

| <b>Raadslede</b>                       | <b>Councillors</b>                    | <b>Ooceba</b>                          |
|--|---------------------------------------|--|
| <b>Eden<br/>Distriksmunisipaliteit</b> | <b>Eden<br/>District Municipality</b> | <b>Umasipala Wesithili se<br/>Eden</b> |
| <b>Meneer/Dame</b>                     | <b>Sir/Madam</b>                      | <b>Mnumzana/Nkosikazi</b>              |

25 Januarie / January / kweyoMqungu 2017

Kennis geskied hiermee ingevolge Artikel 29 (2) van die Wet op Plaaslike Regering: Munisipale Strukture, 1998, Wet 117 van 1998, dat die **Derde (3<sup>de</sup>) Raadsvergadering** van die 2016/2021 termyn van die Eden Distriksmunisipaliteit gehou sal word in die **C A Robertson Raadsaal, Yorkstraat 54, George**, op **Maandag, 30 Januarie 2017 om 11:00** ten einde oorweging aan die items soos in die agenda uiteengesit, te skenk.

*Notice is hereby given in terms of Section 29 (2) of the Local Government: Municipal Structures Act, 1998, Act 117 of 1998, that the **Third (3<sup>rd</sup>) Council meeting** of the 2016/2021 term of the Eden District Municipality will be held in the **C A Robertson Council Chambers, 54 York Street, George**, on **Monday, 30 January 2017 at 11:00** to consider the items as set out in the agenda.*

Kukhutshwe isaziso ngokoMhlathi 29(2) woRhulumente Basekhaya: Umgaqo Wesimo soMasipala, 1998, uMgaqo 117 wango 1998, sokub **intlanganiso Yamashumi Amabini (3<sup>rd</sup>) yeBhunga** ka 2016/2021 yoMasipala Wesithili se Eden izakubanjwa kwiGumbi leBhunga l CA Robertson, 54 York Street, e George ngoMvulo, 30 kweyeMqungu 2017 ngo 11:00 ukuqwalasela imiba ekuluhlu lwengxoxo



**UITVOERENDE BESTUURDER: KORPORATIEWE/STRATEGIESE DIENSTE /**  
**EXECUTIVE MANAGER: CORPORATE/ STRATEGIC SERVICES / MANEJALA:**  
**KWIINKONZO ZOLAWULO**

**ADDENDUM**

| <i>Item</i>   | <i>Agenda</i>  | <i>Bladsy/<br/>Page</i> |
|---|--|-------------------------|
| <b>MATTERS FOR CONSIDERATION / <i>SAKE VIR OORWEGING</i> / IMIBA<br/>EKUFUNEKA ITHATHELWE INGQALELO</b>                 |  |                         |
| <b>ITEMS DIRECTLY SUBMITTED TO COUNCIL / <i>ITEMS DIREK AAN DIE<br/>RAAD VOORGEHOU</i> / IMIBA ENIKEZELWE KWIBHUNGA</b> |  |                         |
| 97/01/17  | <p>DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF COUNCILLORS: RETROSPECTIVELY FROM 1 JULY 2016 / <i>BEPALING VAN BO-PERKE VAN SALARISSE, TOELAES EN VOORDELE VAN RAADSLEDE: TERUGWERKEND VANAF 1 JULIE 2016: UKUQWALASELA KWEBAKALA LEMIVUZO EPHEZULU, IZIBONELELO NEENGENELO ZOOCEBA: UKUSUSELE NGOMHLA 1 KWEYEKHALA 2016 (561977)</i></p> <p><i>Refer: Report (6/9/1/1) dated 12 January 2017 from the Municipal Manager (GW Louw)</i></p> | 458 – 484               |

DISTRICT COUNCIL

30 JANUARY 2017

**DC 97/01/17**

**DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES  
AND BENEFITS OF COUNCILLORS: RETROSPECTIVELY FROM  
1 JULY 2016/ *BEPALING VAN BO-PERKE VAN SALARISSE, TOELAES  
EN VOORDELE VAN RAADSLEDE: TERUGWERKEND VANAF  
1 JULIE 2016 / UKUQWALASELA KOQIKELELO OLUPHEZULU  
LWEMIVUZO, IZIBONELELO KUNYE NENZUZO ZOOCEBA:  
UKUSUSELE NGOMHLA 1 KWEYEKHALA 2016***

(6/9/1/1)

12 January 2017

**REPORT FROM MUNICIPAL MANAGER (GW LOUW)****PURPOSE OF THE REPORT**

The purpose of the report is to consider the contents of Government Notice 1600 dated 21 December 2016 and to approve the recommendations.

**BACKGROUND**

The National Minister for Cooperative Governance and Traditional Affairs re-determined the upper limits of salaries, allowances and benefits of different members of municipal councils with effect from 1 July 2016. This adjustment is contained in Government Notice No. 1600 dated 21 December 2016 and was published in Government Gazette number 40519 of the same date. (**Annexure A**).

