


**MAGISTRATES
COMMISSION**
**LANDDROSTE-
KOMMISSIE**

P O BOX/POSBUS 9096, PRETORIA, 0001

☎ (012) 325 3951

FAX/FAKS (012) 326 0094

STAFF: CONFIDENTIAL

 Reference : 6/5/11/2
 Verwysing

 ⌈
 Judge MF Legodi
 Chairperson: Magistrates Commission
 PO Box 9096
 PRETORIA
 0001
 ⌋

 Enquiries : Mr CJ Barnard
 Navrae

 Date : 21 May 2013
 Datum

Dear Judge Legodi

**SUBMISSION BY THE LOWER COURTS REMUNERATION COMMITTEE ON THE
REMUNERATION OF MAGISTRATES: 2013/2014**

In accordance with your directive to the Lower Courts Remuneration Committee (LCRC) on 13 March 2013 and a resolution taken by the LCRC on 15 March 2013, the LCRC compiled a draft report on the remuneration of magistrates for 2013/2014 on 25 April 2013 (the Report). The Report has now been finalized and a copy is attached for your attention.

Note has been taken that it was resolved during a meeting between the Chief Justice and Heads of Magistrates' Courts on 14 February 2013 that the Chief Justice will arrange for a meeting between the LCRC and the Independent Commission for the Remuneration of Public Office-Bearers (ICRPOB). This meeting will be attended by the Chief Justice and yourself in order to discuss the report and other related matters.

The view is held that it could serve a useful purpose if a presentation on the Report could be made by the LCRC to yourself and the Chief Justice before a meeting is arranged with the ICRPOB in order to obtain your views, inputs and guidance.

The LCRC awaits your further directives on the matter.

Yours faithfully

 M DJAJE
 CHAIRPERSON: LOWER COURTS REMUNERATION COMMITTEE

**MAGISTRATES
COMMISSION**

**LANDDROSTE-
KOMMISSIE**

P O BOX 9096, PRETORIA, 0001

(012)3253951

FAX (012)3253957

Honourable Chief Justice M Mogoeng
Constitutional Court of South Africa
Private Bag X1
BRAAMFONTEIN
2017

Reference: 6/5/11/2

Enquiries: Mr A D Schoeman

11 June 2013

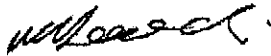
Dear Chief Justice

**SUBMISSION BY THE LOWER COURTS REMUNERATION COMMITTEE ON THE
REMUNERATION OF MAGISTRATES: 2013 / 2014**

1. Magistrates are in terms of section 12(1) of the Magistrates Act, No. 90 of 1993, entitled to such salaries, allowances or benefits determined by the President from time to time after taking into consideration the recommendations of the Independent Commission for the Remuneration of Public Office-bearers [IRC]. The IRC must, when investigating or considering the remuneration of magistrates consult, *inter alia*, with the Chief Justice or a person designated by the Chief Justice.
2. As you are aware the former Chief Justice on 2 April 2011 requested me to facilitate the establishment of a Lower Courts Remuneration Committee [LCRC]. I consulted with the Regional Court Presidents' Forum and the Chief Magistrates' Forum and requested nominations, as inclusive as possible, of magistrates to serve as members of the Committee. The Committee was subsequently established and comprises of nine members. The Committee is chaired by Mr M Djaje, Regional Court President, Johannesburg. The LCRC has finalized its Report on the remuneration of magistrates for 2013 / 2014.
3. In the light of the Constitutional Court decision in the matter of ARMSA and the President of the Republic of South Africa and 4 others [CCT 91/12] it is our view that a way should be found to deal with the consultative process with the IRC even if it was to be *via* the Chief Justice.

4. It was resolved at the meeting between the Chief Justice and Heads of Magistrates' Courts held on 14 February 2013 that the Chief Justice will arrange for a meeting between the LCRC and the IRC in order to discuss the Report and matters related thereto. It was agreed that the meeting will be attended by the Chief Justice and the Chairperson of the Magistrates Commission.
5. The view is held that it could serve a useful purpose if a presentation on the Report could be made by the LCRC to the Chief Justice and myself before a meeting is arranged with the IRC.
6. Your view in this regard will be appreciated.

Yours sincerely



M F LEGODI
CHAIRPERSON: MAGISTRATES COMMISSION
[ads2889]

**MAGISTRATES
COMMISSION**

**LANDDROSTE-
KOMMISSIE**

P O BOX 9096, PRETORIA, 0001

(012)3253951

FAX (012)3253957

Hon Chief Justice M Mogoeng
Constitutional Court of South Africa
Private Bag X1
BRAAMFONTEIN
2017

Reference: 6/5/11/2

Enquiries: Mr A D Schoeman

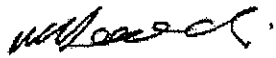
26 July 2013

Dear Chief Justice

**CONSULTATION ON REMUNERATION OF MAGISTRATES BY THE INDEPENDENT
COMMISSION FOR THE REMUNERATION OF PUBLIC OFFICE BEARERS: 2013 /
2014 FINANCIAL YEAR**

1. My letter of 11 June 2013 regarding the above and of which a copy is attached for your ease of reference refers.
2. As indicated to you in the attached letter the former Chief Justice on 2 April 2011 requested me to facilitate the establishment of a Lower Courts Remuneration Committee [LCRC]. I consulted with the Regional Court Presidents' Forum and the Chief Magistrates' Forum and requested nominations, as inclusive as possible, of magistrates to serve as members of the Committee. The Committee was subsequently established and comprises of nine members. Both ARMSA and JOASA are represented on the Committee. The Committee is chaired by Mr M Djaje, Regional Court President, Johannesburg.
3. It is of concern to us that the IRC has to date not approached the LCRC for its inputs as part of the consultation process for the determination of salaries of public office bearers for 2013 / 2014. The LCRC has however finalised its recommendations and due to the urgency of the matter I deemed it prudent to attach a copy of its Report for your consideration and onward submission to the IRC if you agree.

Yours sincerely



M F LEGODI
CHAIRPERSON: MAGISTRATES COMMISSION
[ads2914]

"E"

Enquiries: Mr. PM Makapan
Tel: 012 300 5344
Fax: 012 324 4044
E-mail: Peterm@po.gov.za



MAGISTRATES COURTS
JUDICIARY
2013-08-08
JUDICIAL QUALITY ASSURANCE
MAGISTRATES COMMISSION

The Presidency
Private Bag X1000
PRETORIA
0001

**INDEPENDENT COMMISSION FOR THE REMUNERATION OF
PUBLIC OFFICE BEARERS**

31 July 2013

Mr M Djaje
Chairperson of the Lower Courts Remuneration Committee
Magistrates Commission
P.O. Box 9069
PRETORIA
0001

REGIONAL COURT PRESIDENT
PRIVAATSAK/PRIVATE BAG X:
2013-08-02
JOHANNESBURG 2000
STREEKHOF PRESIDENT

Dear Mr Djaje

**CONSULTATION ON ANNUAL REMUNERATION RECOMMENDATIONS OF PUBLIC
OFFICE-BEARERS FOR 2013/2014**

1. The Commission is required in terms of the provisions of section 2 of the Judges Remuneration and Conditions of Service Act, 2001 (Act 47 of 2001) and section 12 of the Magistrates Act, 1993 (Act 90 of 1993), to consult with the Chief Justice, Minister of Finance and Minister of Justice and Constitutional Development on any proposed recommendations relating to the salaries, benefits and allowances of public office bearers, prior to its submission thereof to the President, Parliament, and its publication, as required.
2. The process of reviewing the salaries, benefits and allowances of all public office bearers for the 2013/2014 financial year commencing on 01st April 2013 is underway.
3. This letter seeks to consult the Lower Courts Remuneration Committee as established by the Chief Justice, on the recommendations that the Commission seeks to make to the President on the salaries, benefits and allowances of all public office bearers for the financial year 2013/2014.
4. In terms of the current arrangement between the Commission and the Chief Justice the Commission is obliged to request the views of the Committee before finalization of its recommendations.
5. For that purpose, the Commission attaches hereto the explanatory memorandum and adjusted remuneration tables for the Committee comments and views, which the Commission will take into consideration before making the recommendations.

6. We forward to you these draft recommendations of the Commission in respect of public office bearers remuneration, which, at this stage, is not for public disclosure, prior to its submission to the President, Parliament, and its publication, as required.
7. The Commission intends to make its recommendations to the President before 13 September 2013. We would therefore be indebted to receive the Committee's comments by 30 August 2013. However, should the Commission not hear from your Committee by the latter date, the Commission will assume that the Committee agrees with Commission's recommendations.

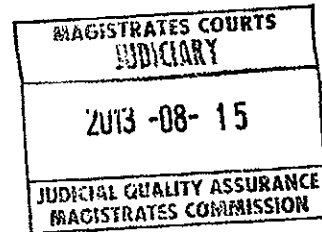
Yours sincerely



JUDGE WL SERITI
CHAIRPERSON

Commissioners: Judge LW Seriti (Chairperson); Ms MV Phiyega (Deputy Chairperson); Dr MHR Bussin; Dr MP Sithole;
Mr BK Mosley-Lefatola; Adv HFN Saphofo; Mr C Economou

Head of Secretariat: PM Makapan



Private Office of the Chief Justice
Constitution Hill, 1 Hospital Street, Braamfontein, 2017
Private Bag X 1, Constitution Hill, Braamfontein, 2017
Tel: 011 359 7414, Fax: 011 403 8898

13 August 2013

Hon Mr Justice M F Legodi
Chairperson: Magistrates Commission
P O Box 9096
PRETORIA
0001

Dear Judge Legodi

CONSULTATION ON ANNUAL REMUNERATION RECOMMENDATIONS OF PUBLIC OFFICE-BEARERS FOR 2013/2014

Please find attached hereto correspondence from the Honourable Mr Justice Seriti, Chairperson of the Independent Commission for the Remuneration of Public Office Bearers.

It would be highly appreciated if you could please pass the recommendations on to the Magistracy and all their relevant structures to ensure that they make their position known on these recommendations.

The most important aspect of the recommendation is that no Judge will receive a salary raise and no Magistrate earning an annual salary of one million rand and above will be entitled to an increment.

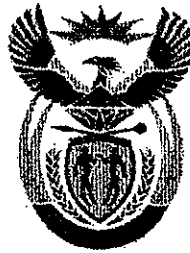
Written comments should please be transmitted to me not later than 26 August 2013. I will, after proper reflection, immediately pass them onto the Commission together with my views, for the Commission's consideration.

Everybody's cooperation will be highly appreciated.

With kind regards


Mogoeng Mogoeng
Chief Justice of the Republic of South Africa

Enquiries: Mr. PM Makapan
Tel: (012) 308 1707
Fax: (012) 324 4044
E-mail: Peterm@po.gov.za



The Presidency
Private Bag X1000
PRETORIA
0001

INDEPENDENT COMMISSION FOR THE REMUNERATION OF PUBLIC OFFICE BEARERS

31 July 2013

Chief Justice Mogoeng Mogoeng
Constitutional Court of the Republic of South Africa
Private Bag X32
BRAAMFONTEIN
2017

Dear Chief Justice Mogoeng

CONSULTATION ON ANNUAL REMUNERATION RECOMMENDATIONS OF PUBLIC OFFICE-BEARERS FOR 2013/2014

1. The Commission is required in terms of the provisions of section 2 of the Judges Remuneration and Conditions of Service Act, 2001 (Act 47 of 2001) and section 12 of the Magistrates Act, 1993 (Act 90 of 1993), to consult with the Chief Justice, Minister of Finance and Minister of Justice and Constitutional Development on any proposed recommendations relating to the salaries, benefits and allowances of public office bearers, prior to its submission thereof to the President, Parliament, and its publication, as required.
2. The process of reviewing the salaries, benefits and allowances of all public office bearers for the 2013/2014 financial year commencing on 01 April 2013 is underway.
3. This letter seek to consult the Chief Justice of South Africa, as required by the above stated legislation, on the recommendations that the Commission seeks to make to the President on the salaries, benefits and allowances of all public office bearers for the financial year 2013/2014.
4. In terms of applicable legislation we are obliged to request your views before finalization of the Commission's recommendations in this regard.
5. For that purpose, the Commission attaches hereto the explanatory memorandum and adjusted remuneration tables for your comments and views, which the Commission will take into consideration before making the recommendations.

Commissioners: Judge LW Seriti (Chairperson); Vacant (Deputy Chairperson); Dr MHR Bussin; Dr MP Sithole;
Mr C Economou; Adv HFN Sephoti; Mr AG Matheba, Dr LW Matihape

Head of Secretariat: PM Makapan

A handwritten signature in black ink, consisting of a stylized, cursive name.

6. We forward to you these draft recommendations of the Commission in respect of public office bearers remuneration, which, at this stage, is not for public disclosure, prior to its submission to the President, Parliament, and its publication, as required.
7. The Commission intends to make its recommendations to the President before 13 September 2013. We would therefore be indebted to receive the Chief Justice's comments at his earliest convenience. However, should the Commission not hear from the Chief Justice by 30 August 2013, it would accept that the Chief Justice agrees with the Commission's recommendations.

Yours sincerely

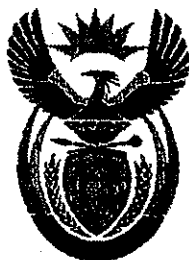


**JUDGE WL SERITI
CHAIRPERSON**

Commissioners: Judge LW Seriti (Chairperson); Vacant (Deputy Chairperson); Dr MHR Bussin; Dr MP Sithole;
Mr C Economou; Adv HFN Sefhoti; Mr AG Matheba, Dr LW Matlhape

Head of Secretariat: PM Makapan

Enquiries: Mr. PM Makapan
Tel: 012 300 5344
Fax: 012 324 4044
E-mail: Peterm@po.gov.za



The Presidency
Private Bag X1000
PRETORIA
0001

INDEPENDENT COMMISSION FOR THE REMUNERATION OF PUBLIC OFFICE BEARERS

EXPLANATORY MEMORANDUM FOR ANNUAL RECOMMENDATIONS FOR 2013/2014

1. Introduction

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, allowances, and the resources required by public office bearers to enable them to perform their respective duties effectively.

