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GOVERNMENT NOTICE

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

No. 1032

7 December 2012

**REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998
(ACT NO. 20 OF 1998)****DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND
BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS**

Under the powers vested in me by sections 7(1), 8(5) (a) and 9(5)(a) of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), I, Masenyani Richard Baloyi, Minister for Cooperative Governance and Traditional Affairs, hereby-

- (a) after consultation with the Member of the Executive Council responsible for local government in each province; and
- (b) after taking into consideration the matters listed in paragraphs (a) to (i) of section 7(1) of that Act,

determine the upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in the Schedule with effect from 1 July 2012 in respect of that municipal council, and repeal Government Notice No. R. 1064 of 14 December 2011 with effect from the same date.



MR M R BALOYI, MP

MINISTER FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

SCHEDULE

PREAMBLE

The salary and allowances of a member of a municipal council is determined by that municipal council by resolution of a supporting vote of a majority of its members, in consultation with the member of the Executive Council responsible for local government in the province concerned, having regard to the upper limits as set out hereunder, the financial year of municipal councils, and the affordability of municipal councils to pay within the different levels of remuneration to councillors.

For purposes of implementing this Government Notice, "in consultation with" means that municipalities will require the concurrence of the member of the Executive Council responsible for local government in the province concerned before implementing the provisions contained herein, including the tools of trade.

Definitions

1. In this Schedule, unless the context otherwise indicates, a word or phrase to which a meaning has been assigned in the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) (hereafter "the Act") and the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) (hereafter "the Structures Act"), has that meaning and -

"basic salary" means the component of the salary that excludes a housing allowance as provided in items 6(b) and 9(b), the municipal contribution to a pension fund as provided in item 12(a) and the municipal contribution to a medical aid scheme as provided in item 12(b);

"full-time councillor" means a councillor who has been elected or appointed to an office which has been designated as full-time in terms of section 18(4) of the Structures Act ;

"grade" means the grade of municipal council as determined in terms of item 4;

"out of pocket expenses" means actual and necessary expenses incurred by a councillor which have been specifically authorised or which are provided for in terms of the municipality's policy, in connection with a specific official or ceremonial duty which has been delegated to the councillor in question;

"part-time councillor" means a councillor other than a full-time councillor;

“**salary**” includes a basic salary component, a housing allowance as provided in items 6(b) and 9(b), the municipal contribution to a pension fund as provided in item 12(a) and the municipal contribution to a medical aid scheme as provided in item 12(b);

“**SASRIA**” means the South African Special Risks Insurance Association, a public entity listed in Schedule 3 B of the *Public Finance Management Act, 1999* (Act No. 1 of 1999);

“**section 79 committee**” means a committee of the municipal council established in terms of section 79 of the Structures Act;

“**tools of trade**” means the resources or enabling facilities provided by a municipal council to a councillor to enable effective and efficient fulfillment of his/her duties in the most cost effective manner, and at all times remain the assets of the municipality concerned;

“**total municipal income**” means gross income in respect of a metropolitan, local or district municipality based on the actual income received as stated in the audited financial statements of that municipality for the 2011 / 2012 financial year. The gross income for the municipality will include the following:

- rates on property;
- fees for services rendered by the municipality, or on its behalf by a municipal entity;
- surcharges;
- other authorised taxes;
- levies and duties;
- income from fines for traffic offences and contravention of municipal by-laws or legislation assigned to the local sphere of government;
- regional services replacement grant;
- interest earned on invested funds;
- rental for the use of municipal movable or immovable property; and
- amounts received as agent for other spheres of government.

The gross income will exclude the following:

- transfers and / or grants from the national fiscus;
- value added tax (VAT) refunds on conditional grants; and
- value added tax (VAT) refunds.