In terms of the Remuneration of Public Office Bearers Act, 1998 Act 20 of 1998, 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. This resolution may not be implemented before council has consulted with the MEC for Local Government in the Western Cape, motivating the affordability and demonstrating that the liability has been budgeted for.

1. The adjustment reflects a sliding scale increase of 0% for full time councillors directly elected to Eden District Municipality and a decrease for full time appointed councillors depending on the grading of their B municipality.-
2. **Determination of grade of municipal council**

Eden District Council is currently deemed to be a grade 4 municipality as determined in Notice nr. 1032 promulgated in Government Gazette nr 35962 of 7 December 2012 and the remuneration levels are aligned with determination.

The sum of the following criteria determines the grade of a municipal council:

| TOTAL MUNICIPAL INCOME FOR THE YEAR ENDED 30 JUNE 2016 | NUMBER OF POINTS |
|--|------------------|
| 325 839 502  | 33.33            |
| POPULATION AS PER 2016 COMMUNITY SURVEY                | NUMBER OF POINTS |
| 611 278  | 41.67            |
| GRADE OF MUNICIPAL COUNCIL                             | POINTS           |
| 5  | 75               |

According to the above calculation, Eden is graded as a category 5 municipal council. This will result in an additional expenditure of R2 million for the remuneration of councillors, which has not been provided for in the current operating budget (2016/2017). The previous council took a decision in 2013/14 to remain on a grade 4 for the remuneration for councillors given the financial constraints of council.

### 3. Cell phone allowance

- **Executive Mayor, Executive Deputy Mayor and Speaker** of a grade 4 and 5 municipality – an amount equal to the difference between the total remuneration package which a councillor receives as a member of the local council and the total remuneration package allocated to that office in the district council – **R500.00** per month. Councillors attention is drawn to the fact that in the event of the cellphone allowance exceeds the amount of R500 per month, proof must be submitted for the excess amount and that it must be for official purposes.
- **PR Councillors:** Cellphone allowance of **R1 900 per month** may be paid.
- **Appointed councillors:** The reimbursement of cell phone expenditure incurred by a part-time appointed councillor during the performance of official functions on behalf of that district municipality, in terms of that district council's policy, and not exceeding 50% of the applicable allowances as prescribed under item 10 of the act. (R1 900 per month) subject to the submission of proof of expenditure.

#### 4. Upper limit of allowance in respect of councillors serving in the governance and intergovernmental structures of organised local government

A councillor elected or appointed to serve in a governance structure of organised local government must, in addition to the total remuneration package applicable to that councillor, be paid an allowance not exceeding R962 per sitting and actual attendance of any meeting: Provided that the allowance is limited to R962 per day, irrespective of the number of meetings attended by such councillor on a specific day.

Council's attention is drawn to the fact that **Organised local government is responsible for -**

- The payment of the sitting allowance of R962 per day
- The payment of accommodation expenses incurred for attending a meeting of governance and intergovernmental structures in terms of applicable organised local government policy.
- Reimbursement of travel expenses, not exceeding the applicable tariffs prescribed by the national department responsible for transport for the use of privately-owned vehicles, incurred by a councillor for attending a meeting of governance and intergovernmental structures.

#### 5. Upper limits of pension fund contributions and medical benefits of councillors

##### 5.1 Pension fund

- 5.1.1 Every councillor **shall** contribute to a pension fund registered in terms of the Pension Fund Act, 1995 (Act 24 of 1956).
- 5.1.2 A municipal **shall** deduct an amount equal to **15%** from a councillor's monthly basic salary and pay it over to a pension fund to which a councillor is a member.

##### 5.2 Medical Scheme

- 5.2.1 A councillor **may** participate in a medical scheme registered in terms of the Medical Schemes Act, 1998 (Act 131 of 1998).
- 5.2.2 A municipality **shall** deduct the relevant membership fee from a councillors' monthly basic salary and pay it over to a medical scheme of which a councillor is a member.
- 5.2.3 If a councillor already belongs to another medical scheme, such councillor may annually submit proof of membership of the medical scheme to the municipality.

## 6. Special risk cover

- 6.1 A municipality **must**, in addition to the annual total remuneration packages provided for, take out risk insurance cover, to provide for an insurance cover, provided to a councillor by the municipality, which covers the loss of or damage to a councillors' personal fixed or moveable property and assets, excluding property used by such councillor for business purposes, as well as life and disability cover, for any loss or damage caused by riot, civil unrest, strike or public disorder. The risk insurance on residential property will be limited to R1,5 million while on vehicles it is limited to R750 000. The life and disability insurance cover is limited to 2 times the total remuneration package of a councillor.
- 6.2 In the event where the residential property of a councillor was damaged or destroyed as a result of riot, civil unrest, strike or public disorder, the municipality may, subject to affordability, provide alternative accommodation to the affected councillor, for a period of 30 days from the date of such incident.
- 6.3 Notwithstanding sub-item 6.2, the municipal council may, on good cause shown, review its decision referred to in sub-item 6.2, limited to 30 days per incident.
- 6.4 A councillor is **obliged** to submit to the municipality details of property, assets and beneficiaries to be covered by the special risk insurance upon request. A councillor who **fails** to submit the required details referred to herein will **forfeit** the benefits associated with the special risk insurance cover.
- 6.5 If a councillor already belongs to another special risk cover, such councillor **must** declare to the municipality the details of property, assets and beneficiaries to be covered by the special risk insurance.

## 7. Capacity building

In addition to the total remuneration package provided for, a municipality may contribute towards the payment of costs towards capacity building initiatives directed at councillors.

## 8. Overpayment

- 8.1 Any remuneration paid to a councillor of a municipality otherwise than in accordance with section 167(1) of the Local Government: Municipal Finance Management Act, 2003 Act 53 of 2005, including any bonus, bursary, loan, advance or other benefit, is an irregular expenditure and the municipality –
  - 8.1.1 must recover that remuneration from the political office bearer or member; and



8.1.2 may not write-off any expenditure incurred by the municipality in paying or giving that remuneration,

8.2 The MEC must report to the Minister –

8.2.1 any transgression of subsection 8.1; and

8.2.1 any non-compliance with this Notice.

## 9. Transitional measures

If the total remuneration package of a councillor decreases as a consequence of the determination of the grade of municipal council, such a councillor retains the total remuneration package as determined and the councillor is entitled to the applicable cost of living adjustment: Provided that the date used by the municipality for determination of the grading of a municipal council was correct.

## 10. Upper limits of the annual total remuneration packages of full-time councillors is as follows:

| GRADE | MAYOR OR<br>EXECUTIVE<br>MAYOR   | SPEAKER,<br>DEPUTY MAYOR<br>OR DEPUTY<br>EXECUTIVE<br>MAYOR | MEMBER OF THE<br>EXECUTIVE<br>COMMITTEE OR<br>MAYORAL<br>COMMITTEE, WHIP OR<br>CHAIRPERSON OF A<br>SUBCOUNCIL | CHAIRPERSON OF<br>A SECTION 79<br>COMMITTEE |
|-------|----------------------------------|---|---|---|
|       | TOTAL<br>REMUNERATION<br>PACKAGE | TOTAL<br>REMUNERATION<br>PACKAGE                            | TOTAL<br>REMUNERATION<br>PACKAGE  | TOTAL<br>REMUNERATION<br>PACKAGE            |
| 5     | 921 912                          | 737 529   | 691 433   | 671 152                                     |
| 4     | 787 061                          | 629 647   | 590 296   | 572 979                                     |

## 11. Upper limit of remuneration in respect of appointed councillors

If an appointed 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.

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 **R962.00** per day of the district council or any committee of that council regardless of the number of meetings that are attended by such a councillor on a specific day.

## 12. Upper limits of remuneration packages of part-time councillors

| 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 | OTHER PART TIME MEMBERS    |
|-------|----------------------------|---|---|---------------------------------------|----------------------------|
|       | TOTAL REMUNERATION PACKAGE | TOTAL REMUNERATION PACKAGE                      | TOTAL REMUNERATION PACKAGE  | TOTAL REMUNERATION PACKAGE            | TOTAL REMUNERATION PACKAGE |
| 5     | 509 454                    | 407 564   | 382 091   | 370 882                               | 288 998                    |
| 4     | 434 935                    | 347 947   | 326 201   | 316 632                               | 246 725                    |

## FINANCIAL IMPLICATIONS

Comparison between the budgeted amount and the proposed amount as per notice no. 1600 promulgated in Government Gazette No 40519 of 21 December 2016

|   | Budgeted amount | Amount in terms of Government Notice 40519, dated 21 December 2016 for a <b>Grade 4</b> Council | Amount in terms of Government Notice 40519, dated 21 December 2016 for a <b>Grade 5</b> Council |
|---|-----------------|---|---|
| Councillor remuneration                 | 7 633 493       | 7 031 175   | 8 972 345   |
| Cell phone allowance                    | 314 568         | 337 200   | 337 200   |
| Mobile data card / Individual allowance | 500 000         | 500 000   | 500 000   |





**Western Cape  
Government**

Local Government

Enquiries: Mr M Baatjes  
Directorate: Municipal Governance  
Email: [Mario.Baatjes@westerncape.gov.za](mailto:Mario.Baatjes@westerncape.gov.za)  
Tel: 021-483 4109