The Commission at its meeting of 07 June 2013 discussed the Annual Remuneration Recommendations for 2013/2014. The matter was not finalized and the Commission convened a Special meeting on 15 July 2013 to finalize the recommendations for 2013/2014.

In terms of Section 8 (3B) (a) the Chairperson of the Commission recused himself from this deliberation given his conflicted position.

2. ANNUAL REMUNERATION RECOMMENDATIONS FOR 2013/2014

The Commission considered the following factors for annual remuneration recommendations for 2013/2014:

- Section 8(6) of the Commission Act
- Consumer Price Index (CPI) and future forecast
- Market salary increase during the past year
- Forecast salary increase for the year ahead
- Economic and social environment
- Past recommendations and President determinations
- Inputs from key stakeholders in terms of mandatory consultation
- Other factors for consideration

2.1 SECTION 8 (6)

In relation to Section 8 (6) (i) of the Commission Act, the Commission is of the view that the roles, status, duties, functions and responsibilities of the public office bearers were considered during the last Major Review Report and the Commission will advise all stakeholders with its intention for a future review of all public office bearers remuneration, benefits and allowances.

Commissioners: Judge LW Seriti (Chairperson); Vacant (Deputy Chairperson); Dr MHR Bussin; Dr MP Sithole;
Mr C Economou; Adv HFN Sephoti; Mr AG Matheba, Dr LW Matlhape

Head of Secretariat: PM Makapan

For the current financial year the Commission is not considering the total review of remuneration, benefits and allowances of public office bearers as this would require significant financial resources to address. The Commission received inadequate financial resources and this had a negative impact in dealing with stakeholders requests especially on the review of public office bearers' remuneration.

2.2 CONSUMER PRICE INDEX (CPI) AND FUTURE FORECAST

Inflation is an increase in the general level of prices of goods and services in an economy over a period of time. When the general price level rises, each unit of currency buys fewer goods and services. Consequently, inflation also reflects erosion in the purchasing power of money – a loss of real value in the internal medium of exchange and unit of account in the economy.

The economics of inflation and remuneration are interrelated. High inflation demands increase in remuneration to maintain the current lifestyle at higher prices. As commonly known, people expect higher remuneration increases with higher inflation. When remuneration is increased it further fuels the existing inflation by increasing the demand of commodities.

Below table indicate the annual average CPI, PPI, GDP and interest rate data from 2006 to 2012.

YEAR	CPI	PPI	GDP	PRIME INTEREST RATE
2006	4.6%	7.7%	5.8%	12.5%
2007	6.5%	11.0%	5.7%	14.5%
2008	11.3%	14.3%	3.43%	15.0%
2009	7.1%	0.2%	-1.48%	10.5%
2010	4.3%	6.0%	2.98%	9.0%
2011	4.5%	7.4%	3.05%	9.0%
2012	5.7%	5.4%	3.20%	8.5%

The inflation level from January to May 2013 reflected an average amount of 5.7% as depicted by the table below:

ANNUAL INFLATION (CPIX) BETWEEN JANUARY – MAY 2013						
MONTHLY CPIX						
Year	JAN	FEB	MAR	APR	MAY	AVG
2013	5.4%	5.9%	5.9%	5.9%	5.6%	5.7%

Commissioners: Judge LW Seriti (Chairperson); Vacant (Deputy Chairperson); Dr MHR Bussin; Dr MP Sithole; Mr C Economou; Adv HFN Sephoti; Mr AG Matheba, Dr LW Mathape

Head of Secretariat: PM Makapan

According to a **South African Reserve Bank (SARB)** publication dated 23 May 2013, inflation is expected to average 0.1% points lower in 2013 and 2014 at 5.8% and 5.2% respectively and to average 5.0 % in 2015. A temporary breach of the upper end of the target range is still expected in the third quarter of 2013, but a lower average level of 6.1% (6.3% previously), followed by a gradual moderation of inflation to 4.9% in the final quarter of 2015 is expected to be seen.

Inflation expectations, as reflected in the **Reuters Survey of Analyst** conducted in April 2013 has remained relatively stable for some months. The forecast is the same as the SARB for 2013, although higher for the next two years but still within the target range.

The survey conducted by the **Bureau for Economic Research (BER)** in the second quarter of 2013 reflect expected inflation to average 5.6% in 2012, 6% in 2013 and 5.9% in 2014.

Chapter 2 of the **National Treasury Budget Review of 2012** projected the Consumer Price Index (CPI) to increase from an average of 5% in 2011 to 6.2% in 2012 as a result of high food prices, rising administered prices and higher prices of imported goods due to the weaker rand. After temporarily rising above the upper limit of the 3-6% target band, inflation is forecast to fall to 5.3% in 2013 and 5.1% in 2014.

