

7.13 (SUPPLEMENTARY ITEM)**REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998 (ACT 20 OF 1998):
DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND
BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS**

J Vorster Divisional Manager: Expenditure, Fleet & Asset Management
25 November 2024

(028) 313 8046

1. Executive Summary

To consider increased salaries, allowances and benefits of councillors with retrospective effect from 1 July 2024.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate Finance
Department Expenditure & Asset Management

3. Compliance with Strategic Priority

Provision of democratic, accountable and ethical governance

4. Delegated Authority

None

5. Legal Requirements

- Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998), hereinafter referred to as the Act.
- Government Gazette 51419, Notice No. 5446, dated 21 October 2024.
- Local Government: Municipal Finance Management Act, 2003 (Act No. 53 of 2003)

In terms of Section 7(3) of the Act, the salaries and allowances of members of a Municipal Council are 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.

For purposes of implementation of the aforementioned Government Notice, "in consultation with" means that a municipal council must obtain concurrence of the MEC of Local Government prior to the implementation of the provisions of the Notice.

6. Background / Discussion / Evaluation / Conclusion

The Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998) provides a framework for determining the upper limits of salaries and allowances of *inter*

alia members of municipal councils. The adjustment of salaries and allowances of Councillors is considered annually in terms of the Act.

On 21 October 2024, the Minister of Cooperative Governance and Traditional Affairs published the upper limits notice for the salaries, allowances and benefits of councillors and a copy of Government Notice 5446, published in Government Gazette No 51419 dated 21 October 2024, is attached as Annexure A.

The determination of the grade of a municipal council is derived from a combination of points allocated to each municipal council in respect of total municipal income and total population. The **total municipal income** refers to the gross income in respect of the local municipality based on actual income received as stated in the audited financial statements for the 2023/24 financial year, excluding transfers and / or grants received from the national and provincial fiscus. Clause 19(1) of Government Notice 5446, published in Government Gazette No 51419, allows that if municipal council has no audited financial statements for the 2023/24 financial year by the date of the publication of said Notice, the audited financial statements for the 2022/23 financial year shall apply. The **total population** refers to the official statistics of the population residing in the area of jurisdiction of the municipality as determined by the Statistician-General for the 2022 Census, in terms of section 14(7) of the Statistics Act, 1999 (Act No. 6 of 1999).

The Overstrand Municipality is, in terms of the Criteria as summarized on the Grading Certificate, regarded as a Grade 4 Municipal Council. A copy of the Grading and Affordability Verification Certificate, signed by the Municipal Manager, is attached as Annexure B.

The definition of **Total Remuneration Package** is clear insofar as it relates to the inclusion of a basic salary component, a motor vehicle allowance, housing allowance, the municipal contribution to a pension, provident or retirement annuity fund and municipal contribution to a medical aid scheme. Should a councillor elect to include a motor vehicle allowance in the salary structure, he / she must provide proof of ownership of a private vehicle to the municipality and have the vehicle available for official duties.

In providing for the travelling allowance, Councillors' attention are drawn to the reality that this allowance is granted to cover costs incurred on travelling for official business, which excludes travel between the place of residence and ordinary place of work. Although fully taxable on assessment, only 80% of the allowance is subject to the deduction of PAYE. Again, this does not mean that only 80% is taxable. The full allowance remains taxable and any unspent portion will be included in a Councillor's taxable income and a Councillor would be required to account to the South African Revenue Service (SARS) for the use of such an allowance. Councillors who do not have motor vehicles and/or who are likely to have difficulties accounting to SARS for this allowance are advised not to include the travel allowance in the salary structure.

In exceptional circumstances and upon good cause shown, a council vehicle may be used with the approval of the Mayor or Speaker for official purposes; provided that the municipal council exercises prudent financial management in line with applicable legislation and an approved council policy to ensure that the provision of such a motor vehicle does not undermine the need to prioritise service delivery. If a councillor uses a municipal-owned motor vehicle for official purposes, such councillor will not be reimbursed for kilometres travelled.

Additionally, over and above the annual total remuneration package provided for in terms of items 5 and 8 of Government Notice 5446 respectively, Municipal Councillors may be paid a cell phone allowance not exceeding R3'600.00 per month and a mobile data bundle allowance not exceeding R317 per month.

In addition to the annual total remuneration packages the municipality must take out SASRIA or similar special risk insurance cover which covers the loss of or damage to a councillor's personal immovable 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 is 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. Councillors are obliged to submit either all the necessary details regarding the councillor's property, assets and beneficiaries to be covered by the special risk insurance, or with written confirmation that such cover is in place. A councillor who fails to submit the required details referred to herein forfeits the benefits associated with the special risk insurance cover.

Any remuneration paid to a councillor of a municipality otherwise than in accordance with section 167(2) 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 must recover that remuneration from the political office bearer or member and may not write off any expenditure so incurred.

7. Financial Implications

The Independent Commission for the Remuneration of Public Office Bearers, after calculating the annual cost of living increase, determined the upper limits of the annual total remuneration packages of full-time and part-time Councillors as set out in Clauses 5 and 8 respectively. The monetary value for this provision in the 2024/2025 budget amounts to R12'642'565.

The cell-phone allowances for the Executive Mayor, Deputy Mayor, Speaker, Members of the Mayoral Committee and Councillors have remained unchanged at R3'600 each per month, while the separate mobile data allowance of R317 each per month also remained unchanged. The monetary value for this provision in the 2024/2025 budget amounts to R1'269'108.

