



THE INDEPENDENT COMMISSION

FOR THE REMUNERATION

OF

PUBLIC OFFICE BEARERS

ANNUAL REPORT

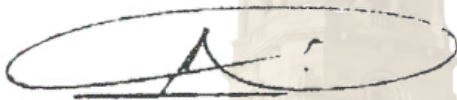
2016

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 2016 to 31 December 2016.

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 CAGNEY JOHN MUSI
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) 300 5735

E-mail: Peterm@presidency.gov.za

Website: www.remcommission.gov.za

Office hours: 08:00 – 16h00; Mon-Fri

A full copy of the Annual Report 2016 is available on the Commission's website at:

<http://www.remcommission.gov.za>

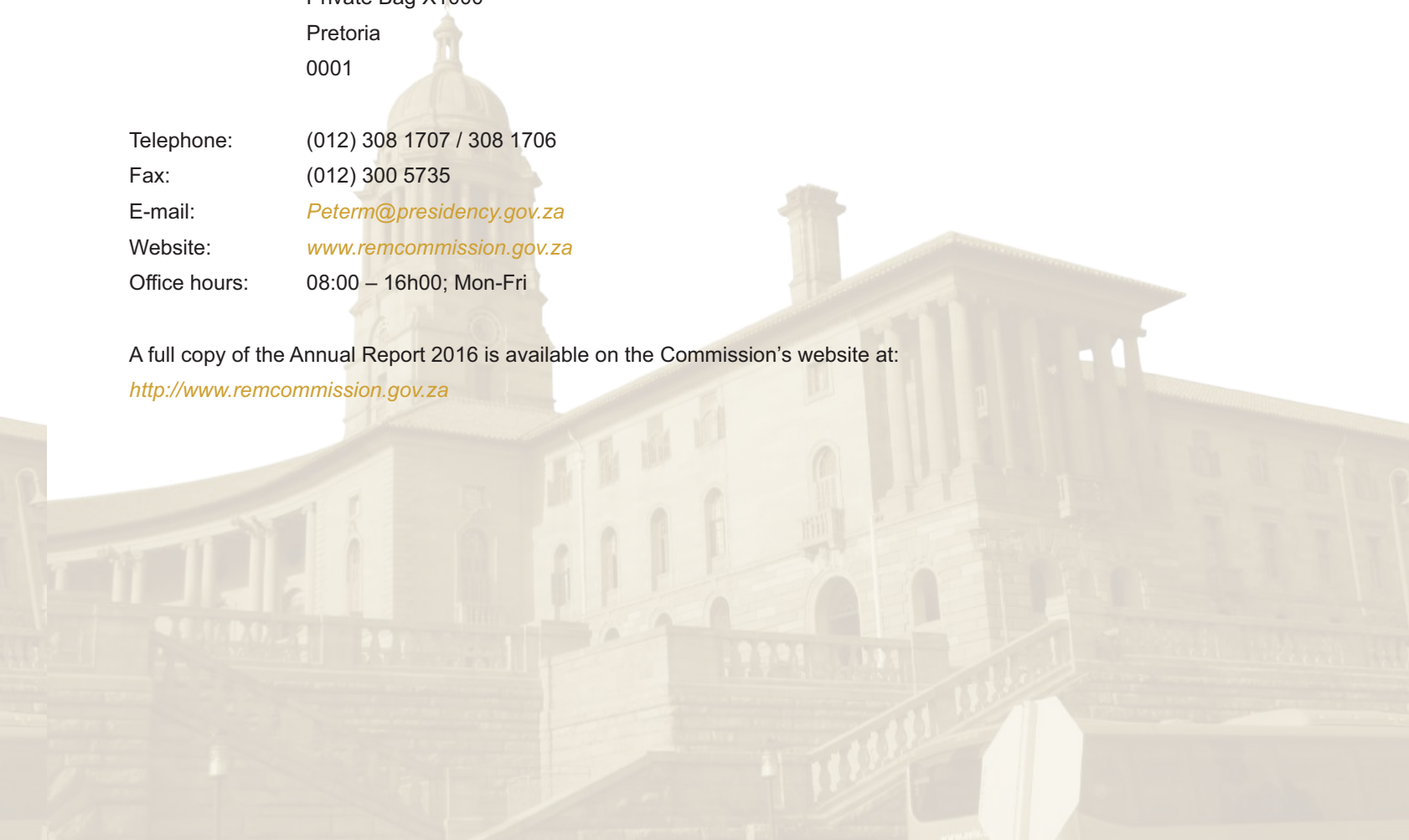
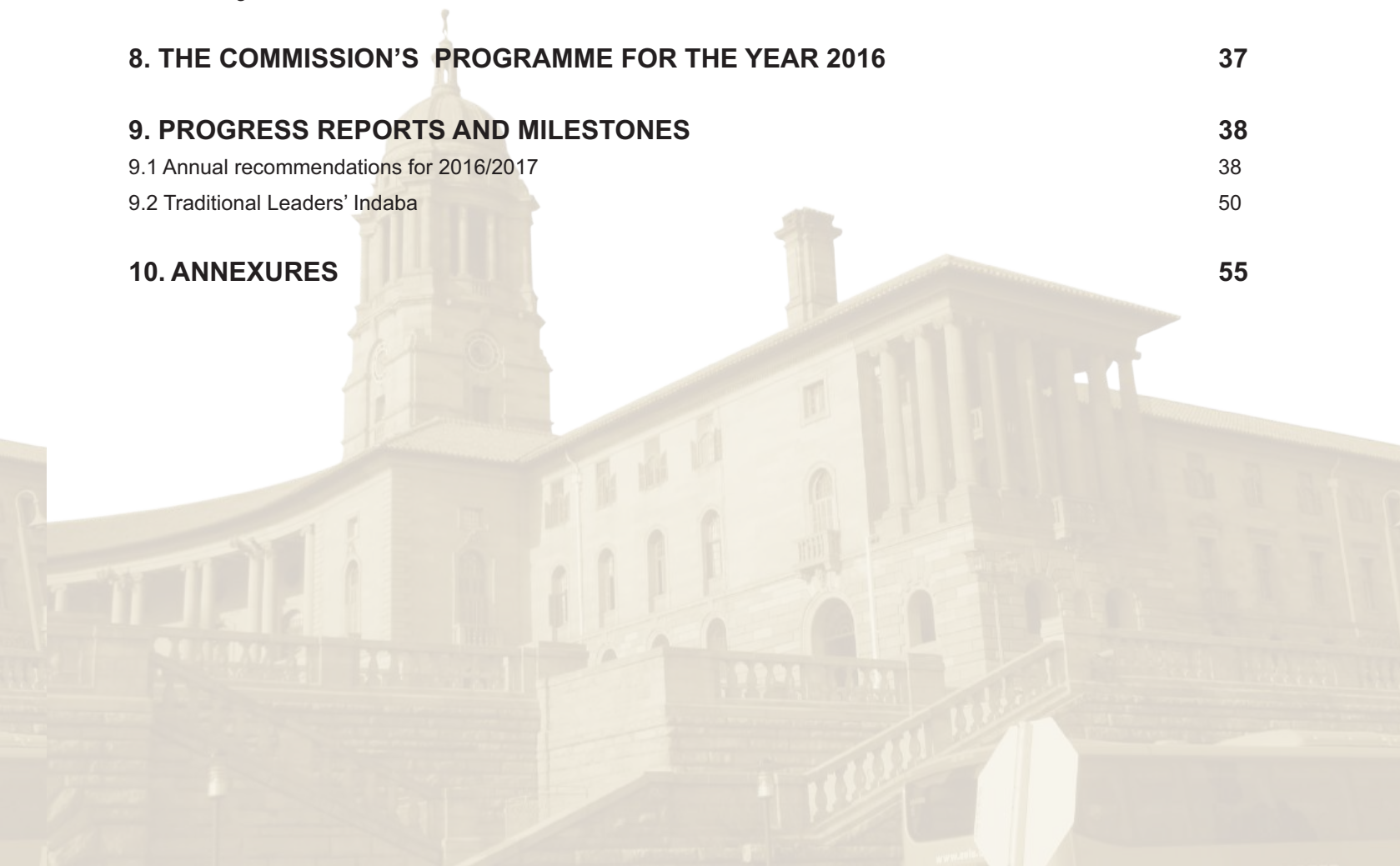