The **National Treasury MTEF Guidelines** on preparation of Expenditure Estimates for 2013 projects the CPI inflation for 2013/14 at 5.3% and for 2014/15 at 4.9%.

The **South Africa's big banks** have indicated their inflation forecasts as follows:

Bank	2012 Forecast	2013 Forecast	2014 Forecast
ABSA	5.7%	6.1%	5.7%
First National Bank	5.0%	5.1%	4.6%
Nedbank	5.7%	6%	5.8%
Standard Bank	5.6%	5.9%	5.5%
SARB	5.6%	5.9%	5.5%
Average	5.52%	5.7%	5.42

Commissioners: Judge LW Seriti (Chairperson); Vacant (Deputy Chairperson); Dr MHR Bussin; Dr MP Sithole; Mr C Economou; Adv HFN Sephoti; Mr AG Matheba, Dr LW Matlhape

Head of Secretariat: PM Makapan

2.3 MARKET SALARY INCREASE DURING THE PAST YEAR

Senior Management Services (SMS) and Public Service Employees

Senior Managers in Public Service received a 5% cost-of-living-adjustment in January 2011. In January 2012 they received a 4.5% with additional 0.5% adjustment on 01 April 2012. For 2013/14 SMS received 5.6%.

Employees on salary levels 1 to 12 in the public service have received the cost-of-living adjustment of 6.8% and 7% in 2011/12 and 2012/13 respectively. For 2013/14 they received adjustment based on the National Treasury's average projected CPI for the financial year plus 1% which is 6.6%.

Local Government

Parties in the South African Local Government Bargaining Council signed the multi-year Salary and Wage Collective Agreement for the period 2012 to 2015. The agreement indicated, amongst others, a cost-of-living-adjustment increase in 2012/13 of 6.5% and 0.5% implemented in two phases. An increase for 2013/2014 and 2014/2015 financial years will be based on an average CPI plus 1.25% and 1% respectively.

2.4 FORECAST SALARY INCREASE FOR THE YEAR AHEAD

According to a Snap Survey Report from 21st Century Pay Solutions Group, it is anticipated that the market increases for 2013 would likely to fall between 6.5% and 7.5% as CPI increases and expect the median to stay at 7%.

2.5 ECONOMIC AND SOCIAL ENVIRONMENT

On 17 October 2012 during the *social dialogue meeting* on state of economy, parties involved agreed that steps need to be taken urgently to address the large income inequalities in South Africa, which are a future primary risk as a sustainable and successful society. The parties made a call on Chief Executive Officers (CEOs), Executive Directors and Senior Executives in both private and public sectors to agree to a freeze an increase in salary and bonuses over the next 12 months, as a strong signal of a commitment to build an equitable economy.

Subsequent to the social dialogue, **Cabinet** held its ordinary meeting in Cape Town on 24 October 2012 where it demonstrated its support for the National Executive commitment to diminish salary inequalities and further endorsed that salary increases of the National Executive be frozen for the next 12 months. This was further demonstrated by the **Forum of South African Directors-General (FOSAD)** that resolved that Director-Generals would voluntarily surrender their 2013/14 cost-of-living-adjustment. The **SARB** also informed the public that their Executive and Non-Executive Directors will not get salary increase in the current financial year.



Commissioners: Judge LW Sefiti (Chairperson); Vacant (Deputy Chairperson); Dr MHR Bussin; Dr MP Sithole;
Mr C Economou; Adv HFN Sephoti; Mr AG Matheba, Dr LW Matlhape

Head of Secretariat: PM Makapan

On 25 October 2012 during the Medium Term Budget Policy statement the **Minister of Finance** indicated that the budget provides for the continued real growth in spending on public services, though total non-interest expenditure remains broadly unchanged from the 2012 budget. This reflects the challenging economic environment and the fiscal constraints in which government is operating.

According to the statement of the **Monetary Policy Committee (MPC)** issued by the Governor of SARB on 20 March 2013, the trend in wage settlement remains an upside risk to the inflation outlook, although recent data is somewhat contradictory. Indications from the Andrew Levy Employment Publications are that wage settlements in collective bargaining agreements picked up significantly from 7.6% in 2012 to 7.9% in the first quarter of 2013.

2.6 PAST RECOMMENDATIONS AND PRESIDENT DETERMINATIONS

The Commission on 26 July 2012 published its annual remuneration recommendations for cost-of-living-adjustment of 5.5% for public office bearers for 2012/2013 financial year effective from 01 April 2012. In recommending the increase the Commission considered applicable legislation and the following factors to be relevant in forming the basis for its decision:

- Consumer Price Index (CPI) and future forecast
- Market salary increase of the past year
- Forecast salary increase for the year ahead
- Economic and social environment
- Past recommendations and the President's determinations
- Other factors for consideration
- Inputs from key stakeholders in terms of mandatory consultation

The following are past cost-of-living-adjustment recommendations made by the Commission and the President determinations for all public office bearers:

Year	Commission Recommendations	President Determinations
2008/09	Major review & 11%	Major review & 11%
2009/10	8%	7%
2010/11	7%	5%
2011/12	5%	5%
2012/13	5.5%	5.5%
Average	7.8%	7%

Commissioners: Judge LW Seriti (Chairperson); Vacant (Deputy Chairperson); Dr MHR Bussin; Dr MP Sithole; Mr C Economou; Adv HFN Sephoti; Mr AG Matheba, Dr LW Matlhape

Head of Secretariat: PM Makapan

2.7 GOVERNMENT WAGE BILL

The *Medium Term Budget Policy Statement* of 25 October 2012 further indicated that since 2008/9, personnel spending have increased from 33% to 35% of total government expenditure. This year government and public service unions signed a three-year wage settlement. The cost of this agreement is estimated at R5.5 billion for 2012/2013 and R37.5 billion over the 2013 MTEF. Compensation of employees will be limited to 34% of total expenditure in 2015/16 as government restrains growth in personnel numbers.

The *Financial and Fiscal Commission* submission on the 2012 Medium Term Budget Policy statement indicated that the adjustment estimates are mainly driven by Improvement of Conditions of Service (ICS) to cover the cost of the public service wage settlement of 7% that was agreed to later in the year 2012 (which is higher than the initial 5% that provinces budgeted for). The continued higher than expected increase to the cost of living adjustment will put further pressure on the Government to reign in the provincial salary bill. The opportunity costs of these increases impact on resuscitating the economy through increased investment expenditure.

2.8 OTHER FACTORS FOR CONSIDERATION

The Commission further considered the following factors for its final decision on pay action for 2013/2014:

- Purchasing Power Parity and equity
- The stakeholders' inputs and concerns
- The inflation levels at different remuneration bands
- The public perception towards Commission recommendations
- Commission independence
- The Constitutional Court verdict of 23 May 2013

3. RECOMMENDATION

The Commission is obliged by statutory enactment to make recommendations for salary adjustment for public office bearers. After taking into account all relevant factors mentioned here above together with applicable legislations, the Commission is proposing a cost-of-living-adjustment on a sliding scale as indicated in the table below:

TOTAL REMUNERATION PACKAGE	SLIDING SCALE %
Below R 500 000	7%
Between R500 000 – R 800 000	5%
Between R800 000 – R1 000 000	4%
Above R1 000 000	0%



Commissioners: Judge LW Seriti (Chairperson); Vacant (Deputy Chairperson); Dr MHR Bussin; Dr MP Sithole;
Mr C Economou; Adv HFN Sephoti; Mr AG Matheba, Dr LW Matlhape

Head of Secretariat: PM Makapan

In recommending the sliding scale, the Commission is intending to:

- a) Overcome perpetual perceptions on remuneration inequities reinforced by an increase of the same percentage for all categories of public office bearers,
- b) Address a call by Commission stakeholders on the wide wage gap between the remuneration levels,
- c) Ensure gradual internal equity amongst the recipients
- d) Ensure that inflation increase level incurred at different remuneration bands are appropriately recognise, and
- e) Set an example to the private sector.



Commissioners: Judge LW Seriti (Chairperson); Vacant (Deputy Chairperson); Dr MHR Bussin; Dr MP Sithole;
Mr C Economou; Adv HFN Sephoti; Mr AG Matheba, Dr LW Matlhape

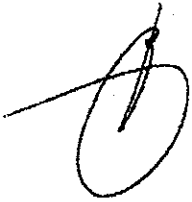
Head of Secretariat: PM Makapan

SCHEDULE 1			
REMUNERATION LEVELS WITH EFFECT 01 APRIL 2013			
NATIONAL EXECUTIVE AND DEPUTY MINISTERS			
GRADE	PAY LEVEL	POSITION	01-Apr-12
EA	1	President	2,622,561
EB	1	Deputy President	2,360,360
EC	1	Minister	2,006,292
ED	1	Deputy Minister	1,652,224

01-APR-13

Administrative (00%)

(00%)



SCHEDULE 3			
REMUNERATION LEVELS WITH EFFECT 01 APRIL 2013			
PROVINCIAL EXECUTIVES AND LEGISLATURES			
GRADE	PAY LEVEL	POSITION	01-Apr-12
LA	1	Premier	1,888,315
LB	1	Member of Executive Council	1,652,224
		Speaker	1,652,224
LC	1	Deputy Speaker	1,298,158
		Chief Whip: Majority Party	1,180,180
	2	Chairperson of Committees	1,062,204
		Leader of Opposition	1,062,204
		Chairperson of a Committee	1,062,204
	3	Deputy Chairperson of Committees	999,347
		Deputy Chief Whip: Majority Party	999,347
		Chief Whip: Largest Minority Party	999,347
		Leader of a Minority Party	999,347
LD	1	Parliamentary Counselor to a King	889,383
		Whip	889,383
	2	Member of Provincial Legislature	860,787

SCHEDULE 4				
REMUNERATION LEVELS WITH EFFECT 01 APRIL 2013				
LOCAL GOVERNMENT				
GRADE	PAY LEVEL	POSITION	01-Apr-12	01-Apr-13
MA	1	Executive Mayor	1,045,626	1,045,626
		Mayor	1,045,626	1,045,626
MB	1	Deputy Executive Mayor	847,525	847,525
		Speaker/Chairperson	847,525	847,525
		Deputy Mayor	847,525	847,525
MC	2	Member of Executive Council	798,069	798,069
		Member of Mayoral Committee	798,069	798,069
		Chairperson of a Sub-council	798,069	798,069
		Whip	798,069	798,069
MD	1	Municipal Councillor	401,866	401,866

SCHEDULE 5				
REMUNERATION LEVELS WITH EFFECT 01 APRIL 2013				
JUDGES				
GRADE	PAY LEVEL	POSITION	01-Apr-12	01-Apr-13
JA	1	Chief Justice	2,360,360	2,360,360
JB	1	Deputy Chief Justice	2,124,269	2,124,269
		President: Supreme Court of Appeal	2,124,269	2,124,269
JC	1	Deputy President: Supreme Court of Appeal	2,006,292	2,006,292
	2	Judge: Constitutional Court	1,888,315	1,888,315
		Judge: Supreme Court of Appeal	1,888,315	1,888,315
	3	Judge President: High/Labour Court	1,770,339	1,770,339
	4	Deputy Judge President: High/Labour Court	1,652,224	1,652,224
	5	Judge: High/Labour Court	1,534,248	1,534,248

SCHEDULE 6				
REMUNERATION LEVELS WITH EFFECT 01 APRIL 2013				
MAGISTRATES				
GRADE	PAY LEVEL	POSITION	01-Apr-12	01-Aug-13
JD	1	Special Grade Chief Magistrate	1,062,203	1,062,203 Above R200 Million (2%)
		Regional Court President	1,062,203	
JE	1	Regional Magistrate	944,089	944,089 Between R200 Million and R300 Million (2%)
		Chief Magistrate	944,089	
JF	1	Senior Magistrate	778,866	778,866 Above R150 Million (5%)
JG	1	Magistrate	708,136	708,136

SCHEDULE 7

REMUNERATION LEVELS WITH EFFECT 01 APRIL 2013

TRADITIONAL LEADERS

GRADE	PAY LEVEL	FULL TIME POSITIONS	01-Apr-12	01-Apr-13
TA	1 King		978,321	978,321
TB	1 Chairperson: NHTL		693,216	693,216
	2 Full time Chairperson: PHTL		570,957	570,957
	3 Deputy Chairperson: NHTL		530,204	530,204
TC	4 Full time Deputy Chairperson: PHTL		489,313	489,313
	1 Full time Member: NHTL		285,409	285,409
TD	2 Full time Member: PHTL		244,656	244,656
	1 Senior Traditional Leader		179,451	179,451
TE	1 Headmen / Headwomen		75,584	75,584
		PART TIME POSITIONS*	1 APRIL 2012 (Per Day)	
		Part time Member: NHTL	1,028	1,028
		Part time Chairperson: PHTL	1,223	1,223
		Part time Deputy Chairperson: PHTL	1,100	1,100
		Part time Member: PHTL	852	852

* 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



**MAGISTRATES
COMMISSION**

**LANDDROSTE
KOMMISSIE**

P O BOX 9096, PRETORIA, 0001

(012)3253951

FAX (012)3253957

⌈
Hon Chief Justice M Mogoeng
Constitutional Court of South Africa
Private Bag X1
BRAAMFONTEIN
2017
⌋