Reference: 13/1/1

## LOCAL GOVERNMENT CIRCULAR: C41 OF 2016

THE MAYOR, CITY OF CAPE TOWN: MS P DE LILLE  
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR JH CLEOPHAS  
THE MAYOR, MATZIKAMA MUNICIPALITY: MS G STEPHAN  
THE MAYOR, CEDERBERG MUNICIPALITY: MR J BARNARD  
THE MAYOR, BERGRIVIER MUNICIPALITY: MR EB MANUEL  
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR M KOEN  
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN  
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: MS H VON SCHICHT  
THE MAYOR, WITZENBERG MUNICIPALITY: MR BC KLAASSEN  
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR CJ POOLE  
THE MAYOR, STELLENBOSCH MUNICIPALITY: MS G VAN DEVENTER  
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN  
THE MAYOR, LANGEBOEG MUNICIPALITY: MR M JANSSEN  
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR EA FRANKEN  
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MS CJM VOSLOO  
THE MAYOR, OVERSTRAND MUNICIPALITY: MR RJ SMITH  
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR PJ SWART  
THE MAYOR, SWELLENDAM MUNICIPALITY: MR NG MYBURGH  
THE MAYOR, EDEN DISTRICT MUNICIPALITY: MS M BOOYSEN  
THE MAYOR, KANNALAND MUNICIPALITY: MS M BARRY  
THE MAYOR, HESSEQUIA MUNICIPALITY: MR G RIDDELS  
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR H LEVENDAL  
THE MAYOR, GEORGE MUNICIPALITY: MR MG NAIK  
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR CF SILVESTER  
THE MAYOR, BITOU MUNICIPALITY: MR MP LOBESE  
THE MAYOR, KNYSNA MUNICIPALITY: MS E BOUW-SPIES  
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MR N CONSTABLE  
THE MAYOR, LAINGSBURG MUNICIPALITY: MR AA MARTINUS  
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING  
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR K MALOOI

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR A EBRAHIM  
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR H PRINS  
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR J PEKEUR (ACTING)  
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR G MATTHYSE  
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV H LINDE  
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR J MARAIS (ACTING)  
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ  
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR M MGAJO  
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON  
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: MS L WARING (ACTING)  
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MR G ESAU (ACTING)  
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D MCHOMAS  
THE MUNICIPAL MANAGER, LANGEBOEG MUNICIPALITY: MR SA MOKWENI  
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR D BERETTI  
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW (ACTING)  
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR C GROENEWALD  
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR D O'NEILL  
THE MUNICIPAL MANAGER, SWELLENDAM MUNICIPALITY: MR C AFRICA  
THE MUNICIPAL MANAGER, EDEN DISTRICT MUNICIPALITY: MR G LOUW  
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR R STEVENS (ACTING)  
THE MUNICIPAL MANAGER, HESSEQUIA MUNICIPALITY: MR J JACOBS  
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: MR T GILLIOMEE  
THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA  
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR A PAULSE (ACTING)  
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR D FRIEDMAN (ACTING)  
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR B ELLMAN (ACTING)  
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR S JOOSTE  
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR P WILLIAMS  
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR H METTLER  
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR F SABBAT (ACTING)

THE PROVINCIAL EXECUTIVE OFFICER: SALGA WESTERN CAPE

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## **DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS FOR COUNCILLORS FOR 2016/17 FINANCIAL YEAR**

The National Minister for Cooperative Governance and Traditional Affairs re-determined the upper limits of salaries, allowances and benefits of different members of municipal councils with effect from 1 July 2016. This upward adjustment is contained in Government Notice No. 1600 dated 21 December 2016 and was published in Government Gazette No. 40519 of the same date.

Your attention is drawn to the preamble in the Schedule to the said Notice and I quote:

"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 consultation with the Minister the following information is required:

- Grading of municipality for remuneration purposes. The calculation must be provided as per attached certificates i.e. Affordability Verification certificate and certificate verifying the grading, together with extracts of financial statements providing the total revenue as defined.
- Salaries and allowances determined by the Municipal Council with a supporting vote of the majority of its members;
- Record of council approval;
- Statement that budgetary provision has been made for the increased remuneration.

We wish to remind you that "in consultation with" means that a municipality will require the concurrence of the member of the Executive Council responsible for local government in the province concerned before the new upper limit can be implemented. The Department and the Minister will endeavor to convey the decision within 2 weeks of date of receipt, provided all the requested information has been submitted.

Please forward your request for concurrence together with the documentation requested above directly to the Department. Kindly mark it for the attention of Mario Baatjes at email [mario.baatjes@westerncape.gov.za](mailto:mario.baatjes@westerncape.gov.za). Telephonic enquiries can be made at 021 483 4109.

A copy of the Notice as well as the affordability verification certificate and grading certificate is attached.

Yours faithfully

  
COLIN DEINER

**ACTING HEAD OF DEPARTMENT: LOCAL GOVERNMENT**

DATE: 22/12/16.



## GOVERNMENT NOTICES

### DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

NO. 1600

21 DECEMBER 2016

#### 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, David Douglas Des van Rooyen, 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 the Act,

determine the upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in the Schedule.



**DES VAN ROOYEN, 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 each province, having regard to the upper limits as set out hereunder, the financial year of a municipality and affordability of municipality to pay within the different grades of the remuneration of councillors, including the National Treasury austerity measures.

For purposes of implementation of this Government Notice, "in consultation with" means that a municipal council must obtain concurrence of the MEC for local government prior implementation of the provisions of this Notice.

