

Entity responses to IQP 17 – question 454

454. Dr V Knoetze to ask the MEC responsible for Economic Development, Environmental Affairs and Tourism:

With regard to executive remuneration and performance-based incentives in all public entities falling under the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT):

- (1) Whether she can kindly provide a detailed breakdown of the total annual remuneration packages for each (a) Chief Executive Officer (CEO), (b) Chief Operating Officer (COO) and (c) Chief Financial Officer (CFO) across all her Department's public entities for the (i) 2021/22, (ii) 2022/23 and (iii) 2023/24 financial years as at the latest specified date for which information is available, can she kindly include in the breakdown the (a) basic salary, (b) performance bonuses, (c) car allowances, (d) housing benefits, (e) cell phone allowances and (f) any other perks or non-cash benefits;

Name of entity:				
Designation	Breakdown of total annual remuneration packages:	2021/22	2022/23	2023/24
Chief Executive Officer (CEO)	a) Basic Salary	R3 885 128.00	R4 048 161.00	R4 240 449.00
	b) Performance Bonuses	R0.00	R1 139 893.00	R0.00
	c) Car allowance	R0.00	R0.00	R0.00
	d) Housing benefits	R0.00	R0.00	R0.00
	e) Cellphone allowances	R36 000.00	R36 000.00	R36 000.00
	f) Any other perks or non-cash benefits	R1 366 914.00	R595 868.00	R1 049 722.00
TOTAL PACKAGE		R5 288 042.00	R5 819 922.00	R5 326 171.00
Chief Operating Officer (COO) (N/A)	a) Basic Salary	R	R	R
	b) Performance Bonuses	R	R	R
	c) Car allowance	R	R	R
	d) Housing benefits	R	R	R
	e) Cell phone allowances	R	R	R
	f) Any other perks or non-cash benefits			

TOTAL PACKAGE				
Chief Financial Officer (CFO)	a) Basic Salary	R2 812 568.77	R2 621 722.85	R2 932 900.00
	b) Performance Bonuses	R544 500.00	R0.00	R259 934.00
	c) Car allowance	R0.00	R0.00	R0.00
	d) Housing benefits	R0.00	R0.00	R0.00
	e) Cell phone allowances	R24 000.00	R24 000.00	R24 000.00
	f) Any other perks or non-cash benefits	R482 709.00	R346 261.00	R319 243.00
TOTAL PACKAGE		R3 863 777.77	R3 015 983.85	R2 991 983.85

(2) Whether any (a) bonuses, (b) *ex gratia* payments or (c) once-off performance incentives were paid to the above executives in the aforementioned financial years; if so, can she provide a breakdown thereof;

Name of entity				
Designation	Type of incentive paid	2021/22	2022/23	2023/24
Chief Executive Officer	a) bonuses	No bonus payment made.	R1,139,893	No bonus payment made.
	b) <i>ex gratia</i> payments			
	c) once-off performance incentives			
	TOTAL	0	R1,139,893	0
Chief Operations Officer (N/A)	a) bonuses			
	b) <i>ex gratia</i> payments			
	c) once-off performance incentives			
	TOTAL			
Chief Financial Officer	a) bonuses	R544,500	No bonus payment made.	R259,934
	b) <i>ex gratia</i> payments			
	c) once-off performance incentives			
	TOTAL	R544,500	0	R259,934

- (3) If performance bonuses were paid, (a) what Key Performance Indicators (KPIs) were used to justify these bonuses and (b) how were these KPIs measured and validated;

Bonus payments are made in accordance with the CDC's Performance Incentive Framework. Internal audit verifies the performance results before approval from the CDC Board. AGSA Clean audit achieved in all years referred to.

- (4) Whether any of the entities were underperforming financially or operationally during the period in which bonuses were paid out; if so, how was bonus eligibility justified in such cases?

The organisational performance level required was met in each year. This is a combined measurement of performance against the shareholder approved impact statements and outcomes including:

- Financial Sustainability
- Increased Strategic Economic Advantage for Targeted Industries (performance that grows the SEZ and Increases Economic Impact)
- Increased Economic Opportunities for the Marginalized (performance that drives Job Creation, Skills Development and increased SMME participation in economic activities)
- Organisational Capacity