###### National Assembly

###### Question Number: 3414

**3414. Mr C H H Hunsinger (DA) to ask the Minister of Transport:**

(1) (a) What salary, remuneration or benefit increases have been granted in each salary grade to employees of (i) his department and (ii) each entity reporting to him in each of the past three financial years, (b) what criteria were used when granting the specified increases in each grade of employee in each case and (c) who authorized the increases in each specified financial year,

(2) what bonuses have been given in each grade of employee in the past three financial years, (b) what criteria were used when granting the specified bonuses in each specified financial year and who authorized the bonuses in each financial year? NW3806E

**Reply:**

**Department**

**REPLY**

1. (a) of and (ii) each entity reporting to him, (b) what criteria were used when granting the specified increases in each grade of employee in each case and (c) who authorised the increases in each specified financial year;
2. What salary, remuneration or benefit increases have been granted in each salary grade to employees in (i) his department in each of the past three financial years:

|  |  |  |  |
| --- | --- | --- | --- |
| **PAST THREE FINANCIAL YEARS** | **LOWER LEVEL EMPLOYEES - SALARY LEVELS 1 TO 10** | **MIDDEL MANAGEMENT – SALARY LEVEL 11 & 12** | **SMS MEMBERS – SALARY LEVEL 13 - 16** |
| 2015-04-01 | 7% | 7% | 5.5% |
| 2016-04-01 | 7,6% | 7,6% | Wef 2016/01/01:Level 13: 4%Level 14 & 15: 2,5%Level 16: 2% |
| 2017-04-01 | 7,3% | 7,3% | 5.5% |

The salary increases of employees who are employed by the State and fall within the registered scope of the Public Service Co-ordinating Bargaining Council (PSCBC) are determined by National Treasury based on the average projected CPI and approved by the Minister for Public Service and Administration.

1.

Section 3 (5)(a) of the Public Service Act, 1994, as amended, (Act) prescribed that subject to the Labour Relations Act and any collective agreement, the Minister for Public Service and Administration may make determinations regarding any conditions of service of employees generally or categories of employees, including determinations regarding a salary scale for all employees or salary scales for particular categories of employees and allowances for particular categories of employees.

Furthermore, in terms of section (6) (a) of the Act, any provision of a collective agreement contemplated in subsection (4), concluded on or after the commencement of the Public Service Amendment Act, 2007, shall, in respect of conditions of service of employees appointed in terms of the Act, be deemed to be a determination made by the Minister for Public Service and Administration.

(2)

**(a)**

(i) A service bonus/13th cheque of 100% of an employees’ gross monthly basic salary is paid to employees on salary levels 1 to 10. In the case of MMS or SMS members (salary level 11 and above), the 13th cheque may be structured from the flexible portion of their all-inclusive remuneration package.

(ii) Performance incentives (bonus)

|  |  |  |  |
| --- | --- | --- | --- |
| **PAST THREE FINANCIAL YEARS** | **LOWER LEVEL EMPLOYEES - SALARY LEVELS 1 TO 10** | **MIDDEL MANAGEMENT – SALARY LEVEL 11 & 12** | **SMS MEMBERS – SALARY LEVEL 13 - 16** |
| 2015-04-01 |  |  |  |
| 2016-04-01 |  |  |  |
| 2017-04-01 |  |  |  |

**b)**

Service bonus/13th cheque

In terms of PSCBC Resolution 3 of 1999 “an employee shall receive a service bonus if she or he

(a) has a permanent contract or a fixed-term contract lasting at least three months, unless the contract specifies otherwise, and

(b) in the year ending on her or his bonus date, does not resign or undergo discharge due to misconduct.”

**(c)**

Service bonus/13th cheque

As indicated in paragraph 1 (b) and (c) above, the Minister for Public Service and Administration determines the conditions of service of employees appointed in terms of the Act.

**Airports Company South Africa SOC Limited (ACSA)**

1. (a) Salary increase for employees including Executives; and

 Housing subsidy for only Basic salaries employees on A to C Band.

