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**TO ALL HEADS OF NATIONAL/PROVINCIAL DEPARTMENTS AND  
PROVINCIAL ADMINISTRATIONS**

**REVIEW OF THE REMUNERATION PACKAGES OF IDENTIFIED CATEGORIES  
OF EMPLOYEES**

1. As you may be aware, clause 5 of Public Service Co-ordinating Bargaining Council (PSCBC) Resolution 2 of 2004 provides for the review of the remuneration packages of identified categories of employees. For your information, the relevant clause is quoted below:
  - “5.1 The relevant departments in consultation with the Department of Public Service and Administration shall undertake a review of the total remuneration packages payable to identified categories of employees, with the view to ensuring that these employees are appropriately remunerated.
  - 5.2 The review shall take into account, among others, the Job Evaluation System applicable in the Public Service (EQUATE), market related factors, scarcity and rural factors and recruitment and retention imperatives.
  - 5.3 Trade union parties will be consulted on the identification of the categories to be reviewed.
  - 5.4 Identified health care and social workers will be part of the first group to be reviewed.

- 5.5 The outcome of the review and recommendations will be subjected to negotiations, with regard to matters of mutual interest, at the level of the Council, with a view to implementation by 1 January 2006.”
2. The intention is to conduct the review in two concurrent phases as indicated below:
- (a) During phase one, departments should utilize the existing Public Service remuneration framework to review the remuneration of occupations in which recruitment and retention constraints are experienced. Two mechanisms could be utilized for this purpose:
- (i) Departments could, through a job evaluation exercise, as provided for in Parts IV and V of Chapter 1 of the Public Service Regulations, 2001, determine whether jobs in occupations are correctly graded. Departments should focus their attention on occupations in which serious recruitment and retention problems are being experienced. Appropriate grading levels can often contribute in solving these problems. Should the results of the job evaluation exercise indicate that jobs are undergraded, such jobs could be upgraded provided that sufficient funds are available on the department's budget. In the case of occupations that are utilized by more than one department, the co-ordination mechanism determined by the Minister for the Public Service and Administration and conveyed to executing authorities in her letter dated 26 March 2004, must be complied with. This process should continue into the future as and when required.
- (ii) The payment of scarce skills allowances as provided for in clause 4 of PSCBC Resolution 2 of 2004.
- (b) During phase two, which will run concurrently with phase one, this Department will review and reconsider the existing Public Service remuneration framework as far as the remuneration of professionals and other scarce occupations is concerned. During the investigation, issues such as the salary scale applicable to these occupations, the payment of allowances and rural incentives will be considered. The intention is to improve the Public Service's ability to recruit and retain members of these occupations. The work in this regard is to be completed by the end of 2005 to allow for phased implementation from 2006 onwards. Further information in this regard will be provided to departments in due course and departments will, where appropriate, be consulted during the process.
3. Departments will note that clause 5.4 of the Resolution provides that identified health care and social workers will be part of the first groups to be reviewed. A review of the grading structure of social workers is being finalised and this Department will consult with the Department of Health in the near future regarding the remuneration of health care workers.

- 4 Where departments are engaged in the review of the grading structure of occupations, it will be appreciated if this Department can be notified accordingly at the commencement of the process. This will allow the Department to participate in the process where required and to inform the unions in the process.
- 5 Your cooperation is appreciated.

  
DIRECTOR-GENERAL  
DATE: 9/3/05