

REVISED SALARY STRUCTURE PROPOSALS



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REPORT FOR THE ELRC PREPARED BY THE CENTRE FOR
EDUCATION POLICY DEVELOPMENT (CEPD)

Education Labour Relations Council

Revised salary structure proposals

Report prepared by the
Centre for Education Policy
Development

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Executive Summary

The CEPD was commissioned by the ELRC to examine the current educator salary system, how salaries have been shaped over the period since 1994, as well as explore stakeholder concerns and perceptions, and after examining alternative systems nationally and internationally, recommend changes to the system. The aim of the task was to make any necessary changes that would address stakeholder concerns and to enhance the sustainability of the system.

Desk research was conducted to map the changes in the salary system over time; PERSAL data was analysed to examine changes in salaries, trends and any variations from the intent of salary agreements; trade union and management representatives were interviewed nationally and in five provinces; desk research was conducted which included a review of a number of educator salary systems internationally; and workshops were held with ELRC stakeholders in order to present findings and receive feedback.

It should be emphasised that total consensus was not reached among all the stakeholders in relation to the findings, conclusions and recommendations and (as agreed with the ELRC at the start of the project) therefore the findings, conclusions and recommendations are those of the CEPD research team.

The study found that there were broadly three distinct phases in the development of educator salaries and conditions from 1994 to the present, and each one had a distinct flavour and emphasis. In the 1990s the ELRC stakeholders were successful in tackling a number of inherited problems. Gender and racial inequities were broadly addressed, and the salary system played an important role in raising qualification levels. Incentives related to qualifications continued into the period after 2000, but the emphasis changed to performance, with various attempts to link pay to performance being introduced and then withdrawn due to various implementation challenges.

Finally the 'Occupationally Specific Dispensation (OSD)' agreements of 2008 sought to improve career opportunities and enable progression within the system, to reward good performance and to provide incentives for experienced and capable teachers to remain in the classroom as an option to seeking promotion to a management or office based post. Minimum and maximum salaries were agreed within a complex system that allowed movement between 221 notches, each of which is valued at 1% of salary. Educators can move from minimum to maximum notches in the salary range for their post, or can be promoted and move to another post to enable further movement beyond the maximum.

It is the view of the research team that that the different salary ranges agreed in 2008 and which constitute the current system, with their different minimum and maximum salaries, are appropriate. The salary levels are broadly fair and reasonable. At the lower end they are adequate to attract new entrants. At the higher end they are generous and provide an incentive for experienced teachers not only to remain in the schooling system, but also to remain in the classroom.

However, there is a serious problem. Teachers cannot move speedily or substantially within the available salary ranges. Two important aspects of the 2008 OSD

agreements were not implemented. The intention of one of the 2008 agreements was that teachers who perform well should be able to move by several notches a year through the available salary range. This agreement - referred to as performance related salary increases – was not implemented. The intention of the other was that experienced teachers who developed specialist expertise should be able to apply for Teaching and Learning Specialist posts with maximum salary levels equivalent to Head of Department (HOD) and Principal salaries. Again this agreement was not implemented.

The result of the non-implementation of these agreements was to leave teachers with no opportunity to move within the system based on good performance or specialisation. The only way that movement can be achieved is through annual one notch increases. With a notch valued at 1% movement is slow and so the maximum salaries agreed are simply unattainable. So a situation has been created where the minimum salaries are adequate (possibly even generous) but experienced and competent teachers, and those developing specialist expertise are not significantly better paid than entry level teachers. The real salary range for an REQV 14 level teacher is R152, 000 to around R220,000. Whilst in theory it should be possible for a REQV 14 teacher to achieve earning levels of R344, 000, this is just not achievable during an average working life.

It is the view of the CEPD research team that there is nothing fundamentally wrong with the current salary system. The issue that needs to be addressed is progression and movement. One immediate way of speeding up movement is to increase the value of a notch. Currently other public service groups have notches worth 1.5% and it would seem sensible to move to a system based on 1.5% notches. The central recommendation is that the current system is changed from one based on 1% notches to one based on 1.5% notches. A conversion table is provided and new minimum and maximum salaries proposed based on these proposed notches. The new system will have 144 notches as opposed to the current 221.

In addition it is recommended that the ELRC revives both performance-related pay and the Teaching and Learning Specialist posts agreed in 2008 but not implemented. There are a number of options in relation to performance-related pay. One option is to remove the automatic annual notch increase and link it to 'satisfactory' performance. Another is to pay 'good' performers to move additional notches. A third option is to establish an 'excellent' category that enables even faster movement. The report illustrates the impact of these options in terms of both individual teachers, the number of teachers who will be at different earnings levels, and the costs. It also recommends that 40,000 teachers should be given the opportunity to become Teaching and Learning Specialists and 4,000 should be able to become Senior Teaching and Learning Specialists. Again, the impact is set out in the report.

In the longer term the report recommends that the ELRC give detailed attention to the issue of the building up of teaching as a profession, as this is integrally linked to the recommendations set out above of implementing the spirit and intention of the OSD agreements dealing with TLS posts and performance-related pay. Teachers want to be recognised as professionals and be paid a professional salary, but many aspects of being a profession are not in place at present. It is recommended that further work should be done on setting out exactly what is meant by a profession, and to develop a road map to achieve that, including exactly how the salary system is used to support

the professionalisation of teaching. A clear framework for this, detailed sustainable implementation plans and commitment by all parties are essential if the salary system is to be sustainable in the longer term.

Acronyms and Abbreviations

ANA	Annual National Assessments
B Ed	Bachelor of Education
CEPD	Centre for Education Policy Development
CTC	Cost-to-company (including pension, medical aid etc)
DBE	Department of Basic Education
ELRC	Education Labour Relations Council
GDP	Gross Domestic Product
HOD	Head of Department
HRD	Human Resource Development
IQMS	Integrated Quality Management System
LTSM	Learning and Teaching Support Material
MCTE	Ministerial Committee into Teacher Education
NSFAS	National Student Financial Aid Scheme
OSD	Occupationally Specific Dispensation
Persal	Personnel and salaries management system for the public service
PPP	Purchasing Power Parity
SACE	South African Council for Educators
STLS	Senior Teaching and Learning Specialist
REQV	Relative Education Qualification Value
TLS	Teaching and Learning Specialist
UNESCO	United Nations Education, Scientific and Cultural Organisation
US	United States of America

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1. Introduction

1.1 Background

The CEPD was contracted by the Education Labour Relations Council (ELRC) in 2010 to conduct research into the current teacher salary system and to present options for the future. The aim of the ELRC stakeholders was to put in place a process to review and, if necessary, adjust the current salary system to achieve a sustainable model for the medium term.

The ELRC required the proposed revised model to be developed on the basis of:

- a) Research into the current system and how it is impacting on teacher salary movements
- b) An analysis of how the system has evolved historically
- c) How teacher salaries have moved within the system over time.

A review of international experiences was also required to assess whether the model currently in place is appropriate, and whether other models could be examined and adjusted for use in the South African context.

The project was designed as a consultative process, with extensive stakeholder interviews and workshops with the ELRC stakeholders after each phase.

1.2 Project process

The project included a number of phases.

A literature review was conducted, identifying what the previous and current salary systems in South Africa intended to achieve and what was agreed. In particular, four periods were examined: 1990-1996; 1996-2003; 2003-2007; and 2007-2010. These were discrete periods with specific changes that impacted significantly on teacher salaries.

In addition to the desk research, stakeholder interviews were conducted to clarify aspects of the system and system changes during these periods.

An historical analysis of PERSAL data was conducted to show what has happened to teacher salaries and salary movements over time, followed by a series of stakeholder interviews, including visits to five provinces to explore support systems and implementation mechanisms locally. A particular concern related to whether some of the imbalances and inconsistencies associated with the implementation of some national salary agreements continued to exist and whether the current system is vulnerable to misinterpretation, or different salary levels in different provinces.

An international literature review was conducted where a number of international research papers and specific countries were looked at, including some that had recently been visited by the ELRC and some others that were agreed as being relevant and/or interesting and innovative.

In line with the ELRC request that the research team should ‘think out of the box’, make use of international models and explore stakeholder issues and concerns, a number of strategic options were developed. These were set out in a Scenarios and Options Paper, which was presented to the ELRC stakeholders and then separately to the three main stakeholders. Opinions were sought on the way forward.

This report summarises some of the key findings of the research, sets out the options that have been canvassed and makes recommendations on specific changes to the current salary system.

It should be noted that the project was planned before the 2010 salary dispute, with the main research being conducted immediately prior to, during and after the dispute. The dispute itself did not impact on the project, except in creating some (manageable) delays. However, the settlement of the dispute, and the resultant agreement to use available funds in a particular way has had and will continue to have an impact. Across the public service, large amounts of additional funding were made available to fund the OSD agreement. The fact that in education those funds were used not to fund increases for particular teaching posts, but rather to fund across-the-board increases, means that those funds are no longer available for the current salary system review.

The recommendations have taken these realities into account. The intention is to provide a set of recommendations that can assist the ELRC stakeholders to take this review process forward in spite of the difficulties. It may not be possible to make changes all at once, but it should be possible to achieve the proposed changes incrementally and in a sustainable manner over time.

It is important to emphasise that although there has been extensive consultation, the recommendations have not been endorsed by the ELRC stakeholders. The recommendations emerge from the research and are those of the CEPD team.

2. Movements in teacher salaries

2.1 Issues explored

One of the biggest concerns of teachers is the belief that it has been (and remains) difficult to progress in salary terms without seeking a promotion and leaving the classroom. Teachers generally, and experienced teachers in particular, regard themselves as inadequately rewarded. They believe this to be the case in relation to comparisons with other professionals with similar qualifications and experience, with other public service staff, and in relation to teachers in other countries around the world.

In addition, teachers believe that the salary system has let them down in terms of maintaining their living standards in relation to the general rise in living costs. In other words, there is perceived to be a problem both in the relative position of teachers and in maintaining and improving their living standards. These concerns have been accompanied and complicated by perceptions of unequal treatment that relate to gender, race and location (provincial variations).

In studying the current teacher salary system and its predecessors, the research team looked at race and gender, qualifications, length of service and post levels. Because the largest group of teachers are Post Level 1 teachers, and because the most serious concerns in relation to salaries come from within this group, there has been a particular focus on how this group of teachers has been affected over time.

2.2 Race and gender

Whilst race and gender have been issues of concern in the past, it was found that the salary system has significantly contributed to racial and gender equality. There remain historical distortions in relation to salary levels by race, mostly because of the history of white teachers being better qualified than black teachers.

There are also gender differences caused by gender imbalances in promotion posts (more men being appointed to senior posts than women - something common across the public and private sectors). However, it is believed that these are unrelated to the salary system. HRD policies and strategies need to continuously address race and gender and an ongoing focus will be needed within the education system. However, it is the view of the research team that no specific action is needed in relation to the salary system to address either racial or gender equality. The historical and current salary systems have been successful in bringing about increasing levels of equality.

2.3 Provincial variations

There was some concern that the system is being interpreted unevenly across provinces. Whilst there are historical differences (some dating back to the early 1990s), the evidence is that in recent years the salary agreements have been reasonably implemented by all provinces.

Within most provinces the historical analysis showed some variations in the application of the OSD regulations. A task team looked in detail at the Persal databases and could not ascertain the reasons why educators who appear in the database to have the same qualifications, years of service and who were on the same notch in 2008, were placed on different notches in 2010. In most provinces, there was an average of a three notch difference in 2010 of educators who had the same profile in 2008 and although there was general consistency of interpretation, in some provinces some educators were on higher notches and this could not be explained. There were other anomalies which the historical analysis identified as well as an issue with REQV 12 educators who were placed on REQV 13 notches for *salary* purposes, having had their REQV status changed to REQV 13 without necessarily having upgraded their actual qualifications. These issues were referred to the Anomalies Task Team of the ELRC where they will be addressed.

Generally, it has been established to the satisfaction of the ELRC stakeholders that the changes agreed since 2008 have been uniformly applied, with no province standing out as having interpreted the agreements differently to other provinces. This is an important finding, as it should enable the ELRC to work on building confidence in the current system.

2.4 Qualifications

Historically, a serious qualifications imbalance impacted on salary levels as well as expectations in terms of promotion. In 1999 there were around 100,000 un- or under-qualified educators. REQV 12 qualified teachers were employed in large numbers.