1. Airports Company South Africa SoE
2. Salary Increase

|  |  |  |
| --- | --- | --- |
| **Remuneration Increases** | **Grades** | **% Increase** |
| **2015 Financial Year** | SOL 1 to 3 (Unionized) | 8% |
| SOL 3 to 5 | 7.5% |
| SOL 6 | 6.5% |
| SOL 7 and 8 | 6% |
| **2016 Financial Year** | A3 to C3 (Unionized) | 8.5% |
| C4 to D5 | 7.5% |
| E1 to E3Executives | 6.5% |
| 6.5% |
| **2017 Financial Year** | A3 to C3 (Unionized) | 8.1% |
| C4 to D5 | 7.5% |
| E1 to E3Executives | 7% |

* housing subsidy for only Basic salaries employees on A to C Band
* 2015 Financial Year – No increase
* 2016 Financial Year – No Increase
* 2017 Financial Year – All housing subsidy was increase to R1,500 taxable

(b) what criteria were used when granting the specified increases in each grade of employee in each case and

2015, 2016 and 2017 increases are based on:

* Projected inflation i.e. CPI as determined by stats SA (CPI refers to the Annual Percentage Change in the Consumer Price Index, excluding interest rates on mortgage bonds);
* Internal equity;
* External market movement;
* Supporting variables such performance;
* Company Affordability
* Employee category:
	+ Unionised employees – Wage agreement based on wage negotiations
	+ Non-Unionised employees – Performance based increase.

 (c) who authorised the increases in each specified financial year;

* All increases are approved by the Airports Company South Africa Board.

 (2) (a) what bonuses have been given in each grade of employee in the past three financial years,

* For FY 2014/15, 2015/16 and 2016/17 all bonuses are based on Company and individual performance:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Categories** | **ACSA Patterson Grades** | **Paterson Broad Band** | **ACSA On-target** **Percentages as a % of TGP****Sliding Scale** | **2014/15** | **2015/16** | **2016/17** |
| CEOCFO COOTop Executives | E4 – F3 | F3 | 35% - 50% | R120 million | R154 million  | R164 million |
| FL |
| EU |
| General Management | EL |
| Group Managers | E1 – E3 | EL | 14% - 35% |
| Senior Management | D4 - D5 | DU |
| Middle Management | D1- D3 | DL |
| Professionals | C4- C5 | CU |
| General Employees (IBU) | A3 to C3 | A to CL | 8.33% |

(b)

* + - Unqualified audit report;
		- The Company must be deemed financially profitable, where financial profitability is determined by the Company’s profit/loss after tax;
		- The total Bonus Pool size is calculated based on 3% of EBITDA which is dependent on the level of predetermined objectives being met.
		- Seventy five percent (75%) achievement level of the set pre-determined objectives is set a trigger for performance bonus payments;

(c)

* All bonuses are approved by Airports Company South Africa Board.

**Air Traffic and Navigation Services SOC Limited (ATNS)**

|  |  |  |  |
| --- | --- | --- | --- |
| 2015/16 FY | 2016/17 FY | 2017/18 FY | Notes |
| 6.1% | 4.6% | 6.1% | The remuneration increase is CPI related for both Bargaining Unit and Non-Bargaining Unit Employees, |

(b)

- Annual increases are linked to the employee’s performance score, employee’s placement in terms of their grade level of the position and years of experience.

- These principles are based on the collective salary agreements for the Bargaining Unit employees and Remuneration policy for Non-Bargaining Unit employees.

(c)

- ATNS Board

(2)(a) what bonuses have been given in each grade of employee in the past three financial years,

**-** Only performance related bonuses have been paid to employees within the last three financial years, which the Board approves annually.

(b)

- The criteria used is a combination of the company’s performance and individual employees level of performance throughout the year of assessment.

- The trigger for the organisation’s performance is a combination of set “qualifiers and modifiers for the bonus pool.