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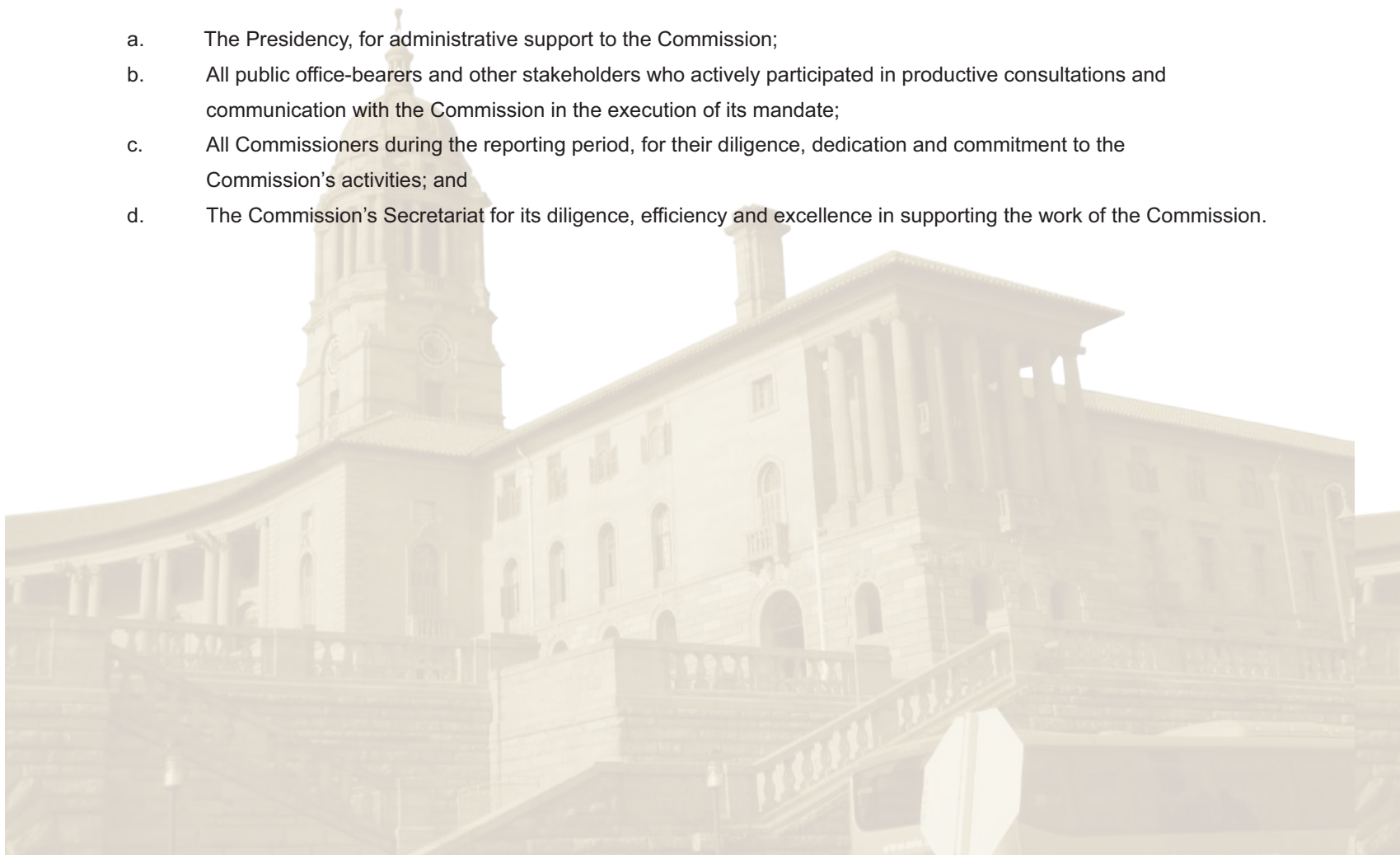
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1. ACKNOWLEDGEMENTS

The Independent Commission for the Remuneration of Public Office-Bearers (Commission) wishes to acknowledge the following individuals and institutions, and thank them for their contributions towards the functioning of the Commission during 2016, and in generating this Annual Report:

- a. The Presidency, for administrative support to the Commission;
- b. All public office-bearers and other stakeholders who actively participated in productive consultations and communication with the Commission in the execution of its mandate;
- c. All Commissioners during the reporting period, for their diligence, dedication and commitment to the Commission's activities; and
- d. The Commission's Secretariat for its diligence, efficiency and excellence in supporting the work of the Commission.



2. FOREWORD BY THE CHAIRPERSON

It is the Commission's pleasure to present its 2016 Annual Report to the President. Through this Annual Report, the Commission provides an overview of the key decisions made by it during the period under review.

During the reporting period, the Commission bid farewell to three Commissioners. I express our sincere thanks and appreciation to them for their dedication, commitment and diligence. It was a pleasure working with them. The demands placed on Commissioners remain daunting due to the ongoing concerns raised by the Commission's stakeholders.

In August 2016, the President appointed three Commissioners to fill the vacancies that arose as a result of the end of the three Commissioners' tenure. The newly appointed Commissioners contribute inter alia legal, actuarial and traditional leadership skills to the Commission.

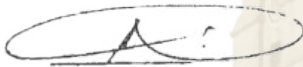
As an executive summary, the Commission attended to the following matters during the period:

- a) The submission of the recommendation on the amendment of the Public Office Bearers' Pension Fund (POBPF) Rules to facilitate the restructuring of retirement fund benefits for longer serving POBs to the President on 26 February 2016. The publication of the recommendations on 29 February 2016 and the proclamation by the President and Minister of Finance on 02 August 2016.
- b) The submission of the annual remuneration recommendations to the President and National Parliament in October 2016 and the publication thereof on 11 November 2016. Statutory consultations on annual recommendations were conducted with the Minister of Finance, the Minister of Justice and Correctional Services as well as the Chief Justice.
- c) The above recommendations included a "once-off gratuity payment" for non-returning Municipal Councillors who serve for a minimum period of 24 consecutive months prior to the 03 August 2016 Local Government elections.
- d) All consultations regarding the project that commenced during 2015 to review the remuneration of public office-bearers in the Local Government sector were finalised and a final report will be issued by the Commission in due course.

ANNUAL REPORT 2016

- e) An Indaba with representatives of Traditional Leaders from all provinces was held from 26 – 27 August 2016 to obtain a better understanding of their roles and responsibilities. Furthermore, the Commission received a request and representations from the Department of Cooperative Governance and Traditional Affairs to make remuneration recommendations in relation to the Principal Traditional Leader position which will be incorporated in the 2017/18 recommendations.
- f) In August 2016, the President appointed three Commissioners to fill the vacancies that arose as a result of the end of term of former Commissioners.
- g) Lastly, a tender was advertised for the review of the remuneration of public office-bearers in the Executive and Legislative Sectors and it is foreseen that a service provider will be appointed during 2017 with the aim of completing the project in 2018.

I express my profound gratitude to the Commissioners and the Secretariat for their professional and unwavering support in pursuit of the Commission's vision which is set out below.



JUDGE CJ MUSI
CHAIRPERSON

3. ABOUT US

3.1 VISION

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

3.2 MISSION

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

3.3 UNDERLYING PRINCIPLES

The Commission formulated a set of underlying principles it utilizes in exercising the discretion and responsibility conferred on it by the Constitution and the relevant pieces of legislation. The principles are drawn from the objectives and values of a 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

3.4 MANDATE

The Commission is a statutory entity established in terms of section 2 of the the Commission Act. The Commission obtains its mandate mainly from the following pieces of legislation:

- The Constitution of the Republic of South Africa, Act No. 108 of 1996;
- The Independent Commission for the Remuneration of Public Office-Bearers, No. 92 of 1997; and
- The Remuneration of Public Office-Bearers Act, Act No. 20 of 1998 (Remuneration Act).

3.5 HISTORY



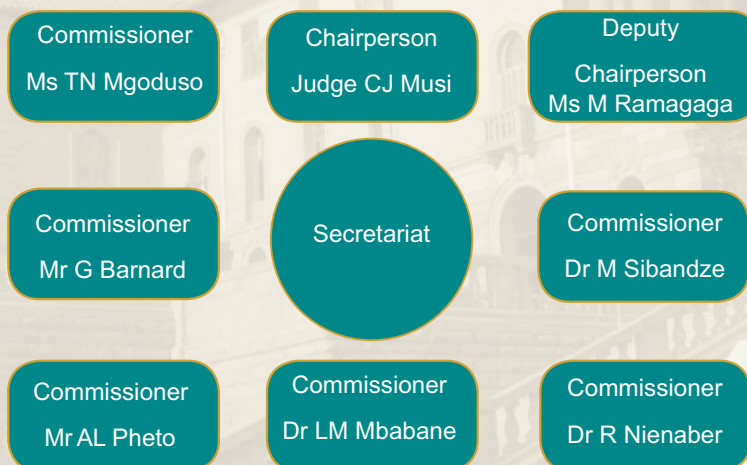
Former Chairpersons of the Commission since 1995

No	Period of appointment	Name
1.	21 April 1995 – 05 April 1998	Justice HW Levy
2.	21 August 1998 - 30 April 2000	Justice JH Steyn
3.	10 May 2000 -31 March 2004	Justice RJ Goldstone
4.	01 April 2004 - 31 March 2009	Deputy Chief Justice Dikgang Moseneke
5.	01 September 2009 – 31 August 2014	Judge LW Seriti
6.	10 October 2014 – to date	Judge CJ Musi

3.6 COMPOSITION

Section 3 of the Commission 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:

3.7 Profiles of the Commissioners



Judge Cagney John Musi is a Judge of the High Court Free State, and the Labour Appeal Court. He also sits regularly as an Acting Judge of the Lesotho High Court and the Labour Appeal Court of Lesotho. He holds the following qualifications: Dip Iuris, BA (Hons) LLB from the University of the Western Cape and a LLM from the University of Cape Town. He was appointed by the President as the Chairperson of the Independent Commission for the Remuneration of Public Office Bearers on 10 October 2014.



Ms Matshego Ramagaga is a practising Attorney admitted to the profession in 1990. She holds an LLM (Commercial law) degree obtained from the University of South Africa. Her formal qualifications and practice include Trial Advocacy Skills training, Forensic Accounting and fraud examination and Advanced International Trade Law. Ms Ramagaga was appointed by the President as the Deputy Chairperson of the Independent Commission for the Remuneration of Public Office Bearers on 01 August 2016.



Dr Ronel Nienaber is the Vice President Global Rewards at Sasol. She holds a Doctorate in Commerce from the University of Johannesburg, is a registered Industrial Psychologist (HPCSA), Master Reward Specialist (SARA) and certified Global Remuneration Practitioner (USA). Dr Ronel Nienaber was appointed by the President as a Commissioner to the Independent Commission for the Remuneration of Public Office Bearers on 10 October 2014.



Mr Andrew Lekgotla Pheto is currently the Special Advisor to Kgosi Pilane of Bakgatla-Ba-Kgafela Traditional Community and Deputy President of the Congress of Traditional Leaders of Southern Africa. He is a Chartered HR Practitioner and Senior OD Consultant. He holds a B-Com: HRM and B-Com: Industrial Psychology (Hons) from the North-West University, an Executive Leadership Certificate from University of Stellenbosch and Leadership Certificate in Transformation of Public Sector from Wits School of Public Management & Administration. Mr Pheto was appointed as a Commissioner to the Independent Commission for the Remuneration of Public Office-Bearers on 10 October 2014.



Ms Thandeka Mgoduso is a non-executive director in and a Chairperson of Jojose Investments. She holds a Master of Arts degree in Clinical Psychology from Wits University. She was appointed by the President as a Commissioner to the Independent Remuneration of Public Office Bearers on 10 October 2014.



Dr Loyiso Mbabane is an Economist as well as an Industrial Psychologist. He holds an MSc in Economics from the University of London as well as an MA in Industrial Psychology from Wits University, a Master of Management (MM) degree from Wits and a Ph.D. in Business Administration from the University of Cape Town. Dr Mbabane was appointed by the President as a Commissioner to the Independent Commission for the Remuneration of Public Office Bearers on 10 October 2014.



Dr Siphon Masenjane Sibandze is the Managing Director of Yati Tinsuka Takho, PTY (LTD) - a Photographic and Video Recording Company. He holds a Doctorate (PhD) in Land Resources and Political Science, Master of Arts Degree in Political Sciences and a Certificate in African Studies from the University of Wisconsin-Madison, Wisconsin, USA. He also holds a BA Degree in Political Science and Education awarded with Merit from the University of Zambia, Lusaka. Dr Siphon Masenjane Sibandze was appointed by the President as a Commissioner to the Independent Commission for the Remuneration of Public Office Bearers on 01 August 2016.



Mr Garth Barnard is a director and co-founder of Moruba Consultants and Actuaries. He holds a Bachelor of Economic Science (B Econ Sc) (Actuarial Science, Economic Science). He was admitted as a Fellow of the Faculty of Actuaries (Scotland) and as a Fellow of the Actuarial Society of South Africa in 2002. Mr Garth Barnard was appointed by the President as a Commissioner to the Independent Commission for the Remuneration of Public Office Bearers on 01 August 2016.

3.8 Appointments and End of term of Commissioners

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 Matshego Ramagaga	Deputy Chairperson	01 August 2016
Mr Garth Barnard	Commissioner	01 August 2016
Dr Masenjana Sibandze	Commissioner	01 August 2016

The Commission bid farewell to the following members:

Name	Designation	End of Term Date
Adv. Mahlape Sello	Deputy Chairperson	01 February 2016
Mr Costantinos Economou	Commissioner	01 February 2016
Adv. Neo Sephoti	Commissioner	09 March 2016

3.9 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 Commission Act 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 realities of the Republic, the perceptions of the general public and the current trends with respect to appropriate comparators in remuneration.

3.10 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 of Mr PM Makapan, performs vital support and infrastructure pivotal to the performance of the Commission's duties and responsibilities

The Secretariat Structure is as follows:



Head of Secretariat
Mr Peter Makapan



Remuneration Specialist
Ms Dikeledi Ranthako



Remuneration Specialist
Ms Misaveni Mashaba



Senior Admin Officer
Ms Constance Masemola



Senior Secretary
Ms Vassie Govender

4. THE LEGISLATIVE FRAMEWORK

4.1 Definition of a Public Office Bearer

In terms of Section 1 of the Commission Act, as amended by Section 7 of the Judicial Officers (Amendment of Conditions of Service) Act, 2003, “office-bearer” means-

- a) 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 purposes of this Act.” concerned, by notice in the Gazette, for the purpose of this Act.”

4.2 Commission’s roles and responsibilities

In terms of Section 8(4) of the Commission Act, 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,
- 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.

4.3 Publication of recommendations

Section 8(5) of the Commission Act, 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 below sets out briefly the legislative framework within which the Commission operates. The table goes further 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

Act	Act No.	Relevance	Repealed by Act
Magistrates Act	90/1993	Provides for remuneration and conditions of employment of Magistrates	N/A
Interim Constitution of the Republic of South Africa	200/1993	Promulgated legislation establishing a Commission to make recommendations on remuneration of office-bearers	108/1996
Commission on Remuneration of Representatives Act	37/1994	Established a Commission to make recommendations regarding the nature, extent and conditions of remuneration and allowances of all elected members of national, provincial and local legislative bodies, and traditional leaders	92/1997
Payment of Members of Parliament Act	6/1994	Provided for payment of remuneration and allowances to Members of Parliament	20/1998
Remuneration and Allowances of Executive Deputy Presidents, Ministers and Deputy Ministers Act	53/1994	Provided for payment of remuneration and allowances to Executive Deputy Presidents, Ministers, Deputy Ministers	20/1998

Act	Act No.	Relevance	Repealed by Act
Remuneration of Traditional Leaders Act	29/1995	Provided for the remuneration of certain traditional leaders	20/1998
Constitution of the Republic of South Africa	108/1996	Provides for legislation of an Independent Commission to make recommendations regarding salaries, allowances and benefits of certain stated office-bearers	N/A
Independent Commission for the Remuneration of Public Office-Bearers Act	92/1997	Established this Commission to make recommendations regarding salaries, allowances and benefits of office-bearers	N/A
Remuneration of Public Office-Bearers Act	20/1998	Provides a framework for determining salaries, allowances and benefits of defined office-bearers	N/A
Remuneration of Public Office Bearers Amendment Act	9/2000	Further regulates remuneration of political office-bearers	N/A
Remuneration of Public Office Bearers Second Amendment Act	21/2000	Regulates remuneration of Traditional Leaders holding more than one office	N/A
Judges' Remuneration and Conditions of Employment Act	47/2001	Provides for remuneration and conditions of employment of all Judges	N/A
Judicial Officers (Amendment of Conditions of Service) Act	28/2003	Includes all judicial office-bearers in the scope and definition of office-bearers	N/A
Traditional Leadership and Governance Framework Act	41/2003	Changes the structure of traditional leadership office-bearer positions	N/A
Traditional Leadership and Governance Framework Amendment Act	23/2009	Amends the Traditional Leadership and Governance Framework Act, 2003 by inserting certain definitions and the Public Office-Bearers Act, 1998 to make provision for remuneration recommendation	N/A

4.4 Section 219 of the Constitution

Section 219 provides Constitutional acknowledgement and recognition of 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 the South African public office-bearers can only be achieved and maintained at acceptable levels if this task is conducted with judicious objectivity.

It was with this objective in mind that the Commission Act, 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 therefore established 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.

(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 the 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 Correctional Services;
- 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.

5. FACTORS THAT THE COMMISSION CONSIDER WHEN MAKING RECOMMENDATIONS

When making recommendations referred to in Section 8(4) of the Commission Act, 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.

6. GOVERNANCE

The Commission Act, 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 its members, schedule of meetings and its reporting requirements, as well as specific functions and its administration.

Commission meetings and decisions

The Commission is required by law to meet at least once a year, at a time and place determined by its Chairperson. The Commission meets more often than the basic requirement, because of the scope of its work and met six times' during the period under review. The Act further sets out the quorum requirement that 'five members shall constitute a quorum for meetings". Decision making is by consensus, however, where a matter needs to be voted on, the majority view holds.

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 Presidency provides the Commission with the financial support and resources that include the budget to exercise its mandate as prescribed by the Act and other legal provisions

Administration of the Commission

Section 11 (1) of the Commission Act provides that the “Director-General: Office of the President shall, after consultation with the Commission, designate such officers in the Office of the President as may be necessary to perform the work incidental to the exercise or performance of the powers and duties of the Commission”. The Commission is assisted by the Secretariat as discussed in Chapter 3 of this Annual Report.

The Secretariat is providing governance, advice and expertise to the Commission. The Secretariat further supports the Commission as it discharges its legislative mandate by providing operational and secretariat service, assisting different public office bearer institutions with implementation of the President’s Proclamations, and interpretation of relevant reports by the Commission’s stakeholders.