The qualifications profile has changed significantly and is still in the process of changing further. For example, the Persal database shows that the percentage of educators with qualifications below REQV 13 decreased from 24% in 1998 to 4% in 2010. However, as mentioned above, REQV 12 educators have now been placed on REQV 13 notches for *salary* purposes, having had their REQV status changed to REQV 13 without necessarily having upgraded their actual qualifications. This has made it difficult to precisely quantify the numbers of educators on REQV 12 and 13.

The proportion of educators with REQV 13 qualifications has also seen a significant decrease with a corresponding increase in educators with REQV 14 qualifications. In 1998, 39% of Post Level 1 educators had an REQV 13 level qualification and 25% an REQV 14 level qualification. By 2010, this had shifted to 29% (a decrease of 10 percentage points) at REQV 13 and 46% (a 21 percentage point increase) in REQV 14.

The percentage of all educators (including all post levels) who are qualified at REQV Level 14 and above is now 67%.

This movement is not only important in relation to salary movement within the existing system, it also means that in future the general level of qualifications will be higher than in the past, and that there will be a narrowing of differentials within Post Level 1. There may continue to be a small number of relatively lower paid teachers with REQV 12 and 13 qualifications, but the majority of teachers will be REQV 14 qualified.

The way that the 'experience' issue is articulated will change. The discourse will shift from a general concern over the gaps between entry level teachers and experienced teachers to the specific gap between an entry level REQV 14 qualified teacher and an experienced REQV 14 qualified teacher.

In the past, experienced teachers with an REQV 14 qualification were a relatively small group of people within the teacher force. This group was dissatisfied with their earnings compared to starter teachers or experienced but lesser qualified teachers, but they were not in a majority. Today, they constitute close to half the teacher force, and in the future, they will become a much larger majority group. Judging by the levels of unhappiness in this grouping, their voice will become increasingly difficult to ignore. It is becoming critical that the salary system starts to reward competent, well qualified and experienced teachers.

2.5 Pay and qualifications

Teacher salaries have increased as qualifications have increased. There is a substantial difference between the average salaries of Post Level 1 teachers with REQV 12, REQV 13 and REQV 14 qualifications.

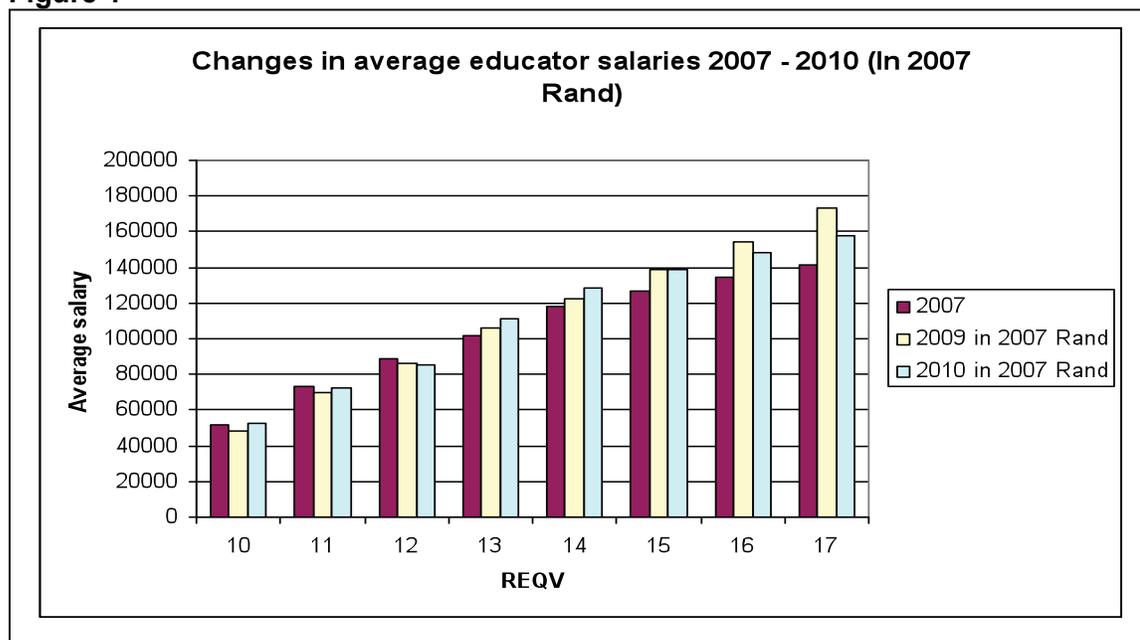
However, an educator's previous salary level (6, 7 or 8) – which is a function of both qualifications and years of experience – is also a significant factor. At an individual level there are many REQV 13 qualified teachers earning more than many REQV 14 qualified teachers. In this regard, the differential between REQV 13 and 14 (of equal years of service) is not as great as between REQV 12 and 13, and there are some long-serving REQV 13 qualified teachers who earn more than recently employed REQV 14 qualified teachers.

There is a smaller difference between the average salary of REQV 15 and 16 qualified teachers within Post Level 1. When other post levels are included in the average salary, those with Honours and Masters level qualifications are paid significantly more than REQV level 13 and 14 qualified teachers. As qualifications above REQV 14 have not attracted salary increases this differential is because of their post level and length of service.

From 1998 to 2007, REQV 13 and 14 teachers received an average annual increase in real terms of 2.7%. This was not a consistent increase over time and there were periods of real decline in salaries as well as periods of significant improvement. However, the implementation of the ELRC 2008 agreements saw an average (real) annual increase in the period 2007 - 2010 of between 3% and 4%.

The following figure sets out the movement in salaries from 2007 to 2010.

Figure 1



As can be seen, there is a fairly consistent improvement in salary levels linked to qualifications. Minor adjustments have been made from year to year (for example, in 2010 those with REQV 15, 16 and 17 qualifications fell slightly behind in relative terms), but the general movement is clear - being better qualified educators are better paid.

2.6 Post level differentials

In 2007, the average salary of a principal was 249% greater than the average salary of a Post Level 1 (classroom-based) educator. By 2010, this difference had increased to 267%. Similar percentage point increases in the average salaries of teachers, senior teachers, master teachers and departmental heads have resulted in the difference between these average salaries remaining broadly the same, i.e. in 2010 the difference between the average educator salary and a senior teacher, master teacher and head of department was respectively of the order of 131%, 151% and 137%. It is anticipated that the OSD agreement that enables a classroom teacher to progress to the salary levels of these posts, will enable a number of teachers to narrow these differentials. However, there will continue to be substantial differentials related to post levels.

During the stakeholder engagements, no complaint was raised over these differentials. In the salary agreements of the 1990s, efforts were made to reduce differentials between post levels, but in the last ten years this has not been a concern of negotiators. It would appear that the general levels of differentials between post levels are the result of a consensus within the ELRC that these are at an appropriate level.

2.7 Salary increases and length of service

The analysis of historical and current salary levels indicates that the impact of length of service is more or less the same: across the country; within REQV qualification levels; within post levels; and in relation to former salary levels. A year of employment is worth approximately 1%. So a teacher with 10 years service is paid 10% more than a first year teacher, a teacher with 20 years, 20% and so on. This is one of the main sources of unhappiness with the current system and so needs to be explained in some detail.

In theory, a teacher who is REQV 14 qualified will be employed on notch 85. It is possible (in theory) for that teacher to progress to notch 168 – up 83 notches each worth 1%. However, after 10 years, that teacher will be on notch 95, after 20 years notch 105, after 30 years notch 115 and after 40 years notch 125.

Having said that, there are other factors that have impacted on actual improvements in notch level over time. These include qualifications improvements, changes during transition from one system to another and accelerated salary progression (available for a period). So the actual picture in relation to length of service is slightly more complex than a simple 1% per year.

The 2009 agreement (Collective Agreement No 4 of 2009) in particular provided progression based on years of service, and this has had a significant impact. In 2007, REQV 14 qualified teachers with 40 years of employment were earning 29% more than entry level teachers. After the 2010 salary increase, those teachers are earning 62% more than an entry level educator. Educators with 11-15 years of experience were earning an average of 26% more in 2010 compared to 8% more in 2007. So there has been a deliberate attempt to increase differentials based on length of service. However, the basic problem remains – namely, that under the current

structure, movement is virtually stagnant and an educator in the future will gain very little salary advantage for years of service.

In summary, long-serving educators with REQV 13 and REQV 14 qualifications have done relatively well from the agreements of 2008, 2009 and 2010, making up lost ground from previous settlements. Nevertheless, the complaint that it takes a very long time to establish a big differential between the salary of an entry level teacher and that of an experienced teacher is justified.

2.8 Critique of current system

Previously, the educator salary system had done a number of things it was intended to do. It rewarded qualification level and (more recently) experience, and enabled substantial salary increases for promotion to more senior posts or appointment to the new career streams of classroom teachers.

The current OSD system was originally carefully designed based on lessons learned from previous systems and the agreed priorities of stakeholders. However, these were to be achieved by performance-related and career path-related salary increments – both of which were put on hold shortly after the OSD was implemented. This has resulted in the stagnation of the potential for good, experienced educators to progress through salary notches and thus be retained in the system.

The system is relatively new and has not had much time to be tested. In fact, it could be argued that it has not yet been fully implemented, let alone fully tested over time. From the analysis conducted into how teachers have been served by the system agreed in 2008, and adjusted in 2009 and 2010, educators have achieved a substantial improvement in salaries in real terms from the recent agreements and the revised 2008 system. However, this has been an ‘across the board’ improvement and not the ‘differentiated career-pathing’ originally intended by the OSD – again due to the freezing of most OSD agreements.

The one significant challenge with the current system is the value of each notch. Whilst movement is achievable within the current system, movements are very small. One percent notches allow for very small increases. In other public service bargaining units, the notch is worth 1.5%. This might be a more practical unit than the current 1% notch.

On the other hand, the intention of the 2008 OSD agreement was to allow for progression through 3, 6 and 9 notches at a time based on performance. So whilst 83 notches for an REQV 14 level teacher may seem excessive, if a teacher consistently performs well it would be possible to progress through these notches much faster than 1% (or one notch) a year. The fact that this element of the OSD agreement has not been implemented means that the focus is on the value of the annual increase that is not currently linked to performance.

Part of the lack of credibility of the current system derives from the failure of the ELRC to implement the agreements that underpinned the revised system. Without movement linked to performance or specialisation, the criticism that there are too many notches and that they are only 1% apart is clearly justified. However, the decision to remove movement linked to performance and specialisation was an ELRC

decision, and so the resolution of this problem is not a simple matter of increasing the notch value.

It is difficult to isolate the discussion on the value of the notch from the discussion on performance-related pay increases. If there is a change in the value of a notch, consideration will need to be given to the movement associated with 'satisfactory', 'good', and 'excellent' performance.

3. International models

International teacher salary models fall into two categories: traditional incremental pay systems and performance-related pay systems.

3.1 Traditional incremental pay systems

In many 'developed' economies there is no attempt within the teacher salary system to link pay with performance. The criteria for movement within the system are either years of service or promotion. The reason for qualifications not attracting payment is that there is a minimum qualification, generally a four-year degree similar to the B Ed. In some countries, teachers are encouraged to obtain post-graduate qualifications and these can be linked to salary increases.

Where there is automatic movement through the system, the extent of the movement, and the years taken, varies considerably. In some countries the maximum salary is a 40% increase on starting salary and takes as little as nine years to achieve. In other countries, the maximum is 100% more and could take between 10 and 25 years to achieve.

What is evident from all of these countries is that although the salary system does not address performance in any way, the issue of performance is addressed in quite a comprehensive manner - but using other means. In other words, although there is automatic movement within the salary system, this occurs within a framework of performance management, where poor performance is addressed through corrective measures and good performance is recognised through promotion or movement to another grade. Performance management is present, but it has been completely de-linked from progression through the increments (or notches) applicable to the post.

An example of this is Malaysia, where although there is automatic movement between 23 notches, teachers can also move to another grade after taking a voluntary test. So there is gradual movement (23 years) for all teachers, but the better performing teachers who are willing to be tested can move at a much faster pace.

Many developing countries also have systems with non-performance related movement in the system. The movements are generally a combination of increases based on length of service as well as increases aligned to improvements in qualifications.

3.2 Performance related pay systems

Performance systems vary a great deal. In Chile there is a system of rewarding all teachers in a school, based on the school achieving good results. Teachers can earn 5%-7% on top of their salary if the school performs well. In many countries (including Ghana, Brazil and Mexico) incentives are targeted more at geographical location (rural or challenging sites) and subject specialisation, with local allowances available to attract and retain required teaching skills rather than rewarding performance.

Incentives also take a variety of forms, from study grants, sabbaticals and career-breaks on the one hand to financial rewards on the other – for example, in England a teacher can earn ‘extra-responsibility’ allowances and in the USA, there are cash bonuses paid to high-performing teachers.

Performance systems similar to the one that was conceptualised and agreed in South Africa in 2003 (which has yet to be fully implemented) are not very common. The general view in countries where this is done is that the evidence of good performance has to be from a number of sources and the system must have checks and balances. Credibility of the system is difficult to achieve. In New Zealand such a system is working, though there remain ongoing discussions as to whether performance management and pay should be linked or de-linked.

In the USA there is agreement between the trade unions and the national education department on the need for performance-related pay incentives, but it is a framework rather than a single scheme, with the different states adopting locally agreed systems based on the framework.

There are many examples of devolution (of the authority to set salary levels) to states, provinces, local districts and (as in England) to schools. In all cases, care is taken to ensure that there are objective criteria in place, and a fair system of assessment. In the case of England, discretion exists at school level within a nationally agreed set of salary levels.

3.3 What can be learned from international experience?

The first thing to emphasise is that there is no panacea: no salary system that has been developed in any other country could easily be adopted in this country. Teacher salary systems take many forms and are the product of complex negotiations and historical evolution. The history of the ELRC negotiations reflects a complexity that is mirrored in many other countries. But it is a different complexity to that found in any other country.

Secondly, there does appear to be a choice to be made in relation to performance measurement and its link to salaries. ELRC stakeholders need to determine what it is they want to achieve and what needs to be incentivised, and develop a system based on that. Once the issue being incentivised is agreed, a sound, fair and credible system is needed that is agreed between the employer and the trade unions. So the challenge for ELRC stakeholders is to agree what exactly the system is trying to bring about, and find a way of systematically achieving these goals over time.

4. Relative position of teachers

4.1 2010 teacher salaries

Before examining South African teacher salaries relative to other countries and other occupational groups, it is important to set out the current position of teachers. The following table sets out the salaries of the different occupational groups described collectively as educators. For both minimum and maximum salaries, the table shows the current 'notch' and basic salary, followed by the total cost-to-company salary. This 'cost-to-company' is calculated by adding 37% to the basic salary. The 37% is an average amount, which can be slightly more or slightly less for individual educators depending on a number of variables related to medical aid and pension.

2010 educator salaries: minimum and maximum salaries – basic salary and ‘cost-to-company’ (CTC)

Educator category (school-based)	Current OSD min and max salary notches					
	Notch	Min	CTC (+37%)	Notch	Max	CTC (+37%)
Teacher M+1/M+2	4	69126	94703	55	113808	155917
Teacher M+3	56	116091	159045	138	256413	351286
Teacher M+4	87	152016	208262	168	344025	471314
Senior Teacher M+3	103	181827	249103	138	256413	351286
Master Teacher M+3	120	214362	293676	138	256413	351286
Senior Teacher M+4	103	181827	249103	168	344025	471314
Master Teacher M+4	120	214362	293676	168	344025	471314
Teaching and Learning Specialist	123	220863	302582	201	477753	654522
Senior Teaching and Learning Specialist	135	248859	340937	209	517326	708737
Manager (school-based)						
Head of Department	108	191106	261815	201	477753	654522
Deputy Principal	126	227547	311739	209	517326	708737
Principal P1	108	191106	261815	186	411510	563769
Principal P2	126	227547	311739	201	477753	654522
Principal P3	144	272178	372884	215	549153	752340
Principal P4	159	314568	430958	218	565785	775125
Principal P5	180	387660	531094	221	582942	798631
Specialist (office-based)						
Education Specialist	108	191106	261815	201	477753	654522
Senior Education Specialist	126	227547	311739	209	517326	708737
Deputy Chief Education Specialist	147	280431	384190	215	549153	752340
Chief Education Specialist	177	376266	515484	221	582942	798631
Circuit Manager C1	147	280431	384190	215	549153	752340
Circuit Manager C2	177	376266	515484	218	565785	775125
Circuit Manager C3	192	450054	616574	221	582942	798631

4.2 Assessing the relative position of teachers

Teacher salaries can be looked at in a number of different ways: what the market tells us (supply and demand – are we attracting/retaining the right number of appropriately skilled teachers?); compared to other professions in South Africa (what is a teacher paid compared to other professionals, others with four year degrees, and other public service staff?); international teacher salary comparators (what are South African teachers earning in comparison to teachers in comparable countries?); per capita GDP spending (what is a South African teacher paid in relation to South African per capita GDP, and how does that compare with teachers in other similar economies?). An alternative way of looking at this is to examine how much is spent on teachers' salaries as a proportion of public spending on education. Each of these is examined below.

4.2.1 The market in South Africa

Studies of teacher supply and demand have tended to be quite consistent in their findings. Generally, the starting salary of teachers has been and remains quite competitive. The salary level on offer, together with the recent changes in loans through the National Student Financial Aid Scheme (NSFAS), suggests that adequate numbers of student teachers are being recruited. However, this is being achieved at a time of economic down turn (when relatively secure public sector jobs are seen as preferable to less secure and/or relatively scarce private sector jobs). Teacher entry salaries seem to be competitive today, but will need to be kept under review as and when the economy improves.

Experienced teachers are being lost to teaching, and in relation to specialist teachers such as those for maths and science, there is competition within the labour market for people with such skills. Teachers with maths and science degrees can earn significantly more outside of teaching. In particular, there is a problem of retaining experienced teachers who have ten years or more in teaching.

So using supply and demand criteria, entry level salaries are reasonable, but experienced and well-qualified teachers could be lost to the system, given the competition for scarce skills in the South African labour market.

4.2.2 Internal country comparisons

REQV 14 qualified classroom teachers earn between R152,000 and R220,000 per year. In theory, a teacher can go on to earn more than this amount, but only a small number do so. Normally, a figure of 37% is added for the additional benefits over and above the salary itself. This includes pension, medical aid, 13th cheque and so on. So the 'cost-to-company' figure places fully qualified teachers on a salary package of between R200,000 and R280,000.

As stated previously, in relation to the market a salary of R200,000 is competitive for people starting out in teaching, whereas R280,000 could be considered low for an experienced professional.

In comparison to other professionals, these salaries appear quite low. Normally, a professionally qualified person (engineer, architect, accountant etc) could be expected to earn more. However, there are complications with such comparisons. For example, teacher working hours (when both the working day and school closures are considered) are lower than those of other professionals, and part of the 'package' for teachers is the pattern of working time. Quantifying this is not easy but it needs to be factored in. Also, when analysing what is meant by the term 'profession', teaching cannot really claim that status at present, though the foundations are being laid.

Another comparison is with other public service staff, and this is also difficult. Many examples can be found of individual posts that earn more than a teacher. The secretary or personal assistant to senior managers is one example often quoted. Another is a police officer. These are two groups of public service staff who are less qualified but are often better paid than teachers. On the other hand, there are groups of equally qualified people such as hospital-based professionals (for example, physiotherapists, radiographers, nurses), who often earn less than teachers.

Increasingly, appointments to management positions (Levels 9, 10, 11, 12 and 13) are dependent on a three or four year degree. Teachers compare their qualifications and responsibilities with officials on these grades both in the Education Department and other departments, and argue that they should be paid as much as or more than such staff. Certainly, there are many officials at Assistant Director and Deputy Director levels (levels 9-12) that do not have the levels of qualifications and responsibility of teachers. However, although examples can be found of junior and middle managers with lesser qualifications and less responsibility than teachers, there are many who are as well qualified and have very high levels of responsibility. It is not easy to generalise.

As can be seen, internal salary comparisons are not a simple matter. One could also examine the general levels of salaries and establish whether teachers are located in the appropriate income quintile or decile of the population. Taking the entire working population, teachers are in the top 10% of earners. In that sense, particularly outside of Gauteng and the major cities, teachers are relatively highly paid compared to the wider workforce, including those with four year degrees.

4.2.3 International teacher salary comparators

Teachers internationally are generally paid relatively poorly compared to others in the economy. In most of Africa, Latin America and Asia, salaries are very low. In many of the developed countries the salary levels are more than they are in South Africa in cash terms, but not necessarily in spending power. For example, in England salaries range from £20,000 to £30,000 per annum. In Australia, similar salary levels make South African teacher salary levels look low. However, one has to examine the purchasing power of such salaries. In terms of meeting the cost of living, buying a car or a house, such salaries are not high, nor are they relatively high in relation to others, particularly other professionals. In fact, teachers in England and Australia would argue that they are relatively badly paid in relation to other groups of professionals.

4.2.4 Teachers' salaries relative to GDP per capita

Comparing salaries of teachers against GDP per capita (or average income per head of the population) provides an indication of the extent to which a country invests in teaching resources, relative to its financial ability to fund educational expenditure. In the absence of comparable information on the salaries of other highly skilled professions that could be used as points of comparison with teachers' salaries, GDP per capita is often used as a proxy for the financial standing of teachers.

In most industrialised countries, the starting salary for teachers is below GDP per capita. However, a recent Unesco study showed that in nine out of 13 developing countries for which data was available, starting salaries were above GDP per capita. Furthermore, they were more than twice GDP per capita in Jamaica, Philippines and Tunisia. In Indonesia, teachers were paid less than 40% of GDP per capita and in Argentina, Egypt, and Uruguay they were paid less than 70% of it.

While some countries such as Indonesia, Egypt and Peru have both low GDP per capita and low teacher salaries, the Philippines has a low GDP per capita but it pays teachers comparatively high salaries. Conversely, among the countries with relatively high GDP per capita, Uruguay and to a lesser extent Argentina, spend a below average proportion of their wealth on teachers' salaries while Malaysia spends an above-average proportion of its comparatively high GDP per capita on teacher salaries.

In South Africa, GDP per capita in 2007 was estimated at US \$5,900 (in current prices) or US \$9,700 in PPP (purchasing power parity – shows a rate of exchange that takes account of price differences between countries and allows for more appropriate international comparisons). The GDP per capita of \$9,700 converts to R77,600 at an exchange rate of R8 to \$1 US.

Thus it is estimated that teacher salaries in South Africa as a proportion of GDP per capita vary between 1.3 times GDP per capita and 1.8 times GDP per capita. These figures are relatively high compared to industrialised countries in general, on a par with a number of developing countries, but below the African average (which is about 4 times, though 4 times a much lower per capita GDP than in South Africa).

4.2.5 Expenditure on education and teaching

Expenditure on education in South Africa generally has been high in terms of the usual international measures (that is, as a percentage of GDP [or national income] or as a percentage of the government's budget).

In terms of expenditure as a percentage of GDP, education expenditure has hovered around 5.5%. This is relatively high in international terms. For example, the world average is around 4.9%; for developed countries, it is 5.3%; for developing countries 4.4%; for Latin America 4.0%; and for Sub-Saharan Africa 4.4%.

As a percentage of the government budget, education represents the single biggest expenditure item comprising 19.4% of the total budget in 2011/12, and 23% when the costs of debt servicing are excluded.

4.2.6 Growth of the education budget

According to the 2011 Budget Review, total education expenditure is expected to increase from R110.7 billion in 2007/08 to R189.5 billion in 2011/12 and to R215.1 billion in 2013/14. In nominal terms (that is, without adjusting for inflation), the average annual growth rate in the total education budget between 2007/08 and 2011/12 is 14.5% and between 2007/08 and 2013/14 the growth rate is expected to decline to 11.8%. For both periods, the growth rate has exceeded the inflation rate by a substantial margin. For example, between 2007/08 and 2011/12, the average inflation rate was approximately 7%. Thus the 'real' annual growth of the education budget during this period was about 7.5%.

4.2.7 Growth of the provincial education budget

The total amount allocated to education in the provinces increased from R90.5 billion in 2007/08 to R143.2 billion in 2011/12 and is expected to increase to R171.2 billion in 2013/14. According to the 2011 Budget Review, provincial education spending is expected to grow by 6.5% over the medium term to 2013/14, "mainly due to growth in compensation of employees".

