

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:		2021/22	2022/23	2023/24
Designation	Breakdown of total annual remuneration packages:			
Chief Executive Officer (CEO)	a) Basic Salary	R 2 195 099	R 2 338 768	R 2 516 119
	b) Performance Bonuses	R 290 495	R 309 300	R 336 691
	c) Car allowance	R	R	R
	d) Housing benefits	R	R	R
	e) Cellphone allowances	R	R	R
	f) Any other perks or non-cash benefits			
	TOTAL PACKAGE	R 2 485 594	R 2 648 068	R 2 852 810
Chief Operating Officer (COO) [Not Applicable]	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	R 1 443 496	R 1 537 956	R 1 654 525
	b) Performance Bonuses	R 155 119	R 203 297	R 179 837
	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	R 1 598 615	R 1 741 253	R 1 834 362

- (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	Type of incentive paid	2021/22	2022/23	2023/24
Designation				
Chief Executive Officer	a) bonuses	R 290 495	R 309 300	R 336 691
	b) <i>ex gratia</i> payments			
	c) once-off performance incentives			
	TOTAL	R 290 495	R 309 300	R 336 691
Chief Operations Officer	a) bonuses			
	b) <i>ex gratia</i> payments			
	c) once-off performance incentives			
	TOTAL			
Chief Financial Officer	a) bonuses	R 155 119	R 203 297	R 179 837
	b) <i>ex gratia</i> payments			
	c) once-off performance incentives			
	TOTAL	R 155 119	R 203 297	R 179 837

- (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;

RESPONSE

a) The entity has a Performance Management and Development System (PMDS) policy in place, which is actively implemented to guide performance management and development. As per the policy, all employees are required to sign performance agreements with their respective supervisors at the start of the financial year. This includes the CEO with the Chairperson of the Board and the CFO with the

CEO. Biannual reviews are conducted, and at the end of the financial year, employees who meet the threshold of 70% are eligible for a performance bonus, provided the entity can afford to do so.

b) The Key Performance Indicators (KPIs) for the end of the financial year are assessed and validated against the KPIs and targets established in the Performance Agreements at the start of the year. Furthermore, any claimed achievements must be substantiated with a portfolio of evidence.

(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?

RESPONSE

The entity was not underperforming either financially or operationally during the relevant periods in which bonuses were paid.

Kind Regards


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Dr. N. Makala

Chief Executive Officer