7. OUTPUTS ON 2015/2016 STRATEGIC OBJECTIVES AND STATUTORY OBLIGATIONS

7.1 Strategic objectives and statutory obligations

7.1.1 To conduct inquiry into any matter in respect of which the Commission is authorized by relevant act(s)

KEY PERFORMANCE ACTIVITY	INDICATORS	REASONS / COMMENTS
<ul style="list-style-type: none"> Investigation into performance based pay 	<ul style="list-style-type: none"> Research and benchmarking on the subject (Secretariat Report) Closer liaison with relevant Department/Stakeholders International visit for fact findings missions The project be linked to the local government remuneration review project 	<ul style="list-style-type: none"> The Commission will pursue, investigate and assess whether the project should be implemented, and thereafter make a recommendation. Institutions like National Treasury and DPSA need to be engaged. Secretariat will continue with performance based pay research.

KEY PERFORMANCE ACTIVITY	INDICATORS	REASONS / COMMENTS
<ul style="list-style-type: none"> • Fourth Major Review 	<ul style="list-style-type: none"> • Preparation for the reviewing of salaries, allowances, benefits and tools of trade of all POBs • Drafted terms of reference for the review 	<ul style="list-style-type: none"> • The Commission resolved to follow a phased-in approach for the review of remuneration of POBs, guided by the categorisation of POB positions starting with the Executive and Legislative Sector. • A tender process for the above review was finalized and the Commission is awaiting the appointment of the service provider.
<ul style="list-style-type: none"> • Review of local government POBs remuneration 	<ul style="list-style-type: none"> • Appointment of the service provider • Management of the project • Report of the review project and the recommendations of the Commission 	<ul style="list-style-type: none"> • The project commenced in May 2015 and will be concluded early 2017.

7.1.2 To make annual recommendations concerning the salaries, allowances and benefits of POBs

KEY PERFORMANCE ACTIVITY	INDICATORS	REASONS / COMMENTS
<ul style="list-style-type: none"> 2016/2017 Annual Remuneration Recommendations 	<ul style="list-style-type: none"> Request for submissions from stakeholders on 2016/2017 Annual Remuneration Recommendations Research in line with best practices and benchmarking Identify comparative research data and sources Secretariat’s discussion documents / draft recommendations Commission inputs and discussion Commission final report on the subject Justifiable, transparent and fair recommendations Recommendations that are in line with international best practice and trends 	<ul style="list-style-type: none"> The annual recommendations were submitted to the President on 18 October 2016 and to the National Assembly Presiding Officers on 03 November 2016. The recommendations were also published in the Government Gazette on 11 November 2016 and a press conference was held on 18 November 2016.
<ul style="list-style-type: none"> Principal Traditional Leadership position remuneration recommendations 	<ul style="list-style-type: none"> Conduct job grading Conduct research on developments in comparable remuneration practices internationally 	<ul style="list-style-type: none"> The Commission resolved to amend the terms of reference to include all Traditional Leadership positions. A recommendation on the remuneration for the Principal Traditional Leadership position will be included in the 2017/18 recommendations.

KEY PERFORMANCE ACTIVITY	INDICATORS	REASONS / COMMENTS
<ul style="list-style-type: none"> Effective consultation with stakeholders 	<ul style="list-style-type: none"> Stakeholders engagement plan Statutory consultation Extension of consultation to other POBs (e.g. JOASA and ARMSA) Submission of recommendations to the President Submission of recommendations to National Parliament / NCOP Press conference Publishing of recommendations in Government Gazette 	<ul style="list-style-type: none"> The ongoing communication and engagement with stakeholders were maintained. Statutory consultation with key stakeholders were conducted e.g. Minister of Finance The submissions were received from stakeholders and discussed during the Commission's meetings.

7.1.3 The submission of an annual report to the President

KEY PERFORMANCE ACTIVITY	INDICATORS	REASONS / COMMENTS
<ul style="list-style-type: none"> Timeous project plan in place Compliance with stipulated time frames in terms of legislation Motivated, comprehensive and factual reporting 	<ul style="list-style-type: none"> Secretariat draft annual report Inputs and discussion by Commission Finalization and printing of Annual Report Submission to President Circulation to main stakeholders Posting of Annual Report on Commission website 	<ul style="list-style-type: none"> The 2015 annual report was submitted to the President on 18 October 2016. The Commission strives to align with its statutory requirement in terms of the time line to have this report ready, by 2018.

7.1.4 To investigate and consider any specific matter relating to the salaries, allowances, and benefits of POB on request by the President or any other stakeholders

KEY PERFORMANCE ACTIVITY	INDICATORS	REASONS / COMMENTS
<ul style="list-style-type: none"> Review of pension benefit structure of MPs and MPLs Investigation for rationale parity relating to the POBs positions Establish check list to ensure that we give effect to our mandate 	<ul style="list-style-type: none"> Assessment of implementation of Commission Major Reports and President determinations Commission report to President and other stakeholders Research report Liaising with relevant Authorities for implementation of the review 	<ul style="list-style-type: none"> Terms of reference for the pension benefits structure and rationale parity were finalised. Proposed pension benefit structure and rationale parity will form part of the review of Executive and Legislative Sector.

7.1.5 Exercise good governance and planning

KEY PERFORMANCE ACTIVITY	INDICATORS	REASONS / COMMENTS
<ul style="list-style-type: none"> Drafting of Commission's Code of Ethics 	<ul style="list-style-type: none"> Commission's Charter and Code of Ethics 	<ul style="list-style-type: none"> The Commission's Charter and Code of Ethics were drafted and adopted by the Commission. This is available for viewing on its website www.remcommission.org.za
<ul style="list-style-type: none"> Recruitment and Induction of new Commissioners 	<ul style="list-style-type: none"> Assisting the Presidency with the recruitment and induction of new Commissioners 	<ul style="list-style-type: none"> The President appointed three new Commissioners who were on boarded and are fully contributing to the Commission's processes.
<ul style="list-style-type: none"> Ensure proper annual planning 	<ul style="list-style-type: none"> Provide Presidency with a clear annual programme of the Commission 	<ul style="list-style-type: none"> The Commission's Strategic plan and the Secretariat's Operational Plan were finalised and adopted.

KEY PERFORMANCE ACTIVITY	INDICATORS	REASONS / COMMENTS
<ul style="list-style-type: none"> Commission performance evaluation and its value add 	<ul style="list-style-type: none"> Effective and efficient management of the Commission Monitor and provide reports on Commission's achievements Commission meetings to be held at the agreed dates Optimal attendance of meetings and participation therein 	<ul style="list-style-type: none"> Reports and minutes of the Commission's activities were compiled and maintained. Meetings were held with the Presidency on the independence of the Commission and clarifying Secretarial support required.
<ul style="list-style-type: none"> Ensure compliance with legislative prescripts and acceptable standards 	<ul style="list-style-type: none"> Strict compliance with all statutory and policy requirements 	<ul style="list-style-type: none"> Omission is complying with the relevant legislation and prescripts.

7.1.6 Stakeholder management

KEY PERFORMANCE ACTIVITY	INDICATORS	REASONS / COMMENTS
<ul style="list-style-type: none"> • Effective stakeholder engagement plan • Clear communication strategy • Comprehensive stakeholder mapping • Effective reputation/image management 	<ul style="list-style-type: none"> • Timely communication with stakeholders (Introduction of new Commissioners) • Commission’s Communication strategy • Stakeholder mapping document • Stakeholder database and contacts (engaging incoming stakeholders – Chapter 9 Institutions) • Distribution of regular communiqués to all stakeholder groups • Establish and maintain nodal points for communication with stakeholder groups • Press conferences / statements / Communiqués • Website Maintenance • Publication of reports in the Gazette • Compiling of quarterly newsletter and broadcast through the website • Establish & maintain relationships with international entities to ensure continued information sharing 	<ul style="list-style-type: none"> • The communication and engagement with stakeholders were approved. • A Communication and engagement strategy was adopted. • Media interviews were granted contextualizing the 2016/17 remuneration recommendations.

7.1.7 Sustainable administration and resources

KEY PERFORMANCE ACTIVITY	INDICATORS	REASONS / COMMENTS
<ul style="list-style-type: none"> Independence, reputation and credibility of the Commission 	<ul style="list-style-type: none"> Public understanding and acceptance of independence requirements Independent Commission activities Strict independence ethics and practices Reports of threats to independence 	<ul style="list-style-type: none"> The Commission forwarded its proposal and legal opinion received on the amendment of its legislation(s) to the Presidency and Department of Correctional Services and Justice. The Presidency advised the Commission on its interaction with the Department of Correctional Services and Justice on the matter. The Commission is awaiting finalization of the matter.
<ul style="list-style-type: none"> Recruitment and retention of qualified support staff to the Commission 	<ul style="list-style-type: none"> Implementation of the proposed Secretariat structure 	<ul style="list-style-type: none"> Awaiting the implementation of the approved Secretariat's structure by the Presidency which is pending due to budget constraints.
<ul style="list-style-type: none"> Implementation of Determination of Remuneration of Office-Bearers of Independent Constitutional Institutions Laws Amendment Act, 2014 (Act No. 22 of 2014) 	<ul style="list-style-type: none"> Effective resource support to Commission Ensure adequate resources to action the strategic focus of the Commission Effective resource support to the Secretariat Meetings between the Commission, Presidency, National Treasury and Department of Justice and Correctional Services will be convened 	<ul style="list-style-type: none"> Awaiting a response from the Presidency on required finance and human resources.
<ul style="list-style-type: none"> Maintain a comprehensive intelligence management capability 	<ul style="list-style-type: none"> Maintenance of document management 	<ul style="list-style-type: none"> The Commission's records are properly maintained.