4.2.8 Compensation of employees

According to the National Treasury, compensation of educators at public schools was expected to increase to R106 billion in 2011/12 from R58 billion in 2005/06. Between 2007/08 and 2011/12, it was projected to increase from R69.7 billion to R106.1 billion in 2011/12, an annual average growth rate of 8.1% in the medium term. The 13.0% increase in expenditure on the compensation of employees between 2005/06 and 2008/09 was mainly due to additional allocations for the OSD for educators that were implemented in 2008.

The following table shows the compensation of educators relative to provincial budgets (computed from the National Treasury document: Provincial Budgets and Expenditure Review 2005/06-2011/12, Table 3.13, page 35).

**Compensation of educators relative to provincial budgets 2005/06 to 2011/12
(R bn)**

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Compensation	58.2	62.6	69.7	84.0	90.5	98.4	106.1
Total Budget	72.0	78.9	88.3	107.6	118.5	132.0	143.8
% Compensation	80.8	79.3	78.9	78.1	76.4	74.6	73.8

Thus compensation for educators has been consistently falling from a high of 80.8% of the total provincial education budget in 2005/06 to 73.8% in 2011/12.

4.3 Overall conclusions

The main issue emerging from the above is just how complicated making any rational comparison or comparator analysis is. How can a teacher be compared to any other occupational group? How can one place a value on education or an educator? How much should we as a society be prepared to pay for education? These are impossible questions.

Nevertheless, one conclusion is unavoidable – namely, that the South African education system is receiving a fair share of available funds, and teacher salaries are a significant proportion of the costs of the system as a whole. Given the other national priorities for the period ahead (including such items as the National Health Insurance Fund – one of many high cost programmes being planned), it will be extremely difficult to make the case for an increase in the percentage spend on education, over and above what is already budgeted for in the medium term expenditure framework.

Whilst the case can undoubtedly be made that teachers in general, and specialist and experienced teachers in particular, should be paid more, such motivations will be have to be made in the context of very severe constraints. Even within the public schooling system there will be competing demands for available funds. The case for additional teachers to reduce class sizes or provide additional support in socially disadvantaged schools, additional spending on LTSM, libraries, resource centres and so on will be made. Any case for additional spending on salaries will have to be a strong one, and in that context the case for general (as opposed to targeted) salary increases will not be an easy one to make.

Scenario thinking – key variables

The research team invited the ELRC stakeholders to engage collectively and separately in some strategic scenario thinking. The research interview process identified two key variables:

- a. the will to use the salary system to drive transformation, and
- b. the systemic environment – whether the systems are in place to support a complex salary system.

5. Using the salary system to transform education

There are two tendencies in the ELRC. The one is to have a simple salary structure that enables many different things to be achieved but does not in itself try to do everything. The other is to try and address multiple objectives using the system. For example, in the past the salary system has been used to drive the eradication of inequality and improve qualifications levels. In these two objectives the system has been successful. In recent years there have been attempts to use the salary system to raise performance, reward expertise and experience and retain that expertise and experience in the classroom. Less success has been achieved in these areas, but the intention remains to achieve these by making use of the salary system.

In reality, of course, it is not only the salary system that achieves the objectives of the stakeholders, rather it is a range of interventions that includes the use of the salary system. The system can be appropriate to achieve the goals, but other elements may not be in place. The current situation is quite complex, and includes some factors that need to be taken into account.

5.1.1 Funding constraints

Significant funds were allocated to the ELRC stakeholders during 2008, 2009 and 2010. These funds were intended to pay for: the OSD agreement (OSD being a challenge across the public service, which the ELRC was required to address within education); the implementation of performance-related pay; and other priorities (such as housing). When the public service salary dispute was settled, it was on the basis of all available funds being used to pay for a general increase in pay for all teachers. Performance-related pay and other priorities were not addressed with the available funds.

Although the will may be there to use the salary system to achieve certain goals, the absence of funds could well lead to a level of scepticism. For example, it may be that stakeholders want to revive the 3% and 6% increases based on performance, but because of financial constraints the matter may not even be brought to the bargaining table.

5.1.2 Other processes

There are a number of other forums and processes underway that might be used to achieve what the salary system may have wanted to address in the past. One example is that of addressing teacher development. There will be attempts to address teacher development as something to be funded separately from performance management and salaries, and so the role of the salary system in relation to teacher development may reduce.

Another arises out of the improved Matric results in 2010. These are the result of a series of interventions that are quite separate from performance management or other processes linked to salaries. There have been announcements relating to interventions emanating from the ANA tests conducted nationally for the first time

early in 2011. School and teacher performance remains a critical issue for stakeholders but not necessarily linked to salaries. It would seem that stakeholders are making use of other forums to address school and teacher performance challenges and so addressing this through the salary system may not be seen by stakeholders as a priority.

So the focus for achieving changes within the education system may have shifted from the salary system to other forums and processes. The will to use the salary system to drive change may not be as strong as it was in the past.

Systemic capacity

One of the underlying problems in implementing the current system, including aspects of the 2008 agreement that have been halted, is the perceived weakness in the support pillars of the salary system.

5.2.1 Persal

The information system (Persal) is perceived to be weak and not entirely in the control of the education sector as it is located in the National Treasury. It could be a much more useful management and monitoring system than it is, but it is unlikely to improve in any meaningful way whilst set up in the way that it is. In the view of the research team, the location of Persal is not the issue, but rather the management of the education component, and the accountability of the managers for the quality of data on the system.

No one seems able to confront this challenge, and so the expectation is of a Persal system that is unlikely to be the powerful information management system that is needed. The general view is that it will continue to operate with all its current limitations. It is strongly recommended that this situation should not be accepted, and that a process should be put in place to transform Persal into the powerful information management system it has the potential to become.

For this to be the case it would be essential that all departments of education, but especially the DBE, increase their capacity to do this. It is recommended that the DBE appoint at least a qualified accountant to head up this process.

5.2.2 IQMS

The IQMS is increasingly gaining respect for its developmental aspect, but is discredited in relation to performance-linked pay. It could be improved by increasing capacity at district offices to support principals and teachers, and by increasing the number of moderators from the current 70 or so to over 700. There are cost implications and so the belief is that such capacity is unlikely to be built.

In fact, there are criticisms within the trade unions that too great a proportion of existing resources are allocated to bureaucratic processes that do not add to the

quality of education. The implication of this is that there is a need for a discussion within education on the role and function of district support services, and that they may need to be refocused in order to regain the credibility that they seem to have lost.

What is clear is that IQMS has come a long way since it was conceived in 2003. Huge strides have been made and there is a now a greater level of acceptance (at least amongst stakeholders and managers, if not at the level of the school) of the need for monitoring and management of performance of the education system and individual schools.

The link between IQMS and salaries seems to be less well accepted, but this may change if the IQMS continues to be strengthened and its credibility established amongst teachers.

5.2.3 Performance management

As has been stated, there is a strongly held view that performance-related pay can only work if performance is managed well. There is little belief that the Department will improve the management of performance. This would require a change in the relationship between the provincial and district management and the school principal and an acceptance that principals must account for the performance of their schools.

There is no evidence now that principals are being held to account and no expectation that they will be at any time in the future. This belief has some basis in the legislative framework that involves governing bodies interviewing for, and recommending, principals. Whatever the cause of the problem it is important to find a way of building an effective performance management system. This is important whether or not performance is linked again to pay in the future.

5.2.4 Management systems

One of the perceptions of the OSD (in rewarding performance, seniority and specialisation) is that it is open to abuse. There are criteria that need to be applied but there is influence at school, district and provincial level. It has to be said that limited evidence was found of this in the overall analysis of Persal data, but enough anomalies were identified to fuel suspicion and reinforce perceptions.

Where a problem is identified, there is a mechanism to involve the national department and a process for rectifying incorrect payments. It was the view of managers within the system that wrongful matching of individual teachers to notches is rectified, and examples were provided to justify this. However, there are no monitoring reports, and no analysis of trends in particular provinces where abuse is suspected, and so the general perception of a system open to abuse is not being dealt with.

It is suggested that if the various objectives of the salary system are to be fully achieved, a much better monitoring framework and system is needed as well as regular reports to the ELRC on how errors are being identified and addressed. Again,

this suggests that a team in the DBE, headed by an accountant, would be necessary to take this forward.

Working with the variables

It is suggested that these two variables (commitment to use the salary system to drive change and systemic capacity) will remain the two key factors in determining the direction of the salary system. They provide a framework for a strategic discussion on the salary system. Currently, the assessment must be that there is neither the will to drive change through the salary system, nor the systemic capacity to enable this to be done. The conditions for making any substantial changes do not appear to be in place. However, conditions can change and this debate could be examined again in the future.

6. Options discussion

The options discussion was informed by the historical analysis, the international review and some 'out of the box' thinking arising from stakeholder interviews. Most of the more 'radical' ideas floated were not endorsed by stakeholders. Interest in moving in a substantially different direction was limited. This is partly because the OSD agreements of 2008-2010 are seen as radical in themselves, were the product of lengthy negotiations, and even today are only being partially implemented. It is also related to the constraints and prevailing conditions outlined in the previous section.

Having said that, it is the view of the research team that there is a need to review the long term strategy in relation to teacher salaries, and that the better received options should be placed on the ELRC agenda in the period ahead.

Establishing teaching as a profession

All stakeholders describe teaching as a 'profession' that is not recognised or valued. The wish to be recognised as a profession is very strong amongst teachers, who feel that their social and economic status has been eroded. There is no doubt that the knowledge and skills levels of teachers are on a par with those required for other jobs that are recognised as a profession, and this will become more so as now teaching requires a degree for entry.

There is an acknowledgement that there are aspects of 'professionalism' that do not currently apply to teachers. Efforts are being made to put them in place. Examples include the self-regulatory and disciplinary measures being developed by the South African Council for Educators (SACE) and the Code of Conduct.

There is a desire to see the teaching profession professionalised, and recognition that salaries are an important factor in that process. However, there is no agreement on how the salary system might be linked to 'professionalism'. There seems to be a belief that teachers are entitled to professional salaries without making the commitment to making teaching a genuine profession. There is a reluctance to

establish the standards, checks and balances, and accountability mechanisms that normally go along with professional status.

One suggestion made for moving teaching in the direction of professionalism was for there to be a review of the grading system. A professional teacher grade could be established that teachers enter using certain agreed criteria. The criteria could be an appropriate four-year qualification and achieving a certain set of competencies, demonstrated through some form of voluntary test. The voluntary test is something that has been adopted in Malaysia with some success. Once attained, this status could be recognised both in terms of salary and in being registered or 'licensed'.

The concept of licensing (in addition to registration), to be managed by SACE, was first mooted in 2003 as part of the Ministerial Committee into Teacher Education (MCTE), and rejected as being unrealistic at the time. A minority of teachers were then REQV 14 qualified whereas today a majority are. This opens up opportunities to revisit this idea, but within a broader strategy of professionalising teaching.

It is strongly recommended that professionalising teaching should become one of the key strategic objectives informing the bargaining agenda for the coming period. There is a need for the parties to agree on the key pillars of a profession, so that the discussion becomes a focused one that can unite and mobilise teachers behind a common agenda. This is not strictly a salary issue, but the salary structure and system would need to play a part in achieving professionalism and professional status. Recognising qualifications, good performance and enabling career progression linked to experience and specialisation are steps towards professionalising teaching, but they should be seen as the start of a more comprehensive process of defining the teaching profession and developing a roadmap for its attainment, including changes to the salary system to support the roadmap.

De-linking pay and performance

Performance-related pay has been a challenge from the early 1990s in both South Africa and elsewhere, and remains a challenge today. Many reasons have been documented for the failure to agree the mechanisms for linking pay to performance. The current approach is to separate development appraisal from performance assessment. The idea is to strengthen IQMS, develop assessment criteria, tools and systems, and to reintroduce pay increases linked to performance at some stage in the future. Currently, performance-related pay is not being implemented.

One option suggested was to not just separate developmental appraisal from performance assessment, but to separate the Integrated Quality Management System (IQMS) from performance assessment. In other words, focus on introducing performance management, without linking it to salaries.

There is a generally agreed view that without performance management, performance-linked pay cannot work, and so getting performance management in place is a pre-requisite to introducing performance-linked pay. However, there is no consensus that performance management should be separated from pay completely, as in some developed countries.