⌈ Reference: 6/5/11/2

Enquiries: Mr A D Schoeman

⌋ 15 August 2013

Dear Chief Justice

**CONSULTATION ON ANNUAL REMUNERATION RECOMMENDATIONS OF PUBLIC
OFFICE-BEARERS FOR 2013 / 2014**

1. Your letter of 13 August 2013 refers.
2. As you are aware the Lower Courts Remuneration Committee [LCRC] in terms of its delegated mandate must consult with all magistrates regarding the remuneration of magistrates and must provide the Chairperson of the Magistrates Commission with an annual report with recommendations for submission to the Chief Justice in compliance with the provisions of section 12(1) of the Magistrates Act, 1993. For this purpose the composition of the LCRC was inclusive of all magistrates including the two professional organizations. The two organizations however indicated that their participation was subject to them retaining their bargaining power outside of the LCRC. One of the organizations has however earlier this year withdrawn from the Committee. Therefore the Magistrates Commission finds it problematic to liaise with relevant structures and in particular the organizations outside the LCRC structure.
3. Since the establishment of the LCRC it consulted with all magistrates and inputs received were considered by the LCRC in the drafting of its final recommendations. This approach was adopted in the current financial year. The submission of a draft recommendation by the IRC without having consulted

first with the stakeholders has always been a problem with the Commission. Be that as it may, we would however need guidance from you now to deal with the matter now seen in the light of what is stated hereunder.

4. We reported to you on 26 July 2013 as per the attached letter that it was of concern to us that the IRC has until then not approached the LCRC for its inputs as part of the consultation process for the determination of salaries of public office bearers for 2013 / 2014. You were informed that the LCRC has however completed its consultation and finalised its recommendations and due to the urgency of the matter I deemed it prudent to attach a copy of its Report for your consideration and onward submission to the IRC if you agree.
5. The IRC on 31 July 2013 wrote a letter to the Chairperson of the LCRC [copy attached] wherein the Committee was, *inter alia*, informed as follows:

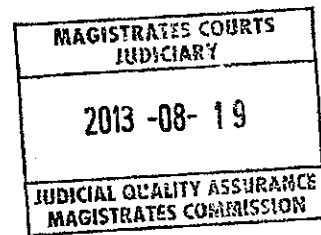
- “3. *This letter seeks to consult the Lower Courts Remuneration Committee as established by the Chief Justice, on the recommendations that the Commission seeks to make to the President on the salaries, benefits and allowances of all public office bearers for the financial year 2013 / 2014.*
4. *In terms of the current arrangement between the Commission and the Chief Justice the Commission is obliged to request the views of the Committee before finalization of its recommendations.*
5. *For that purpose, the Commission attaches hereto the explanatory memorandum and adjusted remuneration tables for the Committee comments and views, which the Commission will take into consideration before making the recommendations.*” [The same memorandum which accompanied your abovementioned letter was attached to the letter from the IRC]

6. The LCRC has subsequently finalised its response to the IRC which has however not been submitted yet.
7. We need your guidance whether the LCRC should submit its response to the IRC directly or whether its response should first be submitted to you for consideration as requested in your abovementioned letter. We would prefer the latter approach in view of the resolution which was taken at the meeting between the Chief Justice and Heads of Magistrates' Courts held on 14 February 2013 that the Chief Justice will arrange for a meeting between the LCRC and the IRC in order to discuss the Report and matters related thereto. It was agreed that the meeting will be attended by the Chief Justice and the Chairperson of the Magistrates Commission.
8. We have been informed that the LCRC does not support the proposals contained in the explanatory memorandum and adjusted remuneration tables as received from the IRC. It is thus imperative for the LCRC to present its Report to the IRC to ensure that the basis for its recommendations are fully explained and understood before the IRC finalizes its recommendations to the President. This will also allow the LCRC the opportunity to debate and understand the rationale behind the proposed recommendations by the IRC. This is also the reason why we have informed you that the LCRC has finalized its report and why we submitted a copy thereof to you to facilitate a meeting with the IRC referred to in paragraph 7.
9. We also request your directive as to whether the draft recommendations by the IRC must be disseminated to all magistrates and structures. We are respectfully of the view that this should not be done until we have had the opportunity to actually discuss the matter with you.
10. Your directives regarding the above will be appreciated.

Yours sincerely



M F LEGODI
CHAIRPERSON: MAGISTRATES COMMISSION
[ads2921]



Chief Justice Mogoeng Mogoeng
Constitution Hill, 1 Hospital Street, Braamfontein, 2017
Private Bag X 1, Constitution Hill, Braamfontein, 2017
Tel: 011 359 7414, Fax: 0867598694

16 August 2013

Hon Mr Justice F. Legodi
Chairperson:
Magistrate's Commission
P.O. Box 9096
PRETORIA
0001

Dear Chairperson,

**CONSULTATION ON ANNUAL REMUNERATION RECOMMENDATIONS OF
PUBLIC OFFICE-BEARERS FOR 2013/2014**

Your letter dated 15 August 2013 bears reference.

I propose that the IRC recommendations be shared with the entire Magistracy including the various Associations that Magistrates are affiliated to. It is advisable that the draft response by the LCRC be shared with the Magistracy to ensure that it is at least a fair representation of their collective position.

Find out how much time would be required to finalise that process so that you and I can work on the date for the LCRC meeting with the IRC and us.

With kind regards


Mogoeng Mogoeng
Chief Justice of the Republic of South Africa