- The individual employee’s percentage is linked to the employee’s annual salary and grade level of the position.

(c)

- ATNS Board

**South African Civil Aviation Authority (SACAA)**

(1)(i) N/A (1)(a)(ii) The South African Civil Aviation Authority granted the following salary increases that were applied across the entire organisation to all eligible employees in line with the organsiationa’s remuneration policy:

* 2015/16 – 7.1%
* 2016/17 – 7.8%
* 2017/18 – 7.7%

(1)(b) The National Treasury Guidelines were applied across the organisation. (c) The SACAA Board approved all the salary increases.

(2)(a) Performance based bonuses were paid to all eligible employees in line with company’s Remuneration Policy. (b) Performance bonuses were based on the performance of the organisation, individual employee performance, affordability and Board approval as per the company’s remuneration policy(c) The SACAA Board approved the payment of all perfomance bonuses as per the organisation’s Remuneration Policy.

**RTIA**

1. (a) (ii) All salary increases that took place for the past three financial years were in accordance with DPSA cost of living adjustments indicated in the PSCBC Multi-year resolution. See below table salary increases that took place;



1. The salary increases were in line with PSCBC Resolutions for Salary Levels 1-12 were as follows:
* Year 2015=7%
* Year 2016=7.6
* Year 2017=7.3%

The salary increases for SMS members, Levels 13-16 were as follows:

* Year 2015=5.5% level 13-16
* Year 2016=4% level 13, 2.5% level 14 and 2.0% level 16
* Year 2017=5.5%

(c) The Minister of Public Service and Administration determined/approved the adjustments for members employed in terms of the Public Service. The adjustments are determined in terms of Section 3(5)(a) of the Public Service Act,1994, as amended read with the Public Service Regulations (Chapter 4, Part 4, Section B 1).

(2) (a) The bonuses in each grade of employee in the past three financial years are provided in the Table below.



1. The criteria for granting bonuses is provided in the Table below.

|  |  |
| --- | --- |
| **Year** | **Criteria** |
| 2015 | Ex-gratia bonuses |
| 2016 | In line with the approved Performance Management Framework |
| 2017 | In line with the approved Performance Management Framework |

1. The bonuses were authorized by the Board of the Agency.

**C-BRTA**

1. (a)(ii) The annual cost of living salary adjustments for the Cross-Border Road Transport Agency in the past three years were as follows:
* 2014/15: 7.9%
* 2015/16: 5.9%
* 2016/17: 8.0%

In addition to the salary adjustments, in 2015/16 financial year, a collective agreement was concluded with POPCRU to regulate working hours for Road Transport Inspectorate and payment of overtime. The overtime was paid based on the threshold from the National Treasury.

(b) The Annual Cost of Living Adjustments or salary increases are determined using the criteria of the market benchmark as well as the Consumer Price Index (CPI), which is a determinant of consumer inflation. The annual cost of living adjustments was based on the negotiated agreement with the Labour Union, which was applicable across the board.

(c) The Executive Committee, evaluates the rationale against the feasibility of granting the annual cost of living adjustments against the CPI of the time, which is a factor of consumer inflation; and makes recommendations to the Human Resources and Remuneration Committee, which makes further inputs and recommend to the C-BRTA Board for approval.

1. (a) The performance bonuses awarded in the C-BRTA were only for 2015/16 financial year and granted to deserving employees and in line with the Performance Management policy. The basis of the Performance Bonuses was to encourage employees of the C-BRTA to continue to perform optimally towards the achievement of the Agency’s mandate. Performance Bonuses are a sole discretion of the C-BRTA Board, which determines the feasibility of awarding such based on audited performance results and financial standing of the Agency.

(b) Each employee was assessed against the signed Performance Agreements and as per the C-BRTA Performance Management Policy approved in 2014. The bonus awards were allocated on an average of 13.81% between the ranges 3,5 -5.0 rating across the board, with the exception of Executive Management who were not part of the scheme as approved by the C-BRTA Board. The allocation was on the following basis:

The Board resolved to pay performance bonuses for the financial year 2015/16 to:

* All eligible employees who had obtained a final performance score of 3.5 and

above as provided in the Performance Management Policy.