The proposal discussed with stakeholders went beyond removing performance incentives from individual performance assessments. The suggestion was to establish a new incentive system directed at school teams, rather than individuals. In other words, establish a reward system for schools that is partly made up of payments to teachers, but also other benefits for the school (for example, money towards a resource centre or an extra teacher or teacher assistant). Such a system would provide an enabling environment for performance management. Performance management would be seen as being an important vehicle for achieving improved school performance. Individual teachers could support the system of performance assessment without feeling pressured by the fact that their salaries could be affected.

The general view of stakeholders was that such a system would be difficult to implement. This is mainly because it would mean rewarding all teachers and not just those who perform well. On the other hand, there seems to be such difficulty in agreeing on individually directed performance related pay that this matter may well return as an option. One stakeholder, for example, suggested that there could be a mixture of both individual and school performance incentives. It is suggested that the ELRC keep this option under review.

7. Conclusions and Recommendations

The overall conclusion of the research team is that the current salary system is a sound one and is not in need of substantial change. The overall salary levels have been improved considerably in recent years, putting teachers in a salary range that is broadly fair in comparison to other occupations with similar qualification requirements and responsibilities. For each post, the minimum salary is competitive in terms of attracting new entrants and encouraging teachers to apply for promotion posts. Maximum salaries for each post are certainly adequate, and if it were possible to reach the top of the salary scale within a normal working lifetime, those on the maximum would be paid a very good salary, using any of the criteria that have been examined. At no stage during interviews and stakeholder engagements was the issue of differentials raised. There would appear to be broad stakeholder agreement that the minimum and maximum salaries, in so far as they relate to each other and to other occupational groups within the South African Public Service, are appropriate. Obviously, there will always be pressure to raise the general salary levels, but it is clear that the salary ranges as they are currently allow for significant upward movement. So there is no problem with minimum salaries or maximum salaries.

The central problem of the salary structure agreed in 2008 relates to the ability of educators to move or progress through the available salary notches. Teachers feel that as they gain in experience, they should be located at a high point within the salary range available. The problem is that there is no consensus or agreement on the criteria for upward movement and so the majority of experienced teachers feel they are 'stuck' in the lower half of their available salary range. There is movement, but it is very slow and few teachers ever reach the maximum. The maximum has become a theoretical maximum that cannot be reached in a normal working lifetime.

It is important to point out that the full package of agreements reached in 2008, if they had been implemented, would have enabled movement. Two agreements that were designed to facilitate such movement were reversed – namely, those related to performance-related notch increases and to the provision for qualified and experienced educators to be designated Learning Specialists (TLSs) and Senior TLSs, which would enable some of the most qualified and experienced teachers to earn as much as managers while remaining in the classroom. In removing these two critical elements of the ‘2008 OSD agreements’, the ELRC created the current situation where teachers are unable to progress substantially towards the available maximum salaries. The conclusion of the research team is that these agreements were reversed in order to enable the available funds to be reallocated to pay for the substantial general (across the board) increases in salaries from 2008 to 2010. In other words, funds that were initially earmarked to pay more to teachers who perform well and to incentivise highly competent teachers to stay in the classroom were redirected to pay for higher percentage increases for all teachers.

The one aspect of the current salary system that seems illogical is the notch value. A notch is worth 1%. This means that the movement that is achieved towards the maximum salary is very slow. So it takes a very long time before an experienced teacher is earning a salary that is significantly higher than that of an entry level teacher. One percent is a very small increase, when there are 80 or more notches in a salary range. In addition, teachers feel they are being treated differently to other public service staff who have notches valued at 1.5%.

The following recommendations are formulated in the knowledge that there are financial constraints that will impact on the ability of the ELRC to act on them. The intention is to identify a number of priority changes that can be introduced as and when funds become available. Some projections in relation to costs are provided for each recommendation. In summary, the only specific change proposed for the salary structure is for the notch value to be increased from 1% to 1.5%. This will reduce the number of notches and increase the potential pace of progression. It is further recommended that the ELRC moves speedily to link salary progression to performance, initially linking 1.5% annual notch increases to ‘satisfactory’ performance, and then incrementally introducing faster progression linked to ‘good’ and then later ‘excellent’ performance. In addition, it is proposed that the 2008 agreement on TLSs and STLSs should be revisited to enable highly competent specialist teachers to gain salary improvements beyond the highest salary for an REQV 14 qualified teacher.

The recommendations are:

Notch value: change to 1.5%

For an REQV 14 teacher the existence of 83 1% notches creates a situation where progress within the system is slow, and will take a teacher a lifetime to make any significant progress. A move to 1.5% would reduce the number of notches from 80 to 52 and enable faster progression. It is therefore proposed to base the entire system on notches of 1.5%.

Reintroduce performance-related pay increases

There have been various failed attempts to introduce performance-related pay. They have failed for reasons ranging from lack of commitment at line management level to systemic challenges that have undermined its credibility. Nevertheless, there remains a commitment within the DBE to reviving performance payments when resources become available.

It has been acknowledged by stakeholders that there are systemic challenges that hamper the introduction and consolidation of performance-linked pay. The credibility of the system will be built over time as these systemic issues are addressed. Introducing four performance categories at once is probably not realistic. The focus initially will need to be on bringing in a system that works and is respected by teachers and managers. It is therefore suggested that an incremental approach should be adopted to reintroducing performance linked pay. This could be as follows:

7.2.1 1.5% per year for 'satisfactory' performance

Initially, the focus could be on 'satisfactory' performance. The 1.5% increment paid every year should be linked to 'satisfactory' levels of performance. It is proposed that this should be an annual increase paid to all teachers who on a rolling 3-year cycle continuously perform to an acceptable level. It is estimated that 80% of teachers will achieve this each year. Teachers who do not achieve 'satisfactory' performance levels would not receive any automatic increase.

7.2.2 3% for 'good' performance

An additional 3% (2 notch increase) should be linked to 'good' performance. This would be paid every three years. The 'good' performing teacher would therefore progress 5 notches in a three-year cycle.

7.2.3 6% for 'excellent' performance

An additional 3% notch increase (over and above that of teachers whose performance is good) should be linked to 'excellent' performance. This again would be paid every three years and would therefore result in "excellent" teachers achieving progression of 7 notches in a three-year cycle.

If there are 50 notches (based on a 1.5% notch value), the poorly performing teacher will make slow progress, if any; the 'acceptable' performer will earn 45% more than a starter level teacher after 30 years. The teachers who perform well will earn 75% more than a starter level teacher and exceptional teachers will earn double the salary of a starter level teacher.

If the initial change is that acceptable performance is linked to 1.5%, this would provide an incentive to all teachers to achieve that level of competence and performance. Bringing in the additional performance increases could be something achieved over time, as and when resources become available.

Teaching and Learning Specialist teachers (LTs and STLs)

There is currently a shelving of plans to give highly valued or specialist teachers the salary increases envisaged by the 2008 OSD agreement. It is understood that the problems relate not to the principle but to the criteria for selection and the limitations placed on numbers per school. It is proposed that the ELRC give urgent attention to resolving these issues, along the following lines:

Criteria

The criterion in the 2008 agreement was for a teacher to have an REQV 15 or 16 qualification. It is difficult to understand what value such qualifications bring to classroom teaching practice. A well qualified and committed teacher with an appropriate REQV 14 qualification and who has some specialist knowledge (such as expertise in relation to maths, language or science teaching) should be able to progress to this career stream and become a specialist member of the school teaching team.

It is also restrictive to tie the number of such posts to the number of HODs and managers in a school. Rather, the aim should be to provide opportunities for experienced and specialist teachers to apply for such promotion posts, and for the number of posts available to be determined on the basis of the needs of each school and budget availability.

It is important to restate the purpose of the LTS grades in the context of the salary system. The purpose is on the one hand to reward competent and experienced teachers and on the other to retain experienced and specialist teachers in the classroom. Good teachers should have a career-path that is not necessarily linked to obtaining promotion to a management position. The criteria should be linked to these objectives.

The proposed criteria are therefore:

- **An appropriate REQV 14 qualification.** Further discussion is needed on what constitutes an appropriate qualification, but the aim will be to move from REQV level to qualifications that are relevant to the specific LTS function. So, for example, if the LTS post being advertised is that of a maths specialist, the qualification would need to address this particular knowledge area. In other words, the qualification should be appropriate to the post.
- **Consistently good performance.** The aim should be to recruit teachers to these posts who have demonstrated commitment and achieved good results in their subject matter or teaching area. It may not be necessary for them to be the top (excellent) performers, but they should be consistently performing well.
- **Specialist expertise and competence.** The aim should be to recruit teachers who have demonstrated a particular ability to teach a particular subject or develop practice in a particular teaching area. This expertise could be

measured in terms of the IQMS, or it could be by means of a voluntary test or exam.

7.3.2 Costing and phasing

It is proposed that this should be a long term plan with phases. Those selected will be from amongst the current REQV 14 qualified teachers - being paid between R152,016 and R344,025. As those selected will be both experienced and performing well, they are more likely to be in the R190,000 - R220,000 salary range. Therefore, there will be no significant leap in salary. It is proposed that the person being appointed to such a post will be employed either at the starter salary for that post, or at four notches (6%) above the teacher's current salary, whichever is the greater. For the majority appointed to TLS posts it will therefore mean a 6% increase on their salary.

Senior TLSs will be recruited from TLSs who are performing consistently well. Again they would be paid the minimum salary for that post, or at four notches (6%) above the teacher's current salary, whichever is the greater.

The proposal envisages 40,000 TLSs and 4,000 STLs. This could be phased in over a number of years.

8. Proposed salary structure

The following section sets out the revised salary structure based on a 1.5% notch value. The section includes the new minimum and maximum notches for school-based educators, the results of a projection model, which costs various options including automatic increases for all educators of 1.5% per year and including performance-related increases for various percentages of educators. The salary model includes all educators in the June 2010 Persal database as follows:

Number of educators by "Job title" in the Persal 2010 database

School-based educators	Number of educators
Teacher	267254
Master Teacher	5973
Senior Teacher	34481
Departmental Head	43580
Deputy Principal	11770
Principal P1	1864
Principal P2	8342
Principal P3	7307
Principal P4	3599
Principal P5	286
Total	384456
Office-based educators	
Education Specialist	1088

School-based educators	Number of educators
Senior Education Specialist	5645
Deputy Chief Education Specialist	3135
Chief Education Specialist	803
Circuit Manager C1*	--
Circuit Manager C2*	--
Circuit Manager C3*	--
Total	10671
Overall total	395127

* Not distinguished in database

8.1 Converting from 1% to 1.5% notches

Notches will be converted in terms of the following table:

Current notch	Current salary (1/7/2010)	Proposed salary	Proposed notch
004	69126	70090	1
005	69825	71141	2
006	70512		
007	71226	72208	3
008	71925		
009	72654	73291	4
010	73383		
011	74127	74391	5
012	74856	75507	6
013	75600		
014	76356	76639	7
015	77115	77789	8
016	77889	78956	9
017	78675		
018	79446	80140	10
019	80265		
020	81066	81342	11
021	81867	82562	12
022	82683		
023	83517	83801	13
024	84345	85058	14
025	85191	86334	15
026	86037		
027	86142	87629	16
028	86997		
029	87861	88943	17
030	88743		

Current notch	Current salary (1/7/2010)	Proposed salary	Proposed notch
031	89637	90277	18
032	90534	91631	19
033	91431		
034	92355	93006	20
035	93264	94401	21
036	94203		
037	95142	95817	22
038	96081	97254	23
039	97065		
040	98019	98713	24
041	99015	100194	25
042	99999		
043	100995	101697	26
044	102006	103222	27
045	103032		
046	104055	104770	28
047	105099	106342	29
048	106152	107937	30
049	107223		
050	108291	109556	31
051	109374		
052	110457	111199	32
053	111558		
054	112671	112867	33
055	113808	114560	34
056	114936	116279	35
057	116091		
058	117261	118023	36
059	118419	119793	37
060	119604		
061	120804	121590	38
062	122016	123414	39
063	123228		
064	124458	125265	40
065	125700	127144	41
066	126957		
067	128244	129051	42
068	129513	130987	43
069	130815		
070	132117	132952	44
071	133446	134946	45
072	134775	136970	46
073	136131		

