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**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 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	1 242 409	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 / EXECUTIVE MAYOR	SPEAKER, DEPUTY MAYOR OR DEPUTY EXECUTIVE MAYOR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE OR WHIP	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	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; Parking bay; Business cards; Calculators; Letter-heads; Stationery; Toner cartridges; Diaries; Postage costs; Office telephone; and 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; Calculators; Letter-heads; Stationery; and Diaries.	Part-time councillors and the usage must comply with policy directives of the municipality.
(d)	Postage costs; Office telephone; and 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.