

The Chairperson of the Board
Western Cape Tourism, Trade and Investment Promotion Agency
18th Floor, SA Reserve Bank Building
60 St George's Mall
Cape Town
8001

Dear Prof Figaji

WESGRO CEO REAPPOINTMENT AND SALARY INCREASE

1. Thank you for your correspondence of 23 March 2020 and the further information and documentation that you have provided to me in connection with the reappointment and salary increase of the Wesgro CEO. Unfortunately, the further information and documentation remain insufficient to support a conclusion that the Board's decision to increase the CEO's salary is one that can be regarded as having been taken reasonably and rationally.
2. Given the concerns that have been raised relating to the decision to increase the CEO's salary, it would be remiss of me not to take the matter up with you further. The significant increase in the CEO's salary in the current economic climate raises concerns, especially given that the CEO's salary will be funded from the public purse. The fact that the CEO appears to have been closely involved in the benchmarking process, which appears to have weighed heavily in determining the increase in his salary, is also worrying - as is the fact that the decision, to increase the CEO's salary, was made based on a verbal presentation to the Board, without the Board having been provided with or having been afforded an opportunity to consider any of the relevant documentation. I have also noted, with concern, that a

member of the Wesgro Board has resigned as a direct result of the manner in which the decision, to increase the CEO's salary, was taken and the manner in which subsequent queries in this regard were dealt with. Unfortunately, these concerns are not alleviated by the fact that the increase in the CEO's salary will be phased in over a period of time.

3. To aid in the further assessment of this matter, please provide me with the following information:
 - 3.1 In respect of the benchmarking exercise that was undertaken, the medium-funded NGO/NPO sector benchmarks were relied on to benchmark the CEO's salary. In this regard, please indicate:
 - 3.1.1 Which medium-funded NGOs and NPOs were taken into account during the benchmarking process;
 - 3.1.2 What the salary of each of their CEOs is;
 - 3.1.3 How each of these entities compare to Wesgro in relation to their size, mandate, importance and impact of the entity; what the obligations and responsibilities of their CEOs are; the budgets for which they are responsible, staff complements, and the number of people reporting to the CEOs; and
 - 3.1.4 How the proposed revised salary for 2020/2021 and the phased increases over the next few years were arrived at.
 - 3.2 You placed on record, in e-mail correspondence of 1 March 2020, that you did not believe that the mid-level NGO peer group was the correct comparison to Wesgro for benchmarking purposes. Please indicate why reliance was nonetheless placed on the benchmarking report in determining the CEO's salary increase.
 - 3.3 Insofar as the Board considered the salaries of CEOs of other Provincial Public Entities in the Western Cape Province and in other Provinces when it considered the increase in the CEO's salary, please indicate:
 - 3.3.1 Which Provincial Public Entities were considered;
 - 3.3.2 What the salary of each of their CEOs is; and
 - 3.3.3 How each of these entities compare to Wesgro in relation to their size, mandate, importance and impact of the entity; what the obligations and responsibilities of their CEOs are; the budgets for which they are responsible, staff complements, and the number of people reporting to the CEOs.

- 3.4 In respect of the enquiries that were made to establish the average bonus for CEOs, please indicate which entities were considered for comparison purposes, how these entities compare to Wesgro, and what the obligations and responsibilities of their CEOs are.
4. Please provide me with the further information requested above as a matter of urgency, but in any event by no later than Tuesday, 14 April 2020.

Yours sincerely



MR DAVID MAYNIER

PROVINCIAL MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES

DATE: 07/04/2020