### 1. Definitions

In this Schedule, unless the context indicates otherwise, 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) (hereinafter referred to as "the Act") and the *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998) (hereinafter referred to as "the Structures Act"), has that meaning and –

"basic salary" means the amount payable to a councillor that excludes travel allowance, housing allowance, municipal contribution to a pension fund and municipal contribution to a medical aid scheme as provided for in items 9(1), 9(2), 12(1) and 12(2) of this Notice;

"Demarcation Act" means the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"existing municipality" in relation to this Notice means a municipality that existed prior to the 2016 local government elections which was not affected by the boundary re-determination that only came into effect at the commencement of the first election of the new council of that municipality;

"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”** in relation to this Notice means the grade of municipal council as determined in terms of item 4;

**“new municipality”** in relation to this Notice means the municipality established in terms of section 21 of the Demarcation Act consisting of the disestablished areas of the existing Thulamela Local Municipality and Makhado Local Municipality that came into effect at the commencement of the first election of the council of that municipality following the 2016 local government elections;

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

**“part-time councillor”** means a councillor other than a full-time councillor;

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

**“SETAs”** means the Sector Education and Training Authorities established in terms of section 9 of the *Skills Development Act, 1998* (Act No. 97 of 1998);

**“special risk cover”** means an insurance cover, provided to a councillor by the municipality, which covers the loss of or damage to a councillor’s personal fixed or moveable property and assets, excluding property used by such councillor for business purposes, as well as life and disability cover, for any loss or damage caused by riot, civil unrest, strike or public disorder;

**“superseding municipality”** means an incorporating, merged or split municipality that came into effect at the commencement of the first election of the council of that municipality following the 2016 local government elections;

**“tools of trade”** means the resources provided by a municipal council to a councillor to enable such councillor to discharge his or her duties in the most efficient and 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 actual income received as stated in the audited financial statements of that municipality for the 2015/ 2016 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 council replacement grant for district municipalities;
- interest earned on invested funds other than national and provincial conditional grants;
- rental for the use of municipal movable or immovable property; and
- amounts received as agent for other spheres of government.

The gross income excludes the following:

- transfers and / or grants from the national fiscus; and
- all 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 published in the Community Survey 2016: Statistical Release No. P0301, in terms of the *Statistics Act, 1999* (Act No. 6 of 1999); and

“total remuneration package” means the annual total cost to a municipality of a basic salary component, housing allowance, municipal contribution to a pension fund and municipal contribution to a medical aid scheme payable to a councillor as provided for in items 9(1), 9(2), 12(1) and 12(2) of this Notice.

## 2. Allocation of number of points for total municipal income

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 R2,000,000,000 |   |                 | 50.00            |

**3. Allocation of number of points for total population**

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            |

**4. Determination of grade of municipal council**

(1) The sum of the number of points allocated to a municipal council, other than a municipal council referred to in sub-items (2), (3) or (4), in terms of items 2 and 3 respectively, determines the grade of such municipal council as follows:

| 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 |

(2) The criteria for determination of the grading of municipality affected by the redetermination of boundaries is provided for under item 18 dealing with transitional measures.

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

The upper limits of the annual total remuneration packages of full-time councillors are as follows:

| GRADE  | MAYOR OR<br>EXECUTIVE<br>MAYOR   | SPEAKER, DEPUTY<br>MAYOR OR<br>DEPUTY<br>EXECUTIVE MAYOR | MEMBER OF THE<br>EXECUTIVE<br>COMMITTEE OR<br>MAYORAL<br>COMMITTEE, WHIP OR<br>CHAIRPERSON OF A<br>SUBCOUNCIL | CHAIRPERSON<br>OF A SECTION 79<br>COMMITTEE |
|--|----------------------------------|--|---|---|
|  | TOTAL<br>REMUNERATION<br>PACKAGE | TOTAL<br>REMUNERATION<br>PACKAGE                         | TOTAL<br>REMUNERATION<br>PACKAGE  | TOTAL<br>REMUNERATION<br>PACKAGE            |
| 6  | 1 242 409                        | 1 003 393  | 940 680   | 913 086                                     |
| 5  | 921 912                          | 737 529  | 691 433   | 671 152                                     |
| 4  | 787 061                          | 629 647  | 590 296   | 572 979                                     |
| 3  | 758 012                          | 606 410  | 568 510   | 551 832                                     |
| 2  | 709 765                          | 567 812  | 532 323   | 516 708                                     |
| 1  | 689 087                          | 551 266  | 516 811   | 501 651                                     |
| The mayor of a plenary type municipality should be remunerated according to the total remuneration package column of mayor/ executive mayor. |                                  |  |   |   |

**6. Upper limit of annual total remuneration package or allowance in respect of appointed councillors**

(1) A councillor appointed to a district council in terms of section 23(1)(b) of the Structures Act, may be paid the upper limit of the total remuneration package or allowance as follows:

- (a) If a councillor is elected or appointed as speaker, mayor, executive mayor, member of a mayoral committee, member of an executive committee, chairperson of a section 79 committee or part-time member of a district council, such councillor is entitled to an amount equal to the difference between the total remuneration package that a councillor receives 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, 7, 8, 9, 10 and 11, as the case may be.
- (b) If the total remuneration package payable to a councillor as a member of the local council is equal to or higher than the total remuneration package that an appointed councillor to the district council receives, such a councillor is, in addition to the total remuneration package, entitled to a sitting allowance not exceeding R962: Provided that this allowance is limited to R962 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.