Current notch	Current salary (1/7/2010)	Proposed salary	Proposed notch
074	137490	139025	47
075	138864		
076	140250	141110	48
077	141651		
078	141777	143227	49
079	143208	145375	50
080	144639		
081	146085	147556	51
082	147546		
083	149022	149769	52
084	150510	152016	53
085	152016		
086	153531	154296	54
087	155064	156611	55
088	156624	158960	56
089	158184		
090	159774	161344	57
091	161364	163764	58
092	162984		
093	164616	166221	59
094	166260	168714	60
095	167922		
096	169599	171245	61
097	171288	173814	62
098	172989		
099	174738	176421	63
100	176484	179067	64
101	178248		
102	180021	181753	65
103	181827	184479	66
104	183642		
105	185478	187247	67
106	187338	190055	68
107	189216		
108	191106	192906	69
109	193008	195800	70
110	194943	198737	71
111	196887		
112	198864	201718	72
113	200841		
114	202860	204744	73
115	204879	207815	74
116	206940		

Current notch	Current salary (1/7/2010)	Proposed salary	Proposed notch
117	209004	210932	75
118	210141	214096	76
119	212238		
120	214362	217307	77
121	216516		
122	218667	220567	78
123	220863	223875	79
124	223059		
125	225297	227234	80
126	227547	230642	81
127	229815		
128	232125	234102	82
129	234447	237613	83
130	236799	241177	84
131	239163		
132	241560	244795	85
133	243969		
134	246408	248467	86
135	248859	252194	87
136	251352		
137	253878	255977	88
138	256413	259817	89
139	258978		
140	261558	263714	90
141	264168	267670	91
142	266820		
143	269487	271685	92
144	272178	275760	93
145	274899		
146	277650	279896	94
147	280431	284095	95
148	283239		
149	286062	288356	96
150	288912	292681	97
151	291822		
152	294729	297072	98
153	297678	301528	99
154	300660		
155	302295	306051	100
156	305316		
157	308367	310641	101
158	311445	315301	102
159	314568		

Current notch	Current salary (1/7/2010)	Proposed salary	Proposed notch
160	317703	320031	103
161	320883	324831	104
162	324102		
163	327324	329703	105
164	330603		
165	333909	334649	106
166	337257	339669	107
167	340620	344764	108
168	344025		
169	347472	349935	109
170	350949	355184	110
171	354456		
172	358002	360512	111
173	361578	365920	112
174	365196		
175	368844	371408	113
176	372534	376980	114
177	376266		
178	380025	382634	115
179	383829	388374	116
180	387660		
181	391533	394199	117
182	395463	400112	118
183	399408		
184	403410	406114	119
185	407442	412206	120
186	411510		
187	415626	418389	121
188	419772	424665	122
189	423987		
190	428214	431035	123
191	432501	437500	124
192	436827		
193	441198	444063	125
194	445596	450724	126
195	450054		
196	454551	457485	127
197	459105	464347	128
198	463704		
199	468342	471312	129
200	473013	478382	130
201	477753		
202	482532	485557	131

Current notch	Current salary (1/7/2010)	Proposed salary	Proposed notch
203	487344	492841	132
204	492228		
205	497148	500233	133
206	502116	507737	134
207	507126		
208	512205	515353	135
209	517326	523083	136
210	522492		
211	527727	530929	137
212	533007	538893	138
213	538329		
214	543708	546977	139
215	549153	555181	140
216	554646		
217	560196	563509	141
218	565785	571962	142
219	571449		
220	577167	580541	143
221	582942	589249	144

8.2 New minimum and maximum notches

The following table gives the minimum and maximum notches for school based educators. It includes the minimum and maximum as outlined in the current OSD agreement as of July 2010 and the minimum and maximum that would apply with a 1.5% notch increase. The intention is that there should be no change in minimum and maximum salaries. The conversion from 1% to 1.5% notches results in a slight raising of minimum and maximum salaries because in reducing the number of notches, often two notches on the old structure become one on the new structure. None of the increases caused by this have the effect of altering differentials or raising a particular post level to a significantly higher level than where it is currently.

Table: Minimum and maximum notches under a 1.5% notch salary system

	Current OSD notches				Proposed 1.5% notches			
	Min	Max	Notch number	Notch number	Min	Max	Notch number	
Educator (school-based)								
Teacher M+1/M+2	69 126	113 808	004	055	70 090	114 560	1	34
Teacher M+3	114 936	256 413	056	138	116 279	259 817	35	89
Teacher M+4	152 016	344 025	087	168	152 016	344764	53	108
Senior Teacher M+3	181 827	256 413	103	138	184 479	259 817	66	89
Master Teacher M+3	214 362	256 413	120	138	217 307	259 817	77	89
Senior Teacher M+4	181 827	344 025	103	168	184 479	344764	66	108
Master Teacher M+4	214 362	344 025	120	168	217 307	344764	77	108
Teaching and Learning Specialist	220 863	477 753	123	201	223 875	478 382	79	130
Senior Teaching and Learning Specialist	248 859	517 326	135	209	252 194	523 083	87	136
Manager (school-based)								
Head of Department	191 106	477 753	108	201	192 906	478 382	69	130
Deputy Principal	227 547	517 326	126	209	230 642	523 083	81	136
Principal P1	191 106	411 510	108	186	192 906	412 206	69	120
Principal P2	227 547	477 753	126	201	230 642	478 382	81	130
Principal P3	272 178	549 153	144	215	275 760	555 181	94	140
Principal P4	314 568	565 785	159	218	315 301	571 962	102	142
Principal P5	387 660	582 942	180	221	388 374	589 249	116	144
Specialist (office-based)								
Education Specialist	191 106	477 753	108	201	192 906	478 382	69	130
Senior Education Specialist	227 547	517 326	126	209	230 642	523 083	81	136
Deputy Chief Education Specialist	280 431	549 153	147	215	284 095	555 181	95	140
Chief Education Specialist	376 266	582 942	177	221	376 980	589 249	114	144
Circuit Manager C1	280 431	549 153	147	215	284 095	555 181	95	140
Circuit Manager C2	376 266	565 785	177	218	376 980	571 962	114	142
Circuit Manager C3	450 054	582 942	192	221	450 724	589 249	126	144

8.3 Financial projections

In the following section, each of the recommendations is costed and the implications set out. Certain assumptions have been used, based on current knowledge and understandings. The assumptions can be adjusted and the model that has been developed can be used to project costs using different assumptions.

One of the difficult assumptions has been attrition rates. An in-depth study of Persal in 2006 estimated attrition to be around 6%. In the past three years, the actual attrition rate from Persal data has been between 2.9% and 5.6%. For the purpose of modelling the attrition rate has been set at 4%. This can be changed if evidence

shows that attrition is at a different level, but is viewed as a sensible figure to use from currently available data. Because experienced staff are paid more than new staff this is an important variable, and can change the projections significantly. The higher the attrition rate, the lower the total educator salary costs and vice-versa.

The two main variables after attrition are related to levels of performance and proportions of educators achieving the different levels. Again these can be changed within the model. The input parameters show increases of:

- 1.5% per year for 'satisfactory' performance
- 1.5% + 1% per year for 'good' performance
- 1.5% + 2% per year for 'excellent' performance

It is envisaged that the 1.5% increase will occur annually and the 3% and 6% increases will be calculated annually and paid every three years. It is anticipated that the ELRC will address the practicalities of paying performance-related pay increases annually, bi-annually or every three years. For the purpose of modelling, annual increases have been applied amounting to:

- 1.5% for 'satisfactory' performance
- 2.5% for 'good' performance
- 3.5% for 'excellent' performance

In each option, the percentage of educators attaining those increases is changed and the number of teachers falling within broad salary ranges is shown. So where the 'excellent' increase is not being applied, the number of teachers in that category is 0.0%. Where all teachers will obtain 1.5% increases, the percentage of teachers is 100.0%. Where there are 30% of teachers achieving 'good' performance levels, the multiplier is 30.0%. These percentages can be altered within the model provided to show the impact on financial projections.

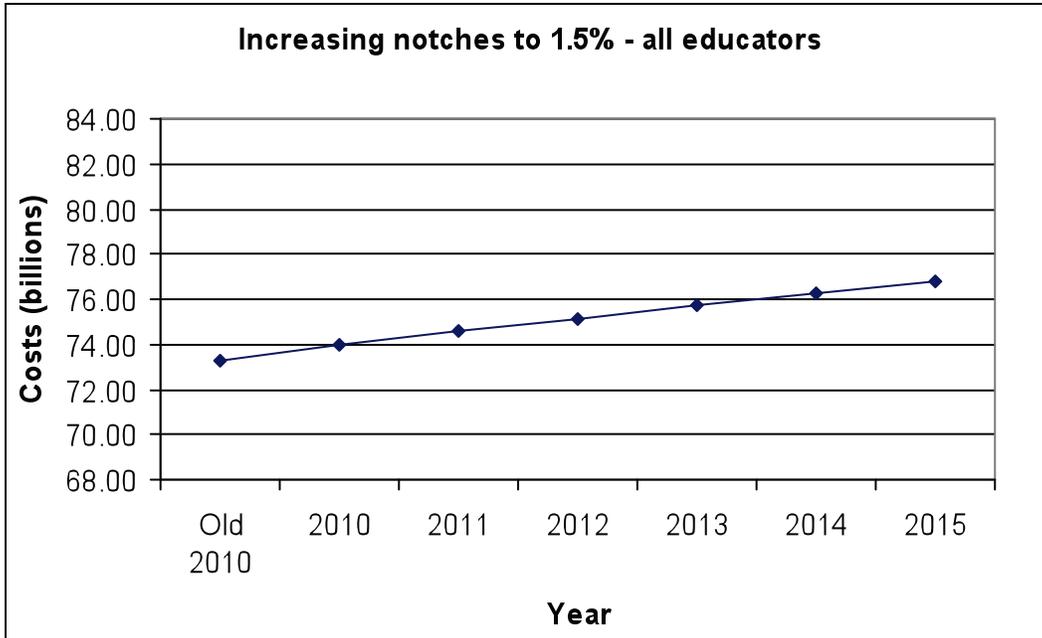
8.3.1 Automatic annual progression of 1.5%

In this option all educators get an automatic 1.5% notch annual increase. The model shows the cost of this to 2015, including the cost of converting from the old 2010 1% notches to the 1.5% notches. Also shown is the number of educators who fall into broad salary ranges. The range 223,365 – 400,000+ currently with 62,421 educators is predominantly made up of HOD, Deputy and Principal posts. The additional numbers of educators who then fall into these salary bands by 2015 and 2020 are predominantly Post Level 1 educators who are thus either Senior, Master, TLS or STLS.

Annual increases used in model and percentage of educators at that rating		
Rating	Increases	Percentage of educators at rating
Satisfactory	1.5%	100%
Good	2.5%	0%
Excellent	3.5%	0%

Projected costs in 2010 Rand (billion)							
	Old 2010	2010	2011	2012	2013	2014	2015
School-based educators							
Teacher	41.42	41.78	42.13	42.46	42.79	43.10	43.40
Master Teacher	1.47	1.48	1.49	1.51	1.52	1.53	1.54
Senior Teacher	7.45	7.51	7.58	7.64	7.69	7.75	7.80
Departmental Head	9.87	9.96	10.04	10.12	10.20	10.27	10.34
Deputy Principal	3.17	3.20	3.22	3.25	3.27	3.30	3.32
Principal P1	0.44	0.45	0.45	0.45	0.46	0.46	0.46
Principal P2	2.29	2.32	2.33	2.35	2.37	2.39	2.40
Principal P3	2.36	2.38	2.40	2.42	2.44	2.45	2.47
Principal P4	1.31	1.32	1.33	1.34	1.35	1.36	1.37
Principal P5	0.12	0.13	0.13	0.13	0.13	0.13	0.13
Total school-based	69.90	70.51	71.10	71.66	72.21	72.74	73.24
Office-based educators							
Education Specialist	0.18	0.19	0.19	0.19	0.19	0.19	0.19
Senior Education Specialist	1.50	1.51	1.53	1.54	1.55	1.56	1.57
Deputy Chief Education Specialist	1.26	1.27	1.28	1.29	1.30	1.31	1.32
Chief Education Specialist	0.46	0.47	0.47	0.47	0.48	0.48	0.49
Total	3.40	3.43	3.46	3.49	3.52	3.54	3.57
All educators							
Total	73.30	73.95	74.56	75.15	75.72	76.28	76.81
Percentage growth		0.9%	0.8%	0.8%	0.8%	0.7%	0.7%

Number of educators per notch grouping indicated			
	2010	2015	2020
< 152016	74170	45792	29994
152016 – 205000	248854	245561	267145
206000 – 400000+	62421	93988	88002



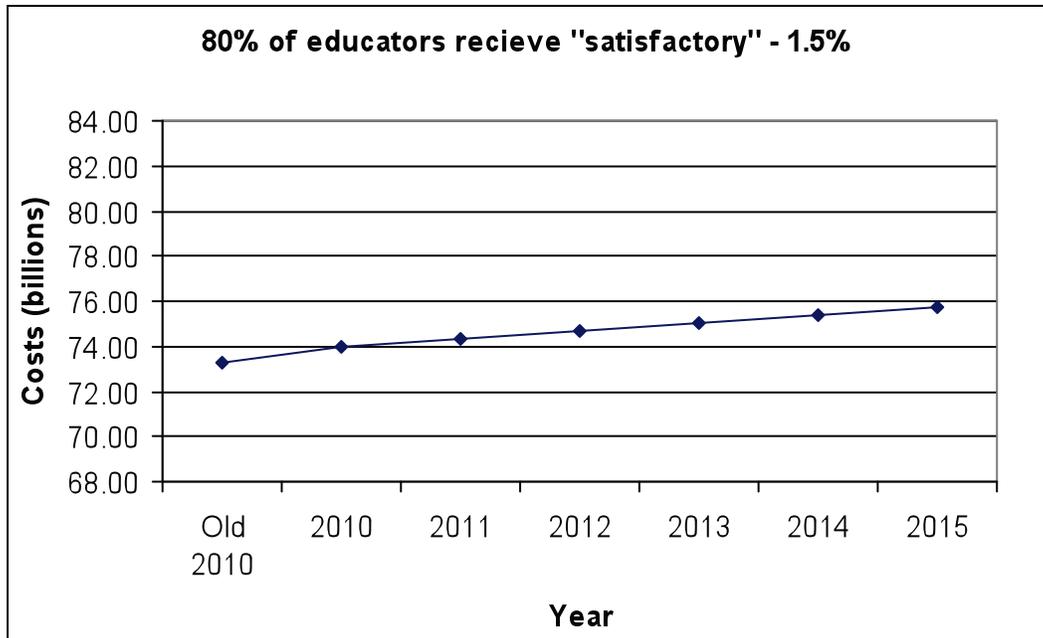
8.3.2 80% of educators ‘satisfactory’

In this option the 1.5% notch increase is non-automatic but linked to ‘satisfactory’ performance and it is assumed that 80% of educators would be eligible for this. The model shows the cost of this to 2015, including the cost of converting from the old 2010 1% notches to the 1.5% notches. Also shown is the number of educators who fall into broad salary ranges.

Annual increases used in model and percentage of educators at that rating		
Rating	Increases	Percentage of educators at rating
Satisfactory	1.5%	80%
Good	2.5%	0%
Excellent	3.5%	0%

Projected costs in 2010 Rand (billion)							
	Old 2010	2010	2011	2012	2013	2014	2015
School-based educators							
Teacher	41.42	41.78	42.00	42.22	42.42	42.62	42.81
Master Teacher	1.47	1.48	1.49	1.50	1.50	1.51	1.52
Senior Teacher	7.45	7.51	7.55	7.59	7.63	7.66	7.70
Departmental Head	9.87	9.96	10.01	10.06	10.11	10.16	10.20
Deputy Principal	3.17	3.20	3.21	3.23	3.24	3.26	3.27
Principal P1	0.44	0.45	0.45	0.45	0.45	0.45	0.46
Principal P2	2.29	2.32	2.33	2.34	2.35	2.36	2.37
Principal P3	2.36	2.38	2.39	2.40	2.41	2.43	2.44
Principal P4	1.31	1.32	1.32	1.33	1.34	1.34	1.35
Principal P5	0.12	0.13	0.13	0.13	0.13	0.13	0.13
Total school based	69.90	70.51	70.88	71.24	71.59	71.92	72.24
Office-based educators							
Education Specialist	0.18	0.19	0.19	0.19	0.19	0.19	0.19
Senior Education Specialist	1.50	1.51	1.52	1.53	1.54	1.54	1.55
Deputy Chief Education Specialist	1.26	1.27	1.27	1.28	1.29	1.29	1.30
Chief Education Specialist	0.46	0.47	0.47	0.47	0.47	0.48	0.48
Total	3.40	3.43	3.45	3.47	3.49	3.50	3.52
All educators							
Total	73.30	73.95	74.34	74.71	75.07	75.43	75.76
Percentage growth		0.9%	0.5%	0.5%	0.5%	0.5%	0.4%

Number of educators per notch grouping indicated			
	2010	2015	2020
< 152016	74170	49963	33233
152016 – 205000	248854	247385	270615
206000 – 400000+	62421	88035	81373



8.3.3 50% of educators 'satisfactory', 30% 'good'

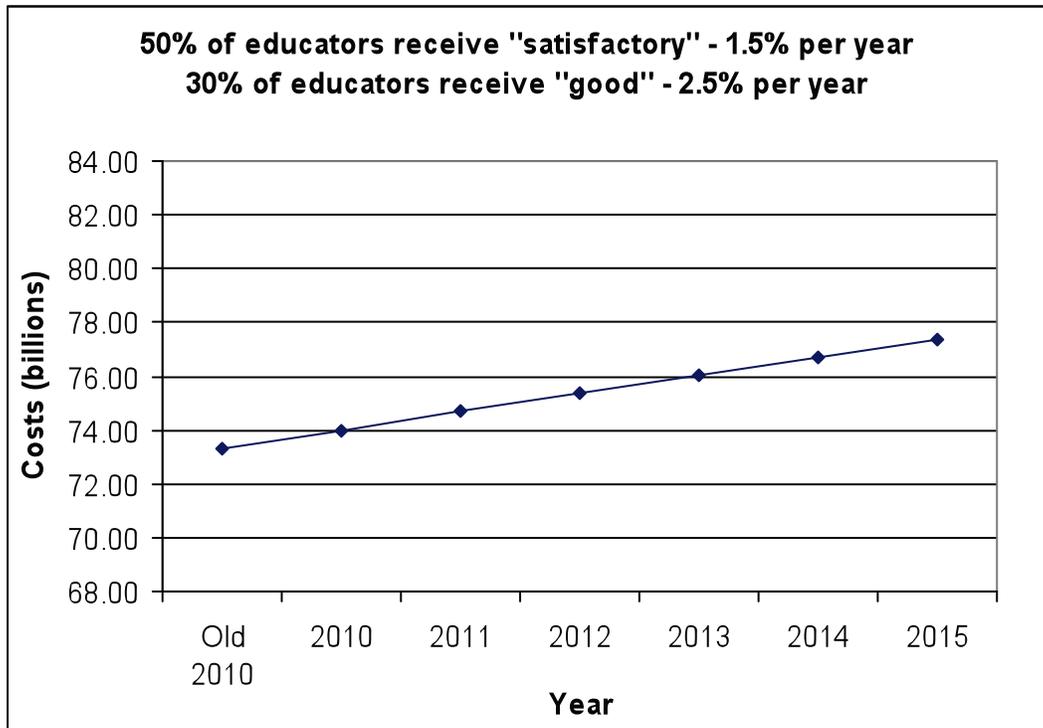
In this option the 1.5% notch increase is linked to 'satisfactory' and 'good' performance and it is assumed that 50% of educators would be eligible for 'satisfactory' performance increases and 30% would be eligible for 'good' performance increases ('good' incorporating all teachers who are assessed as 'good' and 'excellent'). The model shows the cost of this to 2015, including the cost of converting from the current 2010 1% notches to the 1.5% notches.

Attrition	4%	Percentage of educators
	Increases	
Satisfactory	1.5%	50%
Good	2.5%	30%
Excellent	3.5%	0%

Projected costs in 2010 Rand (billion)							
	Old 2010	2010	2011	2012	2013	2014	2015
School-based educators							
Teacher	41.42	41.78	42.19	42.59	42.98	43.35	43.71
Master Teacher	1.47	1.48	1.50	1.51	1.52	1.54	1.55
Senior Teacher	7.45	7.51	7.59	7.66	7.73	7.80	7.86
Departmental Head	9.87	9.96	10.06	10.15	10.24	10.33	10.42
Deputy Principal	3.17	3.20	3.23	3.26	3.29	3.31	3.34
Principal P1	0.44	0.45	0.45	0.45	0.46	0.46	0.47
Principal P2	2.29	2.32	2.34	2.36	2.38	2.40	2.42
Principal P3	2.36	2.38	2.40	2.42	2.45	2.47	2.49

Principal P4	1.31	1.32	1.33	1.34	1.36	1.37	1.38
Principal P5	0.12	0.13	0.13	0.13	0.13	0.13	0.13
Total school-based	69.90	70.51	71.21	71.88	72.53	73.16	73.76
Office-based educators							
Education Specialist	0.18	0.19	0.19	0.19	0.19	0.19	0.19
Senior Education Specialist	1.50	1.51	1.53	1.54	1.56	1.57	1.58
Deputy Chief Education Specialist	1.26	1.27	1.28	1.29	1.30	1.31	1.32
Chief Education Specialist	0.46	0.47	0.47	0.48	0.48	0.48	0.49
Total	3.40	3.43	3.47	3.50	3.53	3.56	3.59
All educators							
Total	73.30	73.95	74.67	75.38	76.06	76.72	77.36
		0.9%	1.0%	0.9%	0.9%	0.9%	0.8%

	2010	2015	2020
< 152016	74170	45821	26072
152016 - 205000	248854	245039	263392
206000 - 400000+	62421	94436	95581



8.3.4 30% 'satisfactory', 30% 'good' and 20% 'excellent'

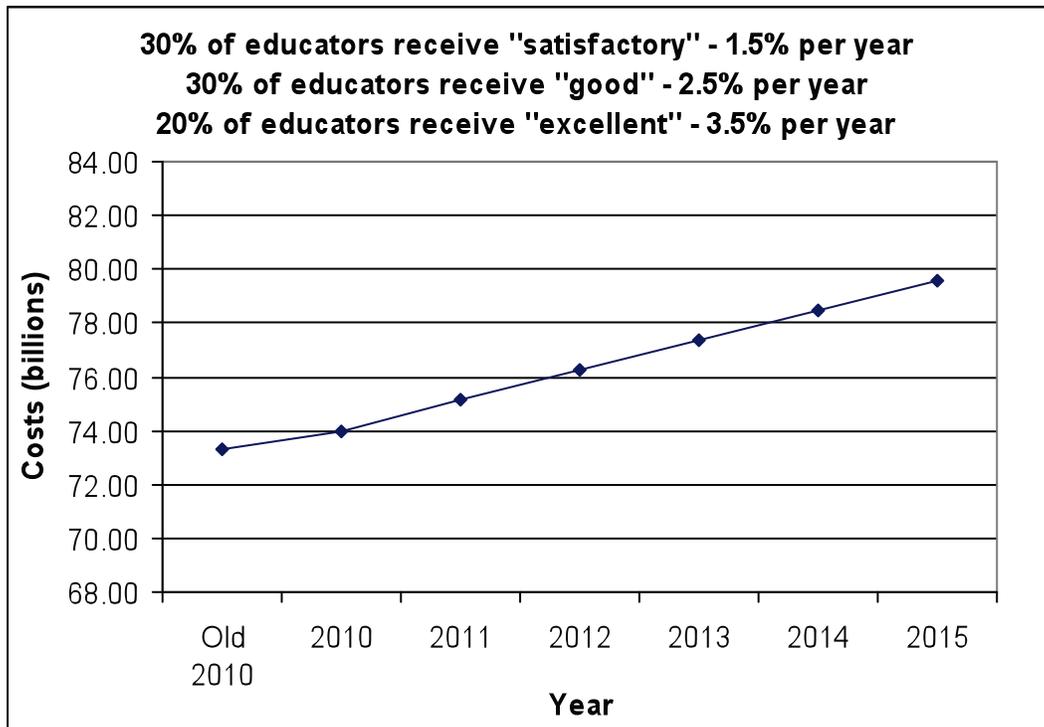
In this option the 1.5% notch increase is linked to 'satisfactory', 'good' or 'excellent' performance and it is assumed that 30% of educators would be eligible for 'satisfactory' performance increases, 30% would be eligible for 'good' performance increases and 20% would be eligible for 'excellent' performance increases. The model shows the cost of this to 2015, including the cost of converting from the old 2010 1% notches to the 1.5% notches. Also shown is the number of educators who fall into broad salary ranges. The range 223,365 – 400,000+ currently with 62,421 educators is predominantly made up of HOD, Deputy and Principal posts. The additional numbers of educators who then fall into these salary bands by 2015 and 2020 are predominantly Post Level 1 educators who are thus either Senior, Master, TLS or STLS.

Annual increases used in model and percentage of educators at that rating		
Rating	Increases	Percentage of educators at rating
Satisfactory	1.5%	30%
Good	2.5%	30%
Excellent	3.5%	20%

Projected costs in 2010 Rand (billion)							
School-based educators							
	Old 2010	2010	2011	2012	2013	2014	2015
Teacher	41.42	41.78	42.45	43.10	43.73	44.34	44.94
Master Teacher	1.47	1.48	1.50	1.53	1.55	1.57	1.59
Senior Teacher	7.45	7.51	7.63	7.75	7.86	7.97	8.08
Departmental Head	9.87	9.96	10.12	10.27	10.42	10.57	10.71
Deputy Principal	3.17	3.20	3.25	3.30	3.34	3.39	3.44
Principal P1	0.44	0.45	0.45	0.46	0.47	0.47	0.48
Principal P2	2.29	2.32	2.35	2.39	2.42	2.46	2.49
Principal P3	2.36	2.38	2.42	2.45	2.49	2.52	2.56
Principal P4	1.31	1.32	1.34	1.36	1.38	1.40	1.42
Principal P5	0.12	0.13	0.13	0.13	0.13	0.13	0.14
Total school-based	69.90	70.51	71.64	72.73	73.80	74.83	75.85
Office-based educators							
Education Specialist	0.18	0.19	0.19	0.19	0.19	0.20	0.20
Senior Education Specialist	1.50	1.51	1.54	1.56	1.59	1.61	1.63
Deputy Chief Education Specialist	1.26	1.27	1.29	1.31	1.33	1.34	1.36
Chief Education Specialist	0.46	0.47	0.47	0.48	0.49	0.50	0.50
Total	3.40	3.43	3.49	3.54	3.59	3.64	3.69
All educators							
Total	73.30	73.95	75.13	76.27	77.39	78.47	79.54

Percentage growth		0.9%	1.6%	1.5%	1.5%	1.4%	1.4%
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Number of educators per notch grouping indicated			
	2010	2015	2020
< 152016	74170	40145	15414
152016 - 205000	248854	243187	237782
206000 - 400000+	62421	101846	130886



8.3.5 TLS and STLS costs

The following table outlines the additional costs of fast-tracking the TLS and STLS posts. The calculation of costs of these posts is based on the following:

- The model assumes that there is ELRC agreement to achieve 40,000 TLS posts and 4,000 STLS posts by 2015. It is assumed that the first appointments will be made in 2012 (10,000 and 1,000), with the same numbers being appointed in 2013, 2014 and 2015 to achieve the targeted numbers.
- Promotion to TLS and STLS is done proportionately across all REQV 14 notches, starting after 5 years of experience. In other words, this is not the same as the current Senior and Master Teacher agreement which is based on length of service. If the recommended criteria are agreed, TLSs could be appointed from all

REQV 14 qualified teachers, regardless of length of service. The result of this is that:

- A certain proportion of selected educators will already be on or above the minimum notch for a TLS and in the model the appropriate proportion are 'promoted' with a 6% increase in salary – the cost of this is not very great.
 - A certain proportion of educators will be below the minimum notch for a TLS and need to be moved up from their respective notches to the minimum notch – this move constitutes the greatest cost implication for the implementation of this policy.
- The cost of the TLS and STLS posts will vary slightly depending on how performance-related pay is introduced. Therefore, the costs are presented as additional to the options described above and show the additional costs, over and above the costs of implementing performance payments, related to 'satisfactory', 'good' and 'excellent'.

8.3.5.1 - 1.5% annual increase for all educators

		2010	2011	2012	2013	2014	2015	2016*	2017*
Number of teachers that will need to be shifted up to the minimum TLS notch				2177	4292	7179	10913	10510*	10726*
Additional costs				0.46	0.91	1.53	2.28	2.20	2.24
Total	73.30	73.95	74.56	75.61	76.64	77.81	79.08	79.53	80.06
Percentage increase		0.9%	0.8%	1.4%	1.4%	1.5%	1.6%	0.6%	0.7%

* These years are included to show the additional costs of those educators who have been promoted. However, as is seen, the growth in the total costs levels off to match the original option.

8.3.5.2 - 1.5% annual increase for 'satisfactory' (80%)

		2010	2011	2012	2013	2014	2015	2016	2017
Number of teachers that will need to be shifted up to the minimum TLS notch				2135	4176	6450	9184	9541	9693
Additional costs				0.45	0.88	1.38	1.95	2.02	2.04
Total	73.30	73.95	74.34	75.16	75.96	76.80	77.71	78.10	78.44
Percentage increase		0.9%	0.5%	1.1%	1.1%	1.1%	1.2%	0.5%	0.4%

8.3.5.3 - 50% 'satisfactory', 30% 'good'

		2010	2011	2012	2013	2014	2015	2016	2017
Number of teachers that will need to be shifted up to the				2229	4749	7633	10549	10559	10367

		2010	2011	2012	2013	2014	2015	2016	2017
minimum TLS notch									
Additional costs				0.47	1.00	1.60	2.22	2.22	2.19
Total	73.30	73.95	74.67	75.85	77.06	78.32	79.57	80.20	80.77
Percentage increase		0.9%	1.0%	1.6%	1.6%	1.6%	1.6%	0.8%	0.7%

8.3.5.4 - 30% 'satisfactory', 30% 'good' and 20% 'excellent'

		2010	2011	2012	2013	2014	2015	2016	2017
Number of teachers that will need to be shifted up to the minimum TLS notch				2472	5432	8489	11338	11205	11134
Additional costs				0.52	1.13	1.78	2.39	2.38	2.38
Total	73.30	73.95	75.13	76.79	78.52	80.26	81.93	82.97	83.99
Percentage increase		0.9%	1.6%	2.2%	2.3%	2.2%	2.1%	1.3%	1.2%

8.4 Visual presentation of impact

In the following pages, a visual presentation of the impact is presented. The first column of each post is a block showing the notches as converted to the 1.5% increments. The second column shows the impact of 'good' performance and the third 'excellent' performance in spreading salaries within the system. Senior and master teacher notches are not shown due to space limitations. The impact shown for teachers and specialist posts will be the same for all post levels, expanding the range of salaries.

Notch code	Notches	REQV13	good	excellent	REQV14	good	excellent
35	116279						
36	118023						
37	119793						
38	121590						
39	123414						
40	125265						
41	127144						
42	129051						
43	130987						
44	132952						
45	134946						
46	136970						
47	139025						
48	141110						
49	143227						
50	145375						
51	147556						

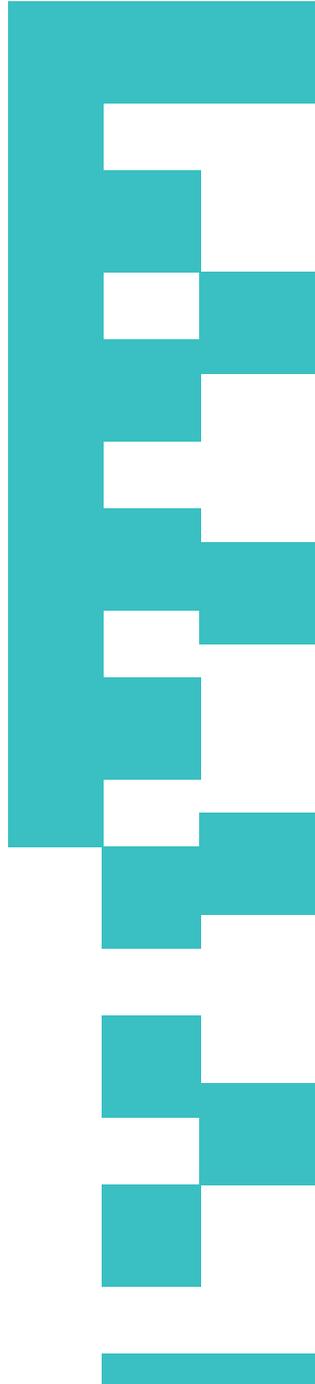
		REQV
52	149769	14
53	152016	
54	154296	
55	156611	
56	158960	
57	161344	
58	163764	
59	166221	
60	168714	
61	171245	
62	173814	
63	176421	
64	179067	
65	181753	
66	184479	
67	187247	
68	190055	
69	192906	
70	195800	
71	198737	
72	201718	
73	204744	
74	207815	
75	210932	
76	214096	
77	217307	
78	220567	
79	223875	
80	227234	
81	230642	
82	234102	
83	237613	
84	241177	
85	244795	
86	248467	
86	252194	
88	255977	
89	259817	
90	263714	
91	267670	
92	271685	
93	275760	
94	279896	
95	284095	
96	288356	
97	292681	
98	297072	
99	301528	
100	306051	
101	310641	

102 315301
 103 320031
 104 324831
 105 329703
 106 334649

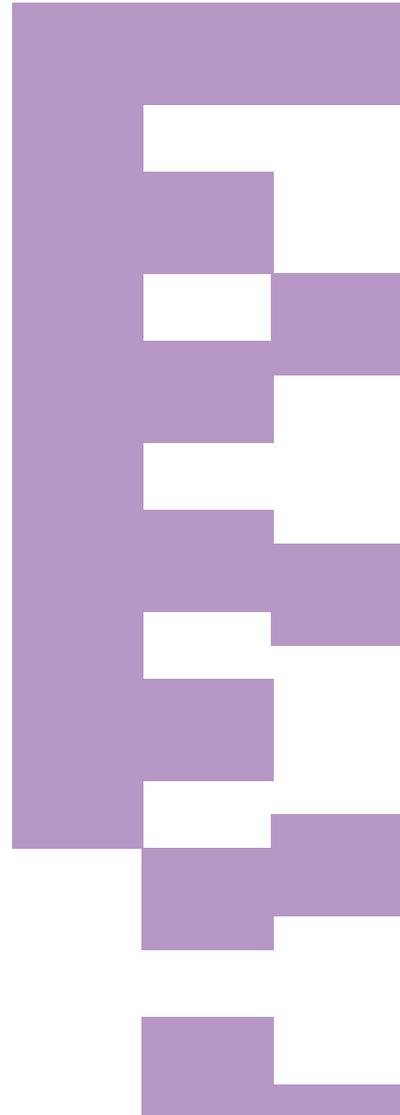


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 80 227234
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 84 241177
 85 244795
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 90 263714
 91 267670
 92 271685
 93 275760
 94 279896
 95 284095
 96 288356
 97 292681
 98 297072
 99 301528
 100 306051
 101 310641
 102 315301
 103 320031
 104 324831
 105 329703
 106 334649
 107 339669
 108 344764
 109 349935
 110 355184
 111 360512
 112 365920
 113 371408
 114 376980
 115 382634
 116 388374
 117 394199
 118 400112
 119 406114

LTS



SLTS



120	412206		
121	418389		
122	424665		
123	431035		
124	437500		
125	444063		
126	450724		
127	457485		
128	464347		
129	471312		
130	478382		
131	485557		
132	492841		
133	500233		
134	507737		
135	515353		
136	523083		

68	190055	HOD		Principal	
69	192906			P1	
70	195800				
71	198737				
72	201718				
73	204744				
74	207815				
75	210932				
76	214096				
77	217307				
78	220567				
79	223875				
80	227234				
81	230642		Deputy		
82	234102			P2	
83	237613				
84	241177				
85	244795				
86	248467				
87	252194				
88	255977				
89	259817				
90	263714				
91	267670				
92	271685				
93	275760			P3	
94	279896				
95	284095				
96	288356				
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