* Eligible employees who were in the employ of the Agency at the end of the

financial year of 2015/16.

No performance bonuses were approved for financial year 2016/17 yet.

(c) It is the sole discretion of the C-BRTA Board to authorise the payment of performance bonuses as and when it is reasonably feasible and financially viable to do such based on the overall audited performance of the Agency against the set Annual Performance Plan (APP).

**RAF**

(1)(a)(ii) The Road Accident Fund granted the following increases in the Total Employment Cost (TEC) packages of employees:

|  |  |  |
| --- | --- | --- |
|  in the 2016-17 financial year, | in the 2015-16 financial year,  | in the 2014-15 financial year, |
| TASK grade 1 – 13 employees were awarded an 8% increase, | TASK grade 1 – 13 employees were awarded a 7,6% increase, | TASK grade 1 – 13 employees were awarded a 7,4% increase, |
| TASK grade 14 - 19 employees were awarded a 6,7% increase, | TASK grade 14 - 19 employees were awarded a 6,5% increase, | TASK grade 14 employees were awarded a 6,9% increase, |
| TASK grade 20 - 25 employees were awarded a 6,2% increase. | TASK grade 20 - 25 employees were awarded a 6% increase. | TASK grade 15 - 25 employees were awarded a 6,4% increase. |

(b) The criteria used to grant the increases comprised of external market data, projected inflation and affordability.

(c) The increases in each specified year were authorised by the RAF Board and the RAF’s Remuneration Committee.

(2)(a) The following bonuses have been given for each grade of employee in the past three financial years:

|  |  |  |
| --- | --- | --- |
| **in the 2016-17 financial year,** | **in the 2015-16 financial year,**  | **in the 2014-15 financial year,** |
| in respect of TASK grade 1 – 13 employees, a sum calculated based on qualifying employees’ individual performance scores, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contracts of employees, with a maximum threshold of 15% of the employee’s TEC, | in respect of TASK grade 1 – 13 employees, a sum calculated based on qualifying employees’ individual performance scores, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contracts of employees, with a maximum threshold of 15% of the employee’s TEC, | in respect of TASK grade 1 – 13 employees, a sum calculated based on qualifying employees’ individual performance scores, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contracts of employees, with a maximum threshold of 15% of the employee’s TEC,  |
| in respect of TASK grade 14 – 16 employees, a sum calculated based on qualifying employees’ individual performance scores, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contracts of employees, with a maximum threshold of 20% of the employee’s TEC, | in respect of TASK grade 14 – 16 employees, a sum calculated based on qualifying employees’ individual performance scores, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contracts of employees, with a maximum threshold of 20% of the employee’s TEC, | in respect of TASK grade 14 – 16 employees, a sum calculated based on qualifying employees’ individual performance scores, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contracts of employees, with a maximum threshold of 20% of the employee’s TEC, |
| in respect of TASK grade 18 – 20 employees, a sum calculated based on qualifying employees’ individual performance scores, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contracts of employees, with a maximum threshold of 25% of the employee’s TEC,  | in respect of TASK grade 18 – 20 employees, a sum calculated based on qualifying employees’ individual performance scores, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contracts of employees, with a maximum threshold of 25% of the employee’s TEC,  | in respect of TASK grade 18 – 20 employees, a sum calculated based on qualifying employees’ individual performance scores, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contracts of employees, with a maximum threshold of 25% of the employee’s TEC, |
| in respect of TASK grade 21 – 24 employees, a sum calculated based on qualifying employees’ individual performance scores, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contracts of employees, with a maximum threshold of 30% of the employee’s TEC, and | in respect of TASK grade 21 – 24 employees, a sum calculated based on qualifying employees’ individual performance scores, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contracts of employees, with a maximum threshold of 30% of the employee’s TEC, and | in respect of TASK grade 21 – 24 employees, a sum calculated based on qualifying employees’ individual performance scores, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contracts of employees, with a maximum threshold of 30% of the employee’s TEC, and |
| in respect of the TASK grade 25 employee, a sum calculated based on the employee’s individual performance score, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contract of the employee, with a maximum threshold of 50% of the employee’s TEC. | in respect of the TASK grade 25 employee, a sum calculated based on the employee’s individual performance score, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contract of the employee, with a maximum threshold of 50% of the employee’s TEC. | in respect of the TASK grade 25 employee, a sum calculated based on the employee’s individual performance score, as assessed in terms of the RAF’s Performance Management and Development Policy and the individual performance contract of the employee, with a maximum threshold of 50% of the employee’s TEC. |