7.2 Key outputs

7.2.1 Annual Cost of Living Adjustments for 2016/2017

The Commission, after taking all relevant factors and the applicable legislations into account, recommended increases for some public office - beares positions to be effective 1 April / 1 July 2016.

7.2.2 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, visits to receive submissions, comments and inputs on matters of remuneration, benefits and allowances, focus groups as well as a conference. These meetings and visits were considered to be useful and assisted in strengthening the relationship between stakeholders and the Commission.

The Commission further consulted with the current Chief Justice in order to discuss issues of consultation with the lower courts judiciary. In terms of legislation the Commission is obliged to consult with the Chief Justice on matters of the

Judiciary.

Subcommittees were formed to deal with the various stakeholders and divide the workload among the Commissioners.

7.2.3 Subcommittees of the Commission

In order to divide the workload, strengthen stakeholder relations and to increase the consultation between the Commission and stakeholders, as well as enhancing the effectiveness of the Commission, the Commission formed four subcommittees which consist of some Commissioners and members of the Secretariat, namely:

- Executive and Legislature
- Judiciary and Chapter Nine Institutions
- Pension and Medical Aid Benefits
- Local Government and Traditional Leaders.

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.

7.3 Challenges

On 07 November 2012 the Cabinet resolved that the Commission should also deal with the determination of the remuneration, allowances and related terms and conditions of employment of members of Constitutional Institutions (Chapter 9 Institutions) and furthermore that the Commission be strengthened to deal with the consequently enlarged scope of work.

The President approved the Determination of Remuneration of Office-Bearers of Independent Constitutional Institutions Laws Amendment Act, 2014 (Act No. 22 of 2014) on 02 June 2014 to effect the above.

The Commission updated the Presidency and the Minister of Justice and Correctional Services on its challenges relating to the pronouncement and readiness for implementation of the Determination of Remuneration of Office-Bearers of Independent Constitutional Laws Amendment Act, 2014 (“the Amendment Act”).

On 20 April 2015, the Commission engaged the services of Ernst and Young (EY) to conduct a review of the salaries, benefits and allowances of public office bearers in Local Government sector and the project was expected to be finalized by March 2016. The Commission is still to finalize the recommendation to the President.

8. THE COMMISSION’S PROGRAMME FOR THE YEAR 2016

A schedule of the Commission’s programme of meetings for 2016 is set out in Annexure A. The schedule distinguishes between:

- Commission meetings;
- Statutory meetings with officials; and
- Meetings with stakeholders.

The meeting attendance is reflected in the register attached as Annexure B.

9. PROGRESS REPORTS AND MILESTONES

9.1 ANNUAL RECOMMENDATION FOR 2016/2017

The Commission delivered its Annual Recommendations to the President on 18 October 2016. The recommendations were further delivered to the Speaker of Parliament and Chairperson of NCOP on 03 November 2016. The recommendations were published on the Government Gazette number 40422 on 11 November 2016 and further released to the public through the press conference on 18 November 2016.

9.1.1 Annual Cost-of-Living-Adjustment

In making the recommendations, the Commission considered the relevant provisions of the Commission Act and the Remuneration Act.

The Commission in particular gave consideration to the following provisions contained in the above mentioned Acts:

Sections 3 to 6 of the Remuneration Act provides for the President to determine the remuneration of Public Office Bearers. These sections further provide for the consideration of, amongst other things, the recommendations of the Commission before the said determinations are made.

Section 7 (1) (a) of the Remuneration Act, provides that the Minister of Cooperative Governance and Traditional Affairs determines the upper limits and allowances of the different members of Municipal Councils after consultation with members of the Executive Council responsible for local government in each province and also after taking into consideration, amongst other things, the recommendations of the Commission.

Section 8(4) of the Commission Act provides that the Commission shall publish annually, in the Government Gazette, its recommendations on the salaries or upper limits, as the case may be, benefits and allowances for POBs.

Section 8(5) of the Commission Act also provides that the recommendations referred to in section 8(4) shall be submitted to Parliament before publication.

Annual Remuneration Recommendation for 2016 / 2017

In deliberating the annual recommendations for 2016/2017, the Commission considered the comments and inputs from the stakeholders and took into account factors as prescribed by section 8(6) of the Commission Act and others:

- Economic Conditions
- The role, status, duties, functions and responsibilities of the POBS concerned
- Current principles and levels of remuneration
- Consumer Price Index (CPI) and Future Forecast
- The past recommendations and the President's determinations

In considering the relevant legislative provisions and factors mentioned above, the Commission recommended the following annual remuneration adjustments for POBs for 2016/2017 financial year:

A zero adjustment (0%) to the remuneration of the following categories of POBs:

- All members of National Executive and Deputy Ministers
- All members of National Parliament
- All members of Provincial Executive and Legislature
- All Judges
- Local Government: Positions of Executive Mayor to Whip
- Traditional Leadership: Position of the King/Queen to Full-time Deputy Chairperson of PHTL

A 4% adjustment to the remuneration of the following POBs:

- Local Government: Municipal Councillor

A 6% adjustment to the remuneration of the following POBs:

- All Magistrates
- Traditional Leadership: Position of Full-time Member of NHTL to Headmen / Headwomen, and sitting allowances of all members of NHTL and PHTL

The effective date for the adjustment of the salary of POBs was 01 April 2016 and for local government POBs it was 01 July 2016. The adjustment was recommended in order to align the adjustment with the financial year of public office bearers' institutions.

The Principal Traditional Leaders 'PTLs'

The Commission will include a recommendation on the remuneration of PTLs in its 2017/18 submission.

"Once-off gratuity" for Non-Returning Local Councillors Post the 3 August 2016 Local Government Elections

The Commission recommended that only non-returning Municipal Councillors that served for a minimum period of 24 consecutive months prior to the implementation the 03 August 2016 Local Government elections qualify to receive the "once-off gratuity payment" and the payment must be based on the basic salary and not the annual total remuneration package (ATRP).

The following payment model was recommended:

Below formula was recommended to determine the gratuity payment to Councillors that served a period of not less than 24 consecutive months' continuous months and more:

Gross Gratuity payment = [(N /N-factor) x (Basic salary x 3)] x pro-rata factor

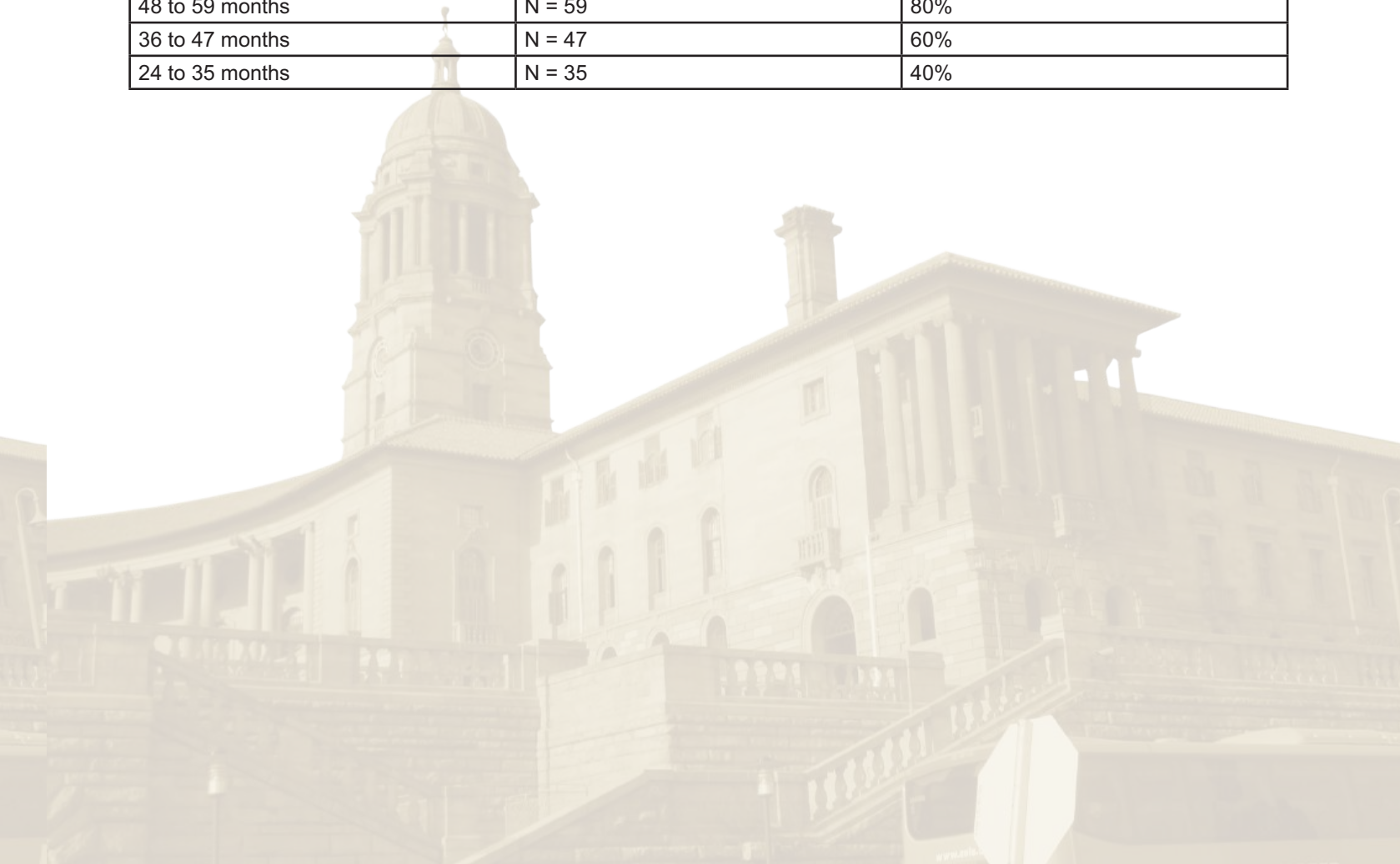
Where:

N represents the number of consecutive continuous months that the Councillor served as a Councillor (N to not less than 24)

N-factor and Pro-Rata Factor depend on the number of completed months for the individual as set out in the table below,

Table of “N” Factor and Pro-Rata Factors

CONTINUOUS PERIOD SERVED AS A COUNCILLOR	“N” FACTOR	% OF 3 MONTHS BASIC SALARY (PRO-RATA FACTOR)
60 months and more	N = 62	100%
48 to 59 months	N = 59	80%
36 to 47 months	N = 47	60%
24 to 35 months	N = 35	40%



The Commission's recommendations reflect the annual adjustment for all Public Office-Bearers for the 2016/2017 fiscal year. (Schedules1-7)

SCHEDULE 1				
REMUNERATION LEVELS WITH EFFECT 01 APRIL 2016				
NATIONAL EXECUTIVE AND DEPUTY MINISTERS				
GRADE	PAY LEVEL	POSITION	01-Apr-15	01-Apr-16
EA	1	President	2 874 851	2 874 851
EB	1	Deputy President	2 716 798	2 716 798
EC	1	Minister	2 309 262	2 309 262
ED	1	Deputy Minister	1 901 727	1 901 727

SCHEDULE 2				
REMUNERATION LEVELS WITH EFFECT 01 APRIL 2016				
MEMBERS OF PARLIAMENT				
GRADE	PAY LEVEL	POSITION	01-Apr-15	01-Apr-16
PA	1	Speaker: National Assembly	2 716 798	2 716 798
		Chairperson: NCOP	2 716 798	2 716 798
PB	1	Deputy Speaker: National Assembly	1 901 727	1 901 727
		Deputy Chairperson: NCOP	1 901 727	1 901 727
	2	House Chairperson	1 765 934	1 765 934
PC	1	Chief Whip: Majority Party	1 494 191	1 494 191
		Chief Whip: NCOP	1 494 191	1 494 191
		Parliamentary Counsellor: President	1 494 191	1 494 191
		Parliamentary Counsellor: Deputy President	1 494 191	1 494 191
		Leader of Opposition	1 494 191	1 494 191
	2	Chairperson of a Committee	1 358 399	1 358 399
PD	1	Deputy Chief Whip: Majority Party	1 222 607	1 222 607
		Chief Whip: Largest Minority Party	1 222 607	1 222 607
		Leader of a Minority Party	1 222 607	1 222 607
	2	Whip	1 134 517	1 134 517
PE	1	Member: National Assembly	1 033 438	1 033 438
		Permanent Delegate: NCOP	1 033 438	1 033 438

SCHEDULE 3				
REMUNERATION LEVELS WITH EFFECT 01 APRIL 2016				
PROVINCIAL EXECUTIVES AND LEGISLATURES				
GRADE	PAY LEVEL	POSITION	01-Apr-15	01-Apr-16
LA	1	Premier	2 173 470	2 173 470
LB	1	Member of Executive Council	1 901 727	1 901 727
		Speaker	1 901 727	1 901 727
LC	1	Deputy Speaker	1 494 191	1 494 191
		Chief Whip: Majority Party	1 358 399	1 358 399
	2	Chairperson of Committees	1 222 607	1 222 607
		Leader of Opposition	1 222 607	1 222 607
		Chairperson of a Committee	1 222 607	1 222 607
	3	Deputy Chairperson of Committees	1 150 258	1 150 258
		Deputy Chief Whip: Majority Party	1 150 258	1 150 258
		Chief Whip: Largest Minority Party	1 150 258	1 150 258
		Leader of a Minority Party	1 150 258	1 150 258
	LD	1	Parliamentary Counsellor to a King	1 033 438
Whip			1 033 438	1 033 438
2		Member of Provincial Legislature	1 000 210	1 000 210

SCHEDULE 4				
REMUNERATION LEVELS WITH EFFECT 01 JULY 2016				
LOCAL GOVERNMENT				
GRADE	PAY LEVEL	POSITION	01-Jul-15	01-Jul-16
MA	1	Executive Mayor	1 242 408	1 242 408
		Mayor	1 242 408	1 242 408
MB	1	Deputy Executive Mayor	1 003 393	1 003 393
		Speaker/Chairperson	1 003 393	1 003 393
		Deputy Mayor	1 003 393	1 003 393
MC	2	Member of Executive Council	940 680	940 680
		Member of Mayoral Committee	940 680	940 680
		Chairperson of a Sub-council	940 680	940 680
		Whip	940 680	940 680
MD	1	Municipal Councillor	519 261	540 031

SCHEDULE 5				
REMUNERATION LEVELS WITH EFFECT 01 APRIL 2016				
JUDGES				
GRADE	PAY LEVEL	POSITION	01-Apr-15	01-Apr-16
JA	1	Chief Justice	2 716 798	2 716 798
JB	1	Deputy Chief Justice	2 445 054	2 445 054
		President: Supreme Court of Appeal	2 445 054	2 445 054
JC	1	Deputy President: Supreme Court of Appeal	2 309 262	2 309 262
	2	Judge: Constitutional Court	2 173 470	2 173 470
		Judge: Supreme Court of Appeal	2 173 470	2 173 470
	3	Judge President: High/Labour Court	2 037 678	2 037 678
	4	Deputy Judge President: High/Labour Court	1 901 727	1 901 727
5	Judge: High/Labour Court	1 765 934	1 765 934	

SCHEDULE 6				
REMUNERATION LEVELS WITH EFFECT 01 APRIL 2016				
MAGISTRATES				
GRADE	PAY LEVEL	POSITION	01-Apr-15	01-Apr-16
JD	1	Special Grade Chief Magistrate	1 235 489	1 309 618
		Regional Court President	1 235 489	1 309 618
JE	1	Regional Magistrate	1 108 563	1 175 077
		Chief Magistrate	1 108 563	1 175 077
JF	1	Senior Magistrate	918 891	974 024
JG	1	Magistrate	835 444	885 571