(2) A district municipality is responsible for –

- (a) the payment of the remuneration or the allowance referred to in sub-item (1);
- (b) the reimbursement of travel expenses not exceeding the applicable tariffs prescribed by the national department responsible for transport for the use of privately-owned vehicles incurred by a councillor for the execution of official duties on behalf of that district municipality, in terms of that district council's policy; and
- (c) the reimbursement of cell phone expenses not exceeding 50% of the applicable allowances as prescribed under item 10 incurred by a part-time councillor for the execution of official duties on behalf of that district municipality, in terms of that district council's policy.

**7. Upper limit of allowance in respect of councillors serving in the governance and intergovernmental structures of organised local government**

(1) A councillor elected or appointed to serve in a governance structure of organised local government must, in addition to the total remuneration package applicable to that councillor, be paid an allowance not exceeding R962 per sitting and actual attendance of any meeting: Provided that the allowance is limited to R962 per day, irrespective of the number of meetings attended by such councillor on a specific day.

(2) Organised local government is responsible for –

- (a) the payment of the allowance referred to in sub-item (1);
- (b) the payment of accommodation expenses incurred for attending a meeting of governance and intergovernmental structures in terms of applicable organised local government policy; and

- (c) reimbursement of travel expenses, not exceeding the applicable tariffs prescribed by the national department responsible for transport for the use of privately-owned vehicles, incurred by a councillor for attending a meeting of governance and intergovernmental structures.

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

The upper limits of the annual total remuneration packages of part-time councillors are as follows:

| GRADE | MAYOR /<br>EXECUTIVE MAYOR       | SPEAKER, DEPUTY<br>MAYOR OR DEPUTY<br>EXECUTIVE MAYOR | MEMBER OF THE<br>EXECUTIVE COMMITTEE<br>OR MAYORAL<br>COMMITTEE OR<br>WHIP | CHAIRPERSON OF<br>SECTION 79<br>COMMITTEE | OTHER PART-<br>TIME MEMBERS      |
|-------|----------------------------------|---|--|---|----------------------------------|
|       | TOTAL<br>REMUNERATION<br>PACKAGE | TOTAL<br>REMUNERATION<br>PACKAGE                      | TOTAL<br>REMUNERATION<br>PACKAGE   | TOTAL<br>REMUNERATION<br>PACKAGE          | TOTAL<br>REMUNERATION<br>PACKAGE |
| 6     | 693 101                          | 586 335   | 519 826  | 504 578                                   | 458 706                          |
| 5     | 509 454                          | 407 564   | 382 091  | 370 882                                   | 288 998                          |
| 4     | 434 935                          | 347 947   | 326 201  | 316 632                                   | 246 725                          |
| 3     | 418 883                          | 335 106   | 314 168  | 304 945                                   | 237 620                          |
| 2     | 392 221                          | 313 776   | 294 166  | 285 537                                   | 222 496                          |
| 1     | 380 791                          | 304 632   | 285 594  | 277 215                                   | 215 753                          |

The mayor of a plenary type municipality should be remunerated according to the total remuneration package column of mayor/ executive mayor.

#### 9. Upper limits of allowances of full-time and part-time councillors

The upper limits of allowances of full-time and part-time councillors, that constitute part of the annual total remuneration package, are as follows:

- (1) Motor vehicle and travel allowance
- (a) A full-time or part-time councillor listed in item 5 and 8 of this Notice may structure his or her basic salary to provide for motor vehicle allowance;
- (b) If a councillor contemplated in paragraph (a) is unable to utilise his own vehicle for official purposes, such a councillor may utilise a municipal-owned vehicle: Provided that the municipal council must, in line with the approved municipal policy, exercise

prudent financial management to ensure that the provision of motor vehicle does not undermine the need to prioritise service delivery and sustain viable municipalities.

- (c) Nothing herein contained prevents any other councillor other than a mayor, deputy mayor or speaker from making use of a municipal-owned vehicle for attendance at a specific function which that councillor has been delegated to attend, outside of the ordinary scope of work of such councillor.
- (d) A councillor who utilises his or her motor vehicle must, for purpose of claiming kilometres travelled, keep a travel logbook containing the following information relating to actual official and private kilometres travelled per month as may be determined from time to time by the South African Revenue Service:
  - (i) Date of travel;
  - (ii) Kilometres travelled; and
  - (iii) Travel details, where to and reason for the trip.
- (e) If a councillor uses a municipal-owned motor vehicle for official purposes, such councillor will not be reimbursed for kilometres travelled.

(2) Housing allowance

A councillor may structure his or her salary to provide for housing allowance as part of the total remuneration package.

(3) Out of pocket expenses

A councillor may, in addition to the total remuneration package, be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official or ceremonial duties, in accordance with the applicable council policy.