(b) The criteria used in each financial year to grant the bonuses, comprised of organisational and individual performance.

(c) The bonuses in each specified year were authorised by the RAF Board and the RAF’s Remuneration Committee.

**SANRAL**

Table below provides summary of annual increases during the past three financial years.

(1)(a) (ii)

|  |  |
| --- | --- |
| **SANRAL GRADE** | **Summary of salary increases for the past 3 financial years** |
| **Mar 2015** | **Mar 2016** | **Mar 2017** |
| Grade A | 12% | 10% | 8% |
| Grade B | 9.9% | 7% | 14% |
| Grade C | 9.9% | 10% | 9% |
| Grade D | 9.9% | 7% | 7% |
| Grade EL | 9.9% | 7% | 6.5% |
| Grade EU | 9.95% | 7% | 7.5% |
| Grade F | 9.93% | 7% | 9% |
| Grade G | 6.2% | 6.9% |  |

1 (b) In accordance with SANRAL Policy on remuneration, each year SANRAL undertakes a salary survey exercise through an independent service provider. Salary adjustments are effective from 1 March, annually.

SANRAL will typically take into account a number of factors in determining annual adjustment to the payroll, per grade. These include:

* Performance appraisal / individual performance
* CPI
* Affordability
* Market comparisons / salary survey

The Salary Survey report contains information on the following areas:

* National salary increase trends
* Medical aid inflation
* Wage settlements within Government and related sectors
* Update of pay scales for the year going forward
* Analysis of movement in pay scales including compa ratio and cost analysis
* Market data for specific roles within SANRAL
* Short-term incentive market data in the National Market and State Owned Enterprises

1 (c) Annual Payroll adjustments are approved by the SANRAL Board.

2 (a)

|  |
| --- |
| **The South African National Roads Agency SOC Limited** |
|  |  |  |  |
| Summary of STIS for past 3 financial years |  |
| **GRADE** | **2014/2015** | **2015/2016** | **2016/2017** |
| Grade A | R 116 449.00 | R 134 867.00 | R 132 432.00 |
| Grade B | R 430 421.00 | R 483 378.00 | R 572 590.00 |
| Grade C | R 2 533 803.00 | R 3 398 077.00 | R 4 095 971.00 |
| Grade D | R 5 373 268.00 | R 6 052 020.00 | R 7 008 670.00 |
| Grade E | R 20 571 658.00 | R 24 577 091.00 | R 30 692 558.00 |
| Grade F | R 4 067 261.00 | R 4 468 809.00 | R 5 119 188.00 |
| Grade G | R 1 279 953.00 | R 1 320 492.00 | R 1 266 705.00 |
| **TOTAL** | **R 34 372 813.00** | **R 40 434 734.00** | **R 48 888 114.00** |

2 (b) The SANRAL Short Term Incentive (STI) Policy determines the criteria for bonuses. The criteria include the Annual Performance Plan, signed with the Minister of Transport. The incentive scheme is designed around delivery of SANRAL’s strategic objectives. Actual performance is measured and assessed against specific deliverables contained in the Agreement, and a performance score will be determined. The policy also specifies the minimum criteria for eligibility, based on the SANRAL overall performance as well as individual performance.