With the approved increase in councillors' remuneration the anticipated actual expenditure for 2024/2025 will amount to R13'506'129, made up as follows:

	Approved 2024/2025 Increase	Approved 2024/2025 Budget	Anticipated 2024/2025 Saving
Remuneration	R12'237'021	R12'642'565	R405'544
Cell-phone	R1'269'108	R1'269'108	R0
Total	R13'506'129	R13'911'673	R405'544

The monetary value for the provision in respect of total remuneration for both full-time and part-time councillors in the 2024/2025 budget amounts to R12'642'565. With the approved increase in councillors' remuneration from 2024/2025 the anticipated actual expenditure for 2024/2025 will amount to R12'237'021, resulting in a projected saving of R405'544.

The monetary value for the provision in respect of cell-phone allowances for the Executive Mayor, Deputy Mayor, Speaker, Members of the Mayoral Committee and Councillors in the 2024/2025 budget amounts to R1'269'108. With the approved increase in councillors' remuneration from 2024/2025 the anticipated actual expenditure for 2024/2025 will amount to R1'269'108, resulting in a projected saving of R0.

An Affordability Verification Certificate, signed by the Municipal Manager, is attached as Annexure B.

8. Staff Implications

N/A

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Government Gazette 51419, Notice No. 5446, dated 21 October 2024

Annexure B: Grading and Affordability Verification Certificate

Annexure C: SALGA Circular 29/2024, dated 18 October 2024

RECOMMENDATION TO THE COUNCIL:

1. that the salaries and allowances in respect of the different members of Council as provided for in Government Notice 5446, published in Government Gazette No 51419 dated 21 October 2024, (Annexure A), **be approved** and be made applicable **with effect from 1 July 2024**, subject to the concurrence of same by the Provincial Minister of Local Government, Environmental Affairs and Development Planning;

2. that, in terms of Section 14 of the government notice mentioned in 1 above, Councillors provide the Municipality with either all the necessary details regarding the councillor's property, assets and beneficiaries to be covered by the special risk insurance to provide for the loss of or damage to a councillor's property, assets, life or disability arising from any riot, civil unrest, strike or public disorder, or with written confirmation that such cover is in place as part of a personal insurance portfolio arrangement already made by themselves; and
3. that it be noted that there is no need to make any additional provision in the annual mid-year review and adjustment budget to accommodate the promulgated increase to the upper limits of the salaries, allowances and benefits of councillors for 2024/2025.

RESPONSIBLE OFFICIAL :

**J VORSTER
A RUST**

TARGET DATE FOR IMPLEMENTATION :

31 DECEMBER 2024



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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

NO. 5446

21 October 2024

**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, Velenkosini Hlabisa, Minister of 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, with effect from 1 July 2024.



VELENKOSINI HLABISA, MP
MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
DATE: 16/10/2024

SCHEDULE

PREAMBLE

The salary and allowances of a councillor is determined by that municipal council by resolution of a supporting vote of the 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 austerity measures as approved by national Cabinet.

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 to the 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 salary component of a councillor that excludes a travel allowance as provided in item (9)(1), housing allowance as provided in item 9(2), the municipal contribution to a pension fund as provided in item 13(1) and municipal contribution to a medical aid scheme as provided in item 13(2);

"**capacity building programmes**" means training courses or programmes as provided for in the education, training and development policy of council, including training conducted by national departments, associated government agencies and SETAs, provincial departments, municipalities and organised local government through institutions of higher learning and Further Education and Training Colleges.

"**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;

"**MEC**" means the member of the Executive Council of a province responsible for local government in the province;

"**oversight committee**" means a committee of the municipal council established in terms of section 79 or 79A of the Structures Act;

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

"**pension fund**" means any fund established and registered in terms of, and subject to, any law governing the registration and control of pension funds in the Republic of South Africa and to which an office bearer contributes or any pension scheme approved by Parliament for such office bearers;

"**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 immovable 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;

"**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 cash flow statement of the audited financial statements of that municipality for the 2023/ 24 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 provincial fiscus, with the exception of regional services council replacement grant for district municipalities; 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, district or local municipality, as determined by the Statistician-General for the 2022 Census, in terms of section 14(7) of the *Statistics Act*, 1999 (Act No. 6 of 1999); and

"**total remuneration package**" means the total cost to a municipality of a basic salary component, a motor vehicle allowance as provided in item 9(1), housing allowance as provided in item 9(2), the municipal contribution to a pension, provident or retirement annuity fund as provided in item 13(1) and municipal contribution to a medical aid scheme as provided in item 13(2) to a councillor in a municipal financial year.

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 Revenue Excl Gov Grants & Subsidies = R1'397'232'391)

TOTAL MUNICIPAL INCOME			NUMBER OF POINTS
R0	-	R10,958,685	8.33
R10,958,686	-	R54,793,425	16.67
R54,793,426	-	R219,173,700	25.00
R219,173,701	-	R1,643,802,750	33.33
R1,643,802,751	-	R2,191,737,000	41.67
More than R2,191,737,000			

3. Allocation of number of points for total population

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

(Population = 132'495)

TOTAL POPULATION			NUMBER OF POINTS
0	-	73 857	8.33
73 858	-	123 833	16.67
123 834	-	309 583	25.00
309 584	-	681 083	33.33
681 084	-	2 229 001	41.67
More than 2 229 001			

4. Determination of grade of municipal council

(1) The sum of the number of points allocated to a municipal council in terms of items 2 and 3 of the Notice, determines the grade of such municