

Enquiries: Mr. PM Makapan
Tel: 012 308 1706/7
Fax: 012 300 5735
E-mail: Peterm@presidency.gov.za



The Presidency
Private Bag X1000
PRETORIA
0001

INDEPENDENT COMMISSION FOR THE REMUNERATION OF PUBLIC OFFICE BEARERS

22 August 2018

His Excellency President MC Ramaphosa
The Presidency
Private Bag X1000
Pretoria
0001

Dear Mr. President

REMUNERATION RECOMMENDATIONS OF MEMBERS OF THE FINANCIAL AND FISCAL COMMISSION

1. The above matter bears reference.
2. Sections 9 (1) (a) of the Financial and Fiscal Commission Act No.99 of 1997 (FFC Act) stipulates that members of the Financial and Fiscal Commission (FFC) shall be entitled to such remuneration, allowances and other benefits - as determined by the President, from time to time, by notice in the Gazette, taking into consideration the recommendations of the Independent Commission for the Remuneration of Public Office-Bearers (Independent Commission).
3. Section 9 (3) of FFC Act stipulates that the Independent Commission shall, when investigating or considering the remuneration, allowances and other terms and conditions of office and service benefits of the members of the FFC, consult with the Minister of Finance.
4. The Independent Commission received a letter from the former Minister of Finance, Mr. MKN Gigaba, dated 02 August 2017, regarding the remuneration of members of the FFC.
5. The Independent Commission met with the former Minister on 24 August 2017 and made a commitment to the former Minister that it will deal with the matter under consideration and revert. The Minister advised that the remuneration of FFC members was last adjusted in 2012. Part-time members of the FFC are currently being remunerated at R401 per hour (sitting fee) and R134 per hour (preparation and travelling time).
6. The Independent Commission apologizes for the delay in finalizing the matter. The response was delayed by its internal investigation on the matter.

Commissioners: Judge CJ Musi (Chairperson); Ms MJ Ramagaga (Deputy Chairperson); Ms TN Mgoduso, Dr R Nienaber; Dr LM Mbabane; Mr AL Pheto; Mr G Barnard and Dr SM Sibandze

Head of Secretariat: PM Makapan

7. In the letter received from the Minister, he indicated that the FFC requested a review of its remuneration. It submitted that as part of engaging in the review of research papers, part-time members not only prepare for meetings but also provide substantive professional input that enhances the quality and impact of the work of the FFC. In this context, the FFC proposed an hourly rate of R1 778 for service rendered during the members' private time as prescribed at the salary level 15 of the approved consultancy fee scales by the Department of Public Service and Administration (DPSA).
8. According to the National Treasury (NT), the proposed hourly rate, when converted to a daily rate (8 hours per day) amounts to R14 224 which represents a 245% variance in relation to NT approved daily rate of R4 126 in respect of Schedule 3A of Public Entities and Constitutional Institutions. Therefore, the proposal by the FFC was considered unaffordable and unsustainable by the NT.
9. Considering the fiscal constraints and the important advisory function of the FFC, the NT recommended that the determination of the DPSA for senior managers in the public service be utilised to determine adjustments to the remuneration of the full-time position of the Chairperson and the part-time positions of the Deputy Chairperson and other members. Furthermore, the NT recommended the following:
- The first notch of salary level 16 for full-time Chairperson position;
 - The first notch on salary level 15 salary for the part-time Deputy Chairperson position with a daily sitting rate of R4 999 or R625 per hour;
 - The first notch of salary 14 with a daily sitting rate of R4 110 or R514 per hour for other members; and
 - A rate for preparation and travelling be increased to R172 per hour in line with MPSA remuneration scales.
10. The Independent Commission resolved that it has a mandate to recommend the remuneration, allowances and other benefits of members of the FFC.
11. The Independent Commission engaged members of the FFC and officials from the NT on 26 July 2018. The Independent Commission considered the role, status, duties, functions, responsibilities, current principles and levels of remuneration, particularly in DPSA, and affordability.
12. In terms of Section 9(1)(a) of the Financial and Fiscal Commission Act, 1997, as amended (FFC Act), the Independent Commission recommends the following:

Position	Recommendation
Full-time Chairperson	The first total package equivalent to Level 16 of DPSA (currently R 1 782 687)
Part-time: Deputy Chairperson	A daily sitting rate or hourly sitting rate calculated on a first total package equivalent to Level 15 of DPSA (currently R 1 370 973)
Other Part-Time Members	A daily sitting rate or hourly sitting rate calculated on a first total package equivalent to Level 14 of DPSA (currently R 1 127 334)

Commissioners: Judge CJ Musi (Chairperson); Ms MJ Ramagaga (Deputy Chairperson); Ms TN Mgoduso, Dr R Nienaber; Dr LM Mbabane; Mr AL Pheto; Mr G Barnard and Dr SM Sibandze

Head of Secretariat: PM Makapan

All part-time members	Preparation and travelling allowance
Daily Sitting Rate = First total package (relevant level of DPISA) / 260 (working days).	
Hourly Sitting Rate = Daily Sitting Rate / 8hours.	
Preparation and Travelling Rate = Daily Sitting Rate / 24 hours.	

13. His Excellency's attention is drawn to Section 9 (4) of the FFC Act which states that:

"A notice in terms of subsection (1)(a) or any provision thereof may commence with effect from a date specified in the notice, which date may not be more than one year before the date of publication of the notice".

14. The Independent Commission recommends that His Excellency consider section 9(4) when making the determination.
15. I trust you will find the above in order.

Yours sincerely



JUDGE CJ MUSI
CHAIRPERSON OF THE COMMISSION

Commissioners: Judge CJ Musi (Chairperson); Ms MJ Ramagaga (Deputy Chairperson); Ms TN Mgoduso, Dr R Nienaber; Dr LM Mbabane; Mr AL Pheto; Mr G Barnard and Dr SM Sibandze

Head of Secretariat: PM Makapan