2 (c) The STI Policy is approved by the SANRAL Board. The SANRAL performance score, derived from the Annual Performance Plan, is also approved by the Board.

**RTMC**

1. (a) For the period effective April 2015, the increases have been as follows:
2. For the 2015 financial year, the increase was 10% and 6% for managers and non-managers respectively

 (ii)For the period effective April 2016, the increase has been 9% across the board

(iii)For the period effective April 2017, the increase has been 8,5% for non-management staff and 6.3% for management

(b)For Non-management this was informed by the bargaining process with Organised Labour taking into account CPIX and other economic factors.

(c)The Board of the RTMC approved all increases post assessment of performance and signing of the labour agreement on increases.

1. (a) (i) For the year ending March 2014, there was no Performance bonus that was paid.

(ii) For the year ending March 2015, the percentage approved was 6% and 3% of Annual Total package. The 6% was for permanent employees and 3 % for employees on Contract.

(iii) For the year ending March 2016, the percentage approved was 7,5% of Annual Total package

(b) The criteria for the payment of bonuses is informed by the overall performance of the organisation, the PMDS policy as well as terms and conditions of each individual employee.

(c) The Board of the RTMC approved the payment of bonuses taking into account the performance of the organisation and the PMDS policy.

**PRASA**

a) What salary, remuneration or benefit increases have been granted in each salary grade to employees of

PRASA has awarded the following inflationary Increases for 2014 - 2017

|  |  |  |
| --- | --- | --- |
| Financial Year | Inflationary Increase for Junior Employees in the Bargaining Unit | Inflationary Increase for Management Employees |
| 2015/16(3 year Wage Agreement) | * 8.5% for all junior employees above R115, 000.
* 9.5% for all junior employees less than R115, 000.
 | * 6.5% for Assistant Managers and Managers.
* 5.5% Senior Managers, General Managers and Executives.
 |
| 2016/17 | * 9% for all junior employees above R125, 000.
* 10% for all junior employees less than R125, 000
 | * 6.2% for Assistant Managers and Managers.
* 6% Senior Managers, General Managers and Executives.
 |
| 2017/18 | * 8% Across the Board
 | * 6% across the Board
 |

 (ii) Each entity reporting to him in each of the past three financial years,

 (b) The inflationary increases are paid in accordance to the PRASA Remuneration and Benefits Policy and Government guidelines

 (c) The Junior Employees in the Bargaining unit inflationary increases are negotiated with Organized Labour, recommended by Group Exco to the Group Board for ratification.

 Ordinarily, the management inflationary increases are recommended by Group Human Capital Management to the Board through the Human Capital and Remuneration Committee or the Board. In the absence of the Board the ratification is sought from the Shareholder.

 (2) a) PRASA has not paid any bonuses for the past 3 financial years

* a gain share payment is made to junior employees in the Bargaining unit at PRASA Rail as per the Labour Gain share Bonus Agreement

 b) i) The gain share payment for junior employees is made to Regions that have exceeded their Revenue Collection Targets.

 ii) The employees are paid in accordance with the time period of their participation within the given Financial Year.

**RSR**

1. (a) The RSR salary adjustments over the periods are as follows (excluding regrading or individual posts):

|  |  |  |  |
| --- | --- | --- | --- |
| PERIOD | JOB GRADE | COST OF LIVING INCREASE % | AVE NOTCH INCREASE % |
| 2015 | 1 – 8 | 7.00% | 0.00% |
| 9 – 12 | 6.50% | 0.76% |
| 13 – 16 | 6.00% | 4.06% |
| 2016 | A1 - C2 | 6.80% | 0.00% |
| C3 - D1 | 6.30% | 0.31% |
| D2 - F1 | 5.80% | 1.31% |
| 2017 | A1 - F1 | 6.00% | 1.50% |

(b) The above increases are based on annual cost-of living adjustments which are inflation related, and were based on Salary Benchmarking and Salary surveys from the South African market to determine the suitability of its salary increases and the financial impact. The RSR’s Remuneration Philosophy and staff retention is also considered in these determination.