**10. Upper limits of cell phone allowance for councillors**

A councillor may, in addition to the annual total remuneration packages provided for in terms of items 5 and 8 respectively, be reimbursed for the expenditure on the use of cell phone allowance not exceeding the following amounts:

- (1) R3400.00 per month to a executive mayor or mayor, deputy mayor and speaker of only a grade 6 municipal council;
- (2) R2400.00 per month to an executive mayor or mayor, deputy mayor and speaker of grade 4 and 5 municipal councils; and
- (3) R1900.00 per month to an executive mayor or mayor, deputy mayor and speaker of grade 1, 2 and 3 of a municipal council, including any other councillor.

**11. Upper limits of mobile data bundles for councillors**

A councillor may, in addition to the annual total remuneration packages provided for in terms of items 5 and 8 respectively, be reimbursed for the expenditure on the use of data bundles not exceeding R300 per month.

**12. Upper limits of pension fund contributions and medical benefits of councillors**

- (1) Pension fund
  - (a) Every councillor shall contribute to a pension fund registered in terms of the Pension Fund Act, 1956 (Act No. 24 of 1956).
  - (b) A municipality shall deduct an amount equal to 15% from a councillor's monthly basic salary and pay it over to a pension fund to which a councillor is a member.

(2) Medical Scheme

- (a) A councillor may participate in a medical scheme registered in terms of the Medical Schemes Act, 1998 (Act No. 131 of 1998).
- (b) A municipality shall deduct the relevant membership fee from a councillor's monthly basic salary and pay it over to a medical scheme of which a councillor is a member.
- (c) If a councillor already belongs to another medical scheme, such councillor may annually submit proof of membership of the medical scheme to the municipality.

13. Special risk cover

(1) A municipality must, in addition to the annual total remuneration packages provided for in items 5 and 8 respectively, take out risk insurance cover, to provide for the an insurance cover, provided to a councillor by the municipality, which covers the loss of or damage to a councillors personal fixed or moveable property and assets, excluding property used by such councillor for business purposes, as well as life and disability cover, for any loss or damage caused by riot, civil unrest, strike or public disorder. The special risk insurance on residential property will be limited to R1, 5 million while on vehicles it is limited to R750 000. The life and disability insurance cover is limited to 2 times the total remuneration package of a councillor.

(2) In the event where the residential property of a councillor was damaged or destroyed as a result of riot, civil unrest, strike or public disorder, the municipality may, subject to affordability, provide alternative accommodation to the affected councillor, for a period of 30 days from the date of such an incident.

(3) Notwithstanding sub-item (2), the municipal council may, on good cause shown, review its decision referred to in sub item (2), limited to 30 days per incident.

(4) A councillor is obliged to submit to the municipality details of property, assets and beneficiaries to be covered by the special risk insurance upon request. A councillor who fails to submit the required details referred to herein will forfeit the benefits associated with the special risk insurance cover.

(5) If a councillor already belongs to another special risk cover, such councillor must declare to the municipality the details of property, assets and beneficiaries to be covered by the special risk insurance.

#### 14. Tools of trade

(1) A municipal council may extend the following tools of trade to a councillor:

|     | TOOLS OF TRADE  | APPLICABLE TO:  |
|-----|---|---|
| (a) | Braille reader  | All visually impaired councillors.  |
| (b) | Office space and furniture;<br>Parking bay;<br>Business cards;<br>Calculators;<br>Letter-heads;<br>Stationery;<br>Toner cartridges;<br>Diaries;<br>Postage costs;<br>Office telephone; and<br>Appropriate mobile technology and multi-digital office (excluding cell phones and mobile data card as per item 10 and 11), including laptop and or desktop computer, facsimile, printer, photocopier and scanner. | Full-time councillors, part-time Executive Mayors or Mayor, part-time Deputy Executive Mayors or Deputy Mayors, part-time Speakers, part-time Members of Mayoral Committee or Members of Executive Committee and part-time Chairpersons of Section 79 Committees. |
| (c) | Business cards;<br>Calculators;<br>Letter-heads;<br>Stationery; and<br>Diaries.   | Part-time councillors and the usage must comply with policy directives of the municipality.   |
| (d) | Postage costs;<br>Office telephone; and<br>Multi-digital office, facsimile, printer, photocopier and scanner.   | Part-time councillors to have access to these tools of trade at the municipal offices.  |
| (e) | Personal security   | All councillors, subject to a threat and risk analysis conducted by the South African Police Service.   |

(2) If a municipal council makes available tools of trade in terms of sub-item (1), such a municipal council must take into account accessibility, affordability and cost control, equity, flexibility, simplicity, transparency, accountability and value of tools of trade.



- (4) The application of sub-tem (1) is subject to concurrence by the MEC for local government in the province.

#### 15. Capacity building

(1) A municipality must make provision in its budget for the development and implementation of capacity building programme for councillors.

(2) This capacity building programme may include specific training conducted by national departments, associated government agencies and SETAs, provincial departments, municipalities and organised local government.

(3) The training programme must take into consideration the capacity needs to fulfil a councillor's statutory obligations and affordability by a municipality.

