITIONS	TOTAL REMUNERATION 1 APRIL 2008	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2009
TA	1	King	786,080	848,966
TB	1	Chairperson: NHTL	556,998	601,558
	2	Full time Chairperson: PHTL	458,763	495,464
	3	Deputy Chairperson: NHTL	426,018	460,099
	4	Full time Deputy Chairperson: PHTL	393,162	424,615
TC	1	Full time Member: NHTL	229,326	247,672
	2	Full time Member: PHTL	196,581	212,307
TD	1	Senior Traditional Leader	144,189	155,724
		PART TIME POSITIONS*	SITTING ALLOWANCE 1 APRIL 2008 (Per Day)	RECOMMENDED TOTAL REMUNERATION 1 APRIL 2009 (Per Day)
		Part time Member: NHTL	826	892
		Part time Chairperson: PHTL	982	1,061
		Part time Deputy Chairperson: PHTL	884	954
		Part time Member: PHTL	685	740
* 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)				