The increases also include individual notch progressions, based on performance in line with the RSR Performance Management Policy.

(c) The RSR Board of Directors approved the financial increases in each financial year

1. The RSR awards annual performance bonuses to all grades of employees who qualify as per the RSR Performance Management Policy. No other bonus types are applicable.
2. The RSR’s short term performance bonuses are awarded to staff members who have performed exceptionally and met the set minimum criteria in respect of qualification for a performance bonus, and is determined based on a rating scale of 1 – 4, whereby those who met a score of 4 and above will be awarded bonuses after performance score moderation is finalized and Board approval has been obtained.
3. The RSR Board of Directors approved the financial increases in each financial year.

**Ports Regulator of South Africa**

1(a)(ii) The Ports Regulator annually grants all employees a salary increase equivalent to CPI adjustment as per the National Treasury estmates used during the MTEF budget process. The employees below senior management are entitled to all bebenfits which include: medical aid, group life and pension. These benefits are however not available to senior employees in terms of the Regulator concidions of service. This practice has been in place since 2012/13 financial year when the salary bands and benefits were approved by the Minister of Transport in concurrence with the Minister of Finance as required by the National Ports Act.

(b) The increases are implemented at the beginning of each financial year. The salary increases are done as per the National Treasury guide to Departments.

( c) The salary increases are accounted for in the annual budget of the Regulator which is then approved by the Regulator (board) concurrent with the approval of the APP and the Strategic plan. This is done before the start of the financial year so that the implementation of the APP as well as salary increases is done at the same time.

2(a) The conditions of service of the Regulator indicates that all employees below manager level get 10% of annual salary as a bonus while employees from manager to senior managers get 20% of annual salary as a bonus. This practice has been in plac since 2013/14 financial year when the performance mnagement system was developed, approved and implemented

(b) The employees each sign a performance agreement at the beginning of the financial year. The performance agreement will set out expected outputs from each employee based on the deliverables for their specific department. At the end of the financial year, each employee is then assessed against reported performance and scored in accordance with the performance framework which has a sliding scale from 5 to 1. Employees get a bonus if they perform above level 3. A final weighting is done for all KPI’s and final score given to an employee. The final score is then used to calculate the quantum of the bonus earned by the employee.

( c) The performance bonus forms part of the annual budgert that is approved by the Regulator (board). When the bonuses for all employees have been finalised, there’s a review that is performed by a committee to ensuer that there was transparency, fairness and relevance between employees performance and that of the organisation. Once the review is complete the bonuses are then forwaded to the CFO for recommendation to the CEO for final approval before making payemnts to employees. .

 **South African Maritime Safety Authority (SAMSA)**

(1)(a)(ii)

|  |  |  |
| --- | --- | --- |
| **Year** | **% Increase** |  |
| 2014 | 6,2% | All staff |
| 2015 | 5.4% | All staff |
| 2016 | 5.2% | All staff |

(1)(b)

CPI + 1%

(1)(c)

2014 – Authorized by the Board of Directors

2015 - Authorized by the Board of Directors

2016 – Authorized by the Board of Directors

(2) (a) what bonuses have been given in each grade of employee in the past three financial years, (b) what criteria were used when granting the specified bonuses in each specified financial year and (c) who authorized the bonuses in each financial year? NW3806E

Response:

(2) (a)

|  |  |  |
| --- | --- | --- |
|  **Year** | **% Increase** |  |
|  |  |  |
| 2014 | 0%  | All staff |
| 2015 | 8.5% | All staff |
| 2016 | 6.2% | All staff except EXCO |

 (2) (b)

 Organisational Performance was the criteria used for granting the bonuses.

 (2)(c)

 2014 – Board of Directors

 2015 – Board of Directors

2016 – Board of Directors