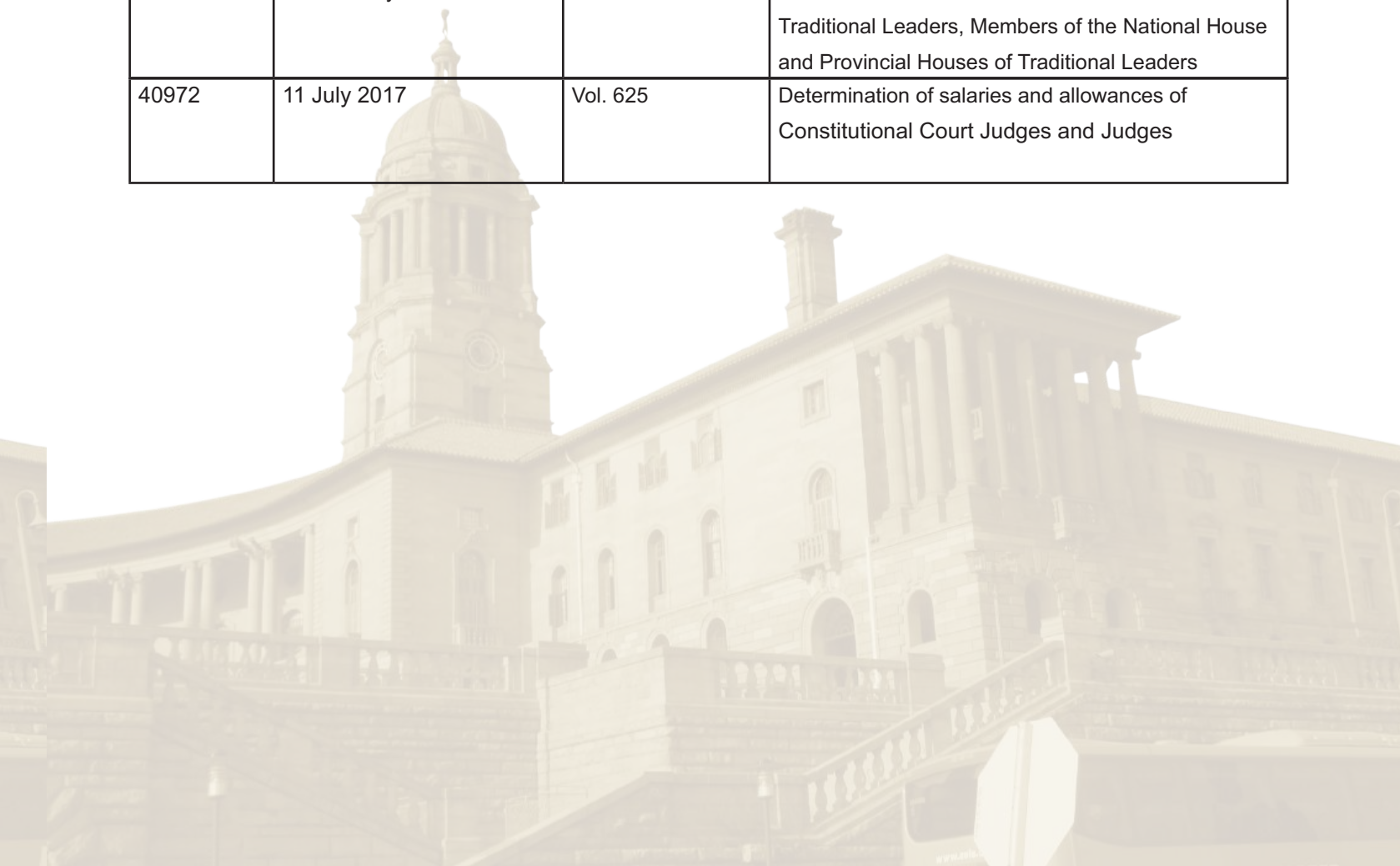
SCHEDULE 7					
REMUNERATION LEVELS WITH EFFECT 01 APRIL 2016					
TRADITIONAL LEADERS					
GRADE	PAY LEVEL	FULL TIME POSITIONS	01-Apr-15	01-Apr-16	
TA	1	King/Queen	1 126 058	1 126 058	
TB	1	Chairperson: NHTL	817 842	817 842	
	2	Full time Chairperson: PHTL	673 603	673 603	
	3	Deputy Chairperson: NHTL	625 524	625 524	
	4	Full time Deputy Chairperson: PHTL	577 281	577 281	
TC	1	Full time Member: NHTL	336 720	356 923	
	2	Full time Member: PHTL	288 641	305 959	
TD	1	Senior Traditional Leader	215 708	228 650	
TE	1	Headmen / Headwomen	91 000	96 460	
		PART TIME POSITIONS*			
		Part time Member: NHTL	1 235	1 310	
		Part time Chairperson: PHTL	1 470	1 558	
		Part time Deputy Chairperson: PHTL	1 322	1 401	
		Part time Member: PHTL	1 025	1 086	
<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>					

9.1.2 Proclamations for remuneration recommendations and determinations

Proclamations for remuneration recommendations and determinations for 2016/2017 were published on Government Gazette as follows:

Gazette No.	Date	Proclamation No.	Contents
39759	29 February 2016	Vol. 608	Recommendations to the President for the Political Office Bearers' Pension Fund
40182	02 August 2016	Vol. 614	Gratuity payable to eligible Members of National Assembly, Permanent delegates of National Council of Provinces, Deputy President, Ministers, Deputy Ministers, Premiers, Members of Executive Councils and Members of Provincial Legislatures
40422	11 November 2016	Vol. 617	Explanatory Memorandum for Annual Remuneration Recommendations for 2016/2017
40503	15 December 2016	Vol. 619	Determination of remuneration of Magistrates
40519	21 December 2016	Vol. 618	Determination of upper limits salaries, allowances and benefits of different Members of Municipal Councils
40569	24 January 2017	Vol. 619	Determination of salaries and allowances of the Deputy President, Ministers and Deputy Ministers Determination of salaries and allowances of the National Assembly and Permanent delegates to the National Council of Provinces

Gazette No.	Date	Proclamation No.	Contents
			Determination of the upper limit of salaries and allowances of Premiers, Members of the Executive Councils and Members of the Provincial Legislatures
40605	09 February 2017	Vol. 620	Determination of salaries and allowances of the Traditional Leaders, Members of the National House and Provincial Houses of Traditional Leaders
40972	11 July 2017	Vol. 625	Determination of salaries and allowances of Constitutional Court Judges and Judges



9.2 TRADITIONAL LEADERS' INDABA

During the Commission's Strategic Planning Session for 2015/2016, held on 30 – 31 January 2015, the Commission resolved to undertake stakeholders' engagements with all its stakeholders. The purpose of these engagements is to collate all concerns and challenges that affect the remuneration structures of Public Office Bearers in totality, so as to assist the Commission in making annual recommendations that are independent, transparent, accountable, informed and sustainable. The stakeholder engagements commenced from April 2015 until May 2015.

During the Commission meeting held on 01 April 2016, it was resolved that there is a need for a Traditional Leaders' Expert conference that would assist the Commission in collating relevant information, ensuring the understanding of the sector and to enhance terms of reference (ToR) to review the remuneration of recognized traditional leadership positions.

The Commission hosted the Traditional Leaders' Indaba - 26 – 27 August 2016, and the theme of the conference was **“The role of Traditional Leadership in the democratic dispensation”**.

The presentation themes were as follows:

- The envisaged role of Traditional Leaders in the democratic dispensation
- The role of Traditional Leaders in Local Government

- Findings and Recommendations of the Commission on Traditional Leaders' Dispute and Claims (CTLDC) on Principal Traditional Leadership
- Envisaged review for the remuneration of Traditional Leadership POBs
- Overview of the Commission's mandate on traditional leadership
- Inter-governmental support for traditional leadership structures

Of the 120 invited delegates, 94 attended.

Welcome and overview of the Indaba

The Chairperson of the Commission, Judge Musi, outlined the overview of the purpose for Conference by inter alia referring to the Constitution that confirms the recognition and roles of Traditional Leaders (TLs).

He emphasized that the Commission, when making annual remuneration recommendations to the President, must consider the roles, functions, and responsibilities of TLs.

The Chairperson indicated that there has been confusion and tensions as to the role of TLs and that SALGA was invited due to their oversight and advisory role on the involvement of TLs in local government.

Opening Address by Deputy Minister of Cogta

The Deputy Minister, Mr. O Bapela, emphasized the concerns of TLs on their welfare and the system that is unfair towards them and that there is a need to revisit the basis on how to remunerate TLs, and reference was made to the previous Commission's major review report by the former Chairperson, former Deputy Chief Justice Moseneke, that engaged the TLs and resulted in certain recommendations.

The Deputy Minister advised the Commission to explore other means of support to the TLs instead of remuneration and benchmark with countries that are providing their TLs with this kind of support, especially in African countries.

The envisaged role of traditional leaders in the democratic dispensation

The Chairperson of the National House of Traditional Leaders, Kgosi P Maubane, indicated that the Indaba marks another attempt of restoring the dignity of TLs that was eroded by the past regime in a democratic dispensation that was never restored properly. Kgosi Maubane further indicated that TLs are dissatisfied by the fact that there had been talks about their roles which make the members of the institution feel less important than other POBs. He mentioned that there was lack of monitoring on implementation of President's determinations and reference was made to non-implementation of TLs retirement and tools of trade.

Findings and recommendations of the Commission on Traditional Leadership Disputes and Claims (CTLDC)

Prof. M Moleleki of CTLDC advised that the Commission was established to investigate claims and disputes, and to restore the dignity of traditional leaders. It was required to start the investigation with the then existing paramountcies and Paramount Chiefs. This Commission had only recommended the recognition of Modjadjie as a Queenship and Queen.

He emphasized that no TLs were demoted or dethroned, although the Commission found that some paramountcies and Paramount Chiefs did not qualify to be recognized

as Kings/Queens. Government amended the Traditional Leadership and Governance Framework Act in 2009 to provide for transitional arrangements to those who did not qualify to be Kings.

A new position of traditional leadership was created which is autonomous from the kingship called Principal Traditional Leader (PTL) which is the one occupied by those who have succeeded.

The role of the Commission in determining the remuneration and benefits of PTL

Mr Pheto indicated that the term PTL is an indigenous title that was not found in the South African context. The CTLDC during its investigation of paramountcies and paramount chiefs came up with the title PTL. According to the findings of the CTLDC these were the paramountcies that did not qualify i.t.o customs, customary law to be Kings/Queens.

The role players of the process were identified as follows:

- CTLDC: Determined whether paramountcies qualified in terms of customs and customary law to be Kingship/ Queenship
- Department of Cooperate Governance and Traditional Affairs (COGTA): Principal Traditional Leader cannot be remunerated at the same level as Kingship/Queenship
- The Commission: Consultations with paramountcies deemed Principal Traditional Leaders

- When making the recommendations, the Commission considered the role, status, duties, functions and responsibilities of Kingship/Queenship and PTLs.