“**total population**” means the official statistics of the population residing in the area of jurisdiction of a metropolitan, local or district municipality, as determined by the Statistician-General for the 2001 Census, in terms of the *Statistics Act, 1999* (Act No. 6 of 1999); and

“total remuneration package” is the total cost to a municipality of a basic salary component, a travelling allowance as provided in items 6(a) and 9(a), a housing allowance as provided in items 6(b) and 9(b), the municipal contribution to a pension fund as provided in item 12(a) and the municipal contribution to a medical aid scheme as provided in item 12(b) to a councillor in a municipal financial year.

Allocation of number of points for total municipal income

2. The number of points allocated for the total municipal income of a municipality is as follows:

TOTAL MUNICIPAL INCOME			NUMBER OF POINTS
R 0	-	R 10,000,000	8.33
R 10,000,001	-	R 50,000,000	16.67
R 50,000,001	-	R 200,000,000	25.00
R 200,000,001	-	R 1,500,000,000	33.33
R 1,500,000,001	-	R 2,000,000,000	41.67
More than R 2,000,000,000			50.00

Allocation of number of points for total population

3. The number of points allocated for the total population within a municipality, is as follows:

TOTAL POPULATION			NUMBER OF POINTS
0	-	50,000	8.33
50,001	-	100,000	16.67
100,001	-	250,000	25.00
250,001	-	550,000	33.33
550,001	-	1,800,000	41.67
More than 1,800,000			50.00

Determination of grade of municipal council

4. (a) The sum of the number of points allocated to a municipal council, other than a municipal council referred to in paragraph (b), in terms of items 2 and 3 respectively, determines the grade of such municipal council in accordance with the following table:

GRADE OF MUNICIPAL COUNCIL	POINTS
1	0 to 16.66
2	16.67 to 33.33
3	33.34 to 50.00
4	50.01 to 66.67
5	66.68 to 83.35
6	83.36 and above

(b) A council that does not have any municipal income is a grade 1 municipal council as envisaged in paragraph (a).

Upper limits of the annual total remuneration packages of full-time councillors

5. The upper limit of the annual total remuneration package of a full-time councillor is as follows:

GRADE	MAYOR OR EXECUTIVE MAYOR	SPEAKER, DEPUTY MAYOR OR DEPUTY EXECUTIVE MAYOR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE, WHIP OR CHAIRPERSON OF A SUBCOUNCIL	CHAIRPERSON OF A SECTION 79 COMMITTEE
	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE
6	1,068,153	854,523	801,114	747,707
5	785,131	628,105	588,848	549,592
4	670,287	536,229	502,715	469,201
3	645,549	516,439	484,162	451,884
2	604,460	483,568	453,345	423,122
1	586,845	469,476	440,133	410,791

“total remuneration package” is the total cost to a municipality of a basic salary component, a travelling allowance as provided in items 6(a) and 9(a), a housing allowance as provided in items 6(b) and 9(b), the municipal contribution to a pension fund as provided in item 12(a), and the municipal contribution to a medical aid scheme as provided in item 12(b) to a councillor in a municipal financial year.

Plenary type Mayors should be remunerated according to the total remuneration package column of Mayor / Executive Mayor.

If the amount received by a Chairperson of a Section 79 Committee during the 2011 / 2012 financial year is more than the upper limit for the 2012 / 2013 financial year, as set out in this table, the Chairperson will retain the higher amount, until such time as the amount received, is less than the upper limit determined in the Notice.

Upper limits of the allowances of full-time councillors

6. The upper limits of the allowances of a full-time councillor, which form part of the total remuneration package, are as follows:

(a) Travelling allowance:

- (i) An allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of item 5;
- (ii) In addition to the allowance referred to in subparagraph (i), and in addition to the annual total remuneration package of a councillor as determined in terms of item 5, official distances travelled may be claimed in accordance with the councils' applicable policy, and not exceeding the applicable tariffs prescribed by the Department of Transport for the use of privately-owned vehicles;
- (iii) For the purposes of claiming running and maintenance allowances, a logbook acceptable to the South African Revenue Service reflecting the official and private kilometres travelled per month must be kept;
- (iv) Where a municipal council makes a vehicle available to a councillor, other than an executive mayor or mayor, deputy executive mayor or deputy mayor, or speaker, where applicable, for use on official business, the councillor would not be entitled to the 25% travelling allowance, as determined in terms of item 5; and
- (v) Nothing herein contained shall prevent a councillor from making use of a council-owned vehicle for attendance at a specific function which that councillor has been delegated to attend.

(b) Housing allowance:

A councillor may structure his / her salary to include a housing allowance.

(c) Out of pocket expenses:

In addition to the total remuneration package, a councillor may be reimbursed for actual out of pocket expenses incurred during the execution of official and ceremonial duties.

Upper limit of remuneration or allowance in respect of appointed councillors

7. The upper limit of the allowance of a councillor who has been appointed to a district council in terms of section 23(1)(b) of the Structures Act, is as follows:

(a) If such councillor is elected or appointed as speaker, mayor, executive mayor, member of a mayoral committee, member of an executive committee or part-time member of a district council, the upper limit of the remuneration to which such councillor is entitled, is equal to the difference between the total remuneration package he or she is receiving as a member of the local council and the total remuneration package allocated to that office in the district council in terms of items 5, 6, 8, 9, 10, 11 and 12 as the case may be.

(b) If the upper limit of the total remuneration package which a councillor is receiving as a member of a local council is equal to or higher than the upper limit of the total remuneration package to which he or she is entitled to as an appointed councillor to the district council, such councillor is entitled to receive, in addition to the total remuneration package, an allowance of not more than R816 per sitting of the district council or any committee of that council: Provided that this allowance is limited to R816 per day, regardless of the number of meetings of the district council or committees of that council that are attended by such councillor on a specific day.

(c) A district council is responsible for –

- (i) the payment of the remuneration or the allowance referred to in paragraphs (a) and (b) respectively; and
- (ii) the reimbursement of travel expenditure incurred by a councillor during the performance of official functions on behalf of that district municipality, in terms of that district council's policy, and not exceeding the applicable tariffs prescribed by the Department of Transport for the use of privately-owned vehicles.

Upper limits of the annual total remuneration packages of part-time councillors

8. The upper limit of the annual total remuneration package of a part-time councillor is as follows:

GRADE	MAYOR / EXECUTIVE MAYOR	SPEAKER, DEPUTY MAYOR OR DEPUTY EXECUTIVE MAYOR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE	CHAIRPERSON OF SECTION 79 COMMITTEE	OTHER PART-TIME MEMBERS
	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE
6	587,484	469,987	440,613	411,239	373,853
5	431,822	345,458	323,867	302,275	235,539
4	368,658	294,926	276,493	258,061	201,086
3	355,052	284,042	266,289	248,536	193,665
2	332,453	265,962	249,340	232,717	181,338
1	322,765	258,211	242,074	225,935	175,842

“total remuneration package” is the total cost to a municipality of a basic salary component, a travelling allowance as provided in items 6(a) and 9(a), a housing allowance as provided in items 6(b) and 9(b), the municipal contribution to a pension fund as provided in item 12(a), and the municipal contribution to a medical aid scheme as provided in item 12(b) to a councillor in a municipal financial year.

Plenary type Mayors should be remunerated according to the total remuneration package column of Mayor / Executive Mayor.

Upper limits of the allowances of part-time councillors

9. The upper limits of the allowances of a part-time councillor, which form part of the total remuneration package, are as follows:

(a) Travelling allowance:

- (i) An allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of item 8;
- (ii) In addition to the allowance referred to in subparagraph (i), and in addition to the annual total remuneration package of a councillor as determined in terms of item 8, official distances travelled may be claimed in accordance with the councils' applicable policy, and not exceeding the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles;

- (iii) For the purposes of claiming running and maintenance allowances, a logbook acceptable to the South African Revenue Service reflecting the official and private kilometres travelled per month must be kept;
- (iv) Where a municipal council makes a vehicle available to a councillor, other than an executive mayor or a mayor, deputy executive mayor or deputy mayor, or speaker, where applicable, for use on official business, the councillor would not be entitled to the 25% travelling allowance, as determined in terms of item 8; and
- (v) Nothing herein contained shall prevent a councillor from making use of a council-owned vehicle for attendance at a specific function which that councillor has been delegated to attend.

(b) Housing allowance:

A councillor may structure his / her salary to include a housing allowance.

(c) Out of pocket expenses:

In addition to the total remuneration package, a councillor may be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official and ceremonial duties.

Upper limits of cellphone allowances for councillors

10. In addition to the annual total remuneration packages provided for in items 5 and 8 respectively, a councillor may, obtain a fixed allowance of not more than the following amounts in respect of cellphones:

- (a) R3319 per month may be paid to a full-time executive mayor or mayor of a grade 6 municipal council;
- (b) R1656 per month may be paid to a full-time councillor, other than an executive mayor or mayor of a grade 6 municipal council; or
- (c) R1033 per month may be paid to a part-time councillor.

Upper limits of mobile data card for councillors

11. In addition to the annual total remuneration packages provided for in items 5 and 8 respectively, a councillor may obtain a fixed allowance of not more than R300 per month for use of mobile data cards.

Upper limits of pension fund contributions and medical aid benefits of councillors

12. The following are also included in the total remuneration package of a councillor:

(a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a councillor of that council is a member, is 15% of the basic salary of such councillor.

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a councillor of that council is a member, is $\frac{2}{3}$ of the membership fee. Provided that a part-time councillor is not a member of a medical aid scheme by virtue of his or her employment in a capacity other than a councillor.

Special risks insurance

13. (a) A municipality must take out SASRIA cover, or similar risk insurance cover, to provide for the loss of or damage to a councillor's property or assets arising from any riot, civil unrest, strike or public disorder, or ensure that councillors have such cover for their property. The SASRIA cover or similar risk insurance cover is included in the total remuneration package provided for in items 5 and 8 respectively.

(b) It is the responsibility of the councillor to provide all necessary details to the municipality, upon request, regarding the councillor's property or assets to be covered by the special risks insurance. Failure by the councillor to comply with the municipality's request, will lead to the exclusion of that councillor's property or assets from the SASRIA cover.

(c) If a councillor takes out the SASRIA cover, or similar risk insurance cover, to provide for the loss of or damage to a councillor's property or assets arising from any riot, civil unrest, strike or public disorder, the municipality must, on submission of the statements paid on the insurance policy, refund the insurance amount cover to the councillor at the end of the financial year.

Tools of trade

14. (a) A municipal council may extend the following tools of trade to a councillor as follows:

	TOOL OF TRADE	CONDITIONS
(i)	Braille reader	To be provided to all visually impaired councillors.
(ii)	Office space and furniture; Parking bay; Business cards; Calculators; Letter-heads; Stationery; Toner cartridges; Diaries; Postage costs; Office telephone; and Appropriate mobile technology and multi-digital office, including laptop and or desktop computer, facsimile, printer, photocopier and scanner.	To be provided to full-time councillors.
(iii)	Business cards; Calculators; Letter-heads; Stationery; and Diaries.	To be provided to part-time councillors.
(iv)	Postage costs; Office telephone; and Appropriate mobile technology and multi-digital office, including laptop and or desktop computer, facsimile, printer, photocopier and scanner.	Part-time councillors to have access to these tools of trade at the offices of their respective municipality.
(v)	Personal security to Executive Mayors or Mayors.	Subject to a threat and risk analysis conducted by the South African Police Service.
(vi)	Personal security to any other councillor.	Subject to a threat and risk analysis conducted by the South African Police Service.
(vii)	Official accommodation and furniture.	To be provided to full-time Executive Mayors or Mayors.
The extension and implementation of the above tools of trade must be done in consultation with the member of the Executive Council responsible for local government in the province concerned.		

(b) Where a municipal council makes available tools of trade in terms of clause (a) above, such a municipal council must take into account accessibility; affordability and cost control; equity; flexibility; simplicity; transparency and accountability and value of tools of trade.

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