#### 16. Overpayment

(1) Any remuneration paid to a councillor of a municipality otherwise than in accordance with section 167(1) of the *Local Government: Municipal Finance Management Act, 2003* (Act No. 53 of 2003) including any bonus, bursary, loan, advance or other benefit, is an irregular expenditure and the municipality –

- (a) must recover that remuneration from the political office bearer or member; and
- (b) may not write-off any expenditure incurred by the municipality in paying or giving that remuneration.

(2) The MEC must report to the Minister –

- (a) any transgression of subsection (1); and
- (b) any non-compliance with this Notice.

## 17. Information to be submitted to the Minister

(1) Every municipality must in terms of section 107 of the Municipal Systems Act submit to the MEC responsible for local government in the province, by not later than 28 February 2017, a report containing the following information in respect of its councillors as at 1 July 2016 on an official letterhead of the municipality, signed by the municipal manager:

- (a) Total number of councillors;
- (b) Designation;
- (c) Part-time or full-time;
- (d) Name of incumbent;
- (e) Gender;
- (f) Total municipal income;
- (g) Total population;
- (h) Grading of municipal council;
- (i) Date concurrence granted by the MEC;
- (j) Total remuneration package; and
- (k) Any allowance(s) payable to a councillor.

(2) Upon receipt of the data referred to in sub-item 1, the MEC must submit a consolidated report to the Minister by not later than 31 March 2017.

(3) If the municipal manager fails to submit the report contemplated in sub-item (1) within the prescribed timeframe or submits fraudulent information to mislead the Minister, such municipal manager will be deemed to be in breach of the Code of Conduct for Municipal Staff as contained in Schedule 2 of the Act.

## 18. Transitional measures

(1) A municipality that does not have any municipal income is a grade 1 municipal council as envisaged in item 4(1): Provided that –

- (a) LIM 345, the new municipality in Limpopo Province that was established in terms of section 21 of the Demarcation Act by merging parts of Thulamela and Makhado local

municipalities that came into effect at the commencement of the first election of the council of that municipality following the 2016 local government elections, is a grade 3 municipality; and

- (b) superseding municipalities that came into effect at the commencement of the first election of the council of that municipality following the 2016 local government elections with different gradings, must utilise the highest total municipal income between one of the superseding municipalities based on the audited financial statements for the 2015 /16 financial year; and
- (c) superseding municipalities that came into effect at the commencement of the first election of the council of that municipality following the 2016 local government elections with the same grading, must utilise the highest total municipal income between one of the superseding municipalities based on the audited financial statements for the 2015 /16 financial year.

(2) If a municipality has no audited financial statements for 2015/16 financial year by the date of publication of this Notice, the audited financial statements for the 2014/15 financial year will apply.

#### **19. Short title and commencement**

This Notice is called the Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils and takes effect from 1 July 2016.



## AFFORDABILITY VERIFICATION CERTIFICATE

**COUNCILLOR REMUNERATION: RE-DETERMINATION OF UPPER LIMITS  
WITH EFFECT FROM 1 JULY 2016: GOVERNMENT NOTICE NO. 1600  
DATED 21 DECEMBER 2016**

I, \_\_\_\_\_ Accounting Officer of  
\_\_\_\_\_ (name of the municipality), hereby  
certify that:

(mark and complete as appropriate)

Current Councillor Remuneration Budget \_\_\_\_\_

Rand Increase of Total Budget as per new upper limits \_\_\_\_\_

- ☐ **Adequate provision** has been made in the 2016/17 budget for the said increases in councillor remuneration including the back pay.
- ☐ There is **inadequate provision** in the 2016/17 budget for the said increases in councillor remuneration including the back pay and that the shortfall will be funded from the accumulated surplus or savings (delete the inappropriate).
- ☐ Based on the current financial performance and collection trends that the increases in councillor remuneration is affordable and does not compromise service delivery and the sustainability of the municipality.

Is an adjustment budget required to provide for back pay or the increase in councilor remuneration? Y / N

If Yes, how will the additional expenditure be funded? (Provide sufficient detail of how savings have been achieved to fund the additional expenditure)

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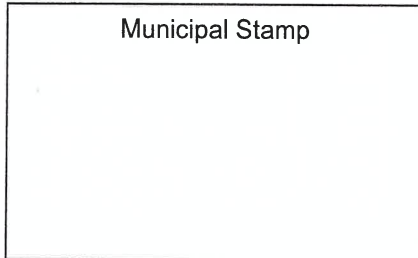
The information submitted above, is to the best of my knowledge accurate.

Print name: \_\_\_\_\_

Accounting Officer of \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Municipal Stamp



## AFFORDABILITY VERIFICATION CERTIFICATE

### GRADING

|   |  | Points |
|---|--|--------|
| Population as per 2011 census figures   |  |        |
| Total Municipal Income (gross income as stated in the financial statement of the municipality for the 2015/16 financial year) |  |        |
| <b>Total Points</b>   |  |        |
| <b>Grade</b>  |  |        |