During its investigation, the Commission's findings are as follows:

- There were no substantive differences are evident to distinguish i.t.o Roles, status, duties, responsibilities, etc.
- Both the King/Queen and PTL do not report to anyone
- The change in title has not been sufficient to influence substantive change in their remuneration

Envisaged Review for the remuneration of TLs

Dr Mbabane indicated that the purpose of the review is to conduct a detailed remuneration review of the practices and principles that are used to determine the remuneration of Traditional Leadership positions. He mentioned that the sector- and status-appropriate recommendations on practices and principles that inform the remuneration determination process/ framework were be made by the Commission.

It was further indicated that the Commission will probe into hierarchical levels of all traditional leadership structures and positions (nationally, provincially and locally) as well as the related duties and functions

Assessment of the mandate of the Commission on traditional leadership

Former Commissioners, Prof Pearl Sithole and Mr Gampi Matheba, emphasized a need for a proper review of the Commission's Act informed by clear definition of PoBs, clear definition of categories and identification of scope and referral powers should be persuaded.

It was mentioned that this was not to deter from the intention of the Constitution that the focus be on remuneration; but it is a recognition that a lot of work needs to be done before remunerative recommendations are made – especially on Traditional Leadership. The mandate of the Commission is provided for by Section 219 of the Constitution.

In conclusion, the following were raised with regard to the Commission's mandate and the way forward thereof:

- Is the review of the Commission's Act in order? There may just be a lot of work besides annual remuneration pronouncements
- Should the work of conceptualizing PoBs not be done speedily?
- Should the consideration of the inclusion of Constitutional Bodies not be done as part of proper conceptualization of PoBs and their categories?
- If indeed it is found that a Commission has a lot of work to do, should it not establish a decent (i.e. well-resourced) research unit?

Inter-governmental support towards traditional leadership structures

Dr. Nwaila commenced his presentation by referring to section 20 of Traditional Leadership and Governance Framework Act of 2003. It was indicated that it would be prudent to examine the current reality, to look at the gaps and to propose appropriate remedies as part of addressing inconsistencies within the sector and in pursuit of nation building. The Department has observed over the years that there has been inconsistent application of benefits and allowances for TLs as "public office bearers". For example, the 2009 medical aid determination for TLs (Government Employees Medical Aid Scheme).

Address by the Minister of Cogta Mr D van Rooyen

The Minister indicated that to ensure uniformity regarding remuneration of TLs, government promulgated the Remuneration of Traditional Leaders Act, 1995 (Act No. 29 of 1995) in terms of which the President after consultation with the then Council of Traditional Leaders could determine the remuneration and allowances of the different categories of TLs. As far as could be established, no determination was made in terms of this law.

Progress and challenges regarding implementation of benefits Medical Aid

The Department resolved the participation of TLs in GEMS with the Department of Public Service and Administration and GEMS. It was mentioned that the PERSAL codes allowing TLs to enroll with GEMS were unblocked with effect from 1 April 2014. The guidelines and contribution rates applicable to the medical aid fund for officials apply. It was announced at Technical MINMEC on 07 February 2014 and by way of letters to all houses of TLs.

Pension benefit

The Minister indicated that to date this benefit has not been implemented. He mentioned that the Commission informed the Department that they advised the Minister of Finance as the Principal Employer in terms of the POBPF rules about the non-implementation of the President's determination as a result of the omission of TLs from the definition in the rules.

In conclusion, the Minister indicated that the Ministry of COGTA has been determined to acknowledge the role that the institution of traditional leadership continues to play in our society. Furthermore, he indicated that the Ministry will consider the issues and recommendations raised at this conference, with a view to resolving them speedily.

10. ANNEXURES

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ANNEXURE A: COMMISSION'S PROGRAMME FOR 2016

DATE	ACTIVITY	LOCATION
22 Jan	LG & TL Sub-Committee meeting	Midrand
29 Jan	Commission meeting	Limpopo
11 Feb	Commission meeting with Minister of Cogta	Cape Town
19 Feb	LG & TL Sub-Committee meeting with Ernst & Young (EY)	Sandton
26 Feb	Joint Sub-Committee meeting	Midrand
11 Mar	EY Progress Report meeting	Union Building
22 Mar	EY Progress Report meeting	OR Tambo
31 Mar	LG & TL Sub-Committee meeting	Cape Town
01 Apr	Commission meeting	Cape Town
07 Apr	LG & TL Sub-Committee meeting	Midrand
13 May	LG & TL Sub-Committee meeting	Midrand
20 May	Commission meeting with Minister of Finance	National Treasury
03 June	LG & TL Sub-Committee meeting	Pretoria
10 June	LG & TL Sub-Committee meeting	Rosebank
15 June	Meeting with DG: Traditional Affairs	Department of Traditional Affairs (DTA)
21 June	Meeting MEC Cogta: KZN	Pretoria
01&07 July	Commission meeting / Teleconferencing	OR Tambo / Teleconferencing
15 Aug	Commission meeting with Minister of Cogta	Minister's Office: Pretoria
22 Aug	Induction of new Commissioners	Pretoria
22 Aug	Special Commission meeting	Pretoria
16 Sep	Commission meeting	OR Tambo
07 Oct	Commission meeting with SALGA	SALGA Free State
18 Oct	Commission meeting with the President	Mahlamba Ndlopfu
03 Nov	Consultation meeting National Parliament Presiding Officers	National Parliament
04 Nov	Benchmarking exercise with City of Cape Town Metropolitan Municipality	City of CT Metropolitan Municipality
18 Nov	Press Conference	GCIS
02 Dec	Commission meeting	Durban

ANNEXURE B: MEETING ATTENDANCE

ATTENDANCE OF COMMISSION MEETINGS IN 2016						
Commissioners	Date 29 Jan	Date 01 April	Date 01 July	Date 22 Aug	Date 16 Sept	Date 02 Dec
Judge CJ Musi	P	P	P	P	P	P
Adv. M Sello	A	E/T	E/T	E/T	E/T	E/T
Mr C Economou	P	E/T	E/T	E/T	E/T	E/T
Dr R Nienaber	P	P	P	P	A	P
Dr L Mbabane	P	P	A	P	P	A
Mr AL Pheto	P	P	P	P	P	P
Ms TN Mgoduso	P	P	P	P	P	P
Ms HFN Sephoti	P	E/T	E/T	E/T	E/T	E/T
Ms M Ramagaga	N/A	N/A	N/A	P	P	P
Mr G Barnard	N/A	N/A	N/A	P	P	P
Dr M Sibandze	N/A	N/A	N/A	P	A	A
Secretariat						
Mr PM Makapan	P	P	P	P	P	P
Ms D Ranthako	P	P	P	P	P	P
Ms M Mashaba	P	P	P	P	P	P

P: PRESENT A: APOLOGY N/A: NOT APPOINTED DURING THAT PERIOD

NR: NOT REQUIRED TO ATTEND E/T: EXPIRED TERM OF OFFICE

SUBCOMMITTEE MEETINGS 2016

Executive, National Parliament and Provincial Legislature				
Sub-Committee	Date 20 May	Date 18 Oct	Date 03 Nov	Date 18 Nov
Judge CJ Musi	P	A	P	A
Ms M Ramagaga	N/A	P	P	P
Mr G Barnard	N/A	P	A	P
Ms TN Mgoduso	A	P	P	A
Mr AL Pheto	P	P	P	P
Dr R Nienaber	A	P	A	P
Dr Sibandze	N/A	P	A	P
Dr LM Mbabane	P	P	P	A
Mr P Makapan	P	P	P	P
Ms D Ranthako	N/R	N/R	P	P
Ms M Mashaba	N/R	N/R	N/R	A

Local Government and Traditional Leaders Sub-Committee													
Name	Date 22 Jan	Date 11 Feb	Date 19 Feb	Date 26 Feb	Date 11 Mar	Date 22 Mar	Date 31 Mar	Date 07 Apr	Date 13 May	Date 03 Jun	Date 10 Jun	Date 15 Aug	Date 07 Oct
Judge CJ Musi	N/R	P	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	P
Ms TN Mgoduso	P	P	P	P	P	P	P	P	P	P	P	P	P
Mr C Economou	N/R	N/R	N/R	P	E/T	E/T	E/T	E/T	E/T	E/T	E/T	E/T	E/T
Adv. HFN Sephoti	P	A	N/R	N/R	E/T	E/T	E/T	E/T	E/T	E/T	E/T	E/T	E/T
Dr R Nienaber	P	P	N/R	P	A	A	P	A	P	P	P	P	P
Dr LM Mbabane	P	P	P	A	P	P	P	P	P	P	A	P	P
Mr AL Pheto	P	P		P	P	P	P	P	P	P	A	P	P
Mr P Makapan	N/R	P	N/R	N/R	N/R	P	P	N/R	N/R	N/R	N/R	P	P
Ms D Ranthako	P	P	P	P	P	P	P	P	P	P	P	P	P

Stakeholders' Meetings			
Name	Date 09 Feb	Date 15 Jun	Date 21 Jun
Judge CJ Musi	N/R	N/R	P
Ms T Mgoduso	N/R	N/R	P
Dr R Nienaber	N/R	N/R	P
Dr L Mbabane	N/R	N/R	P
Mr P Makapan	N/R	P	P
Ms D Ranthako	P	P	N/R
Ms M Mashaba	P	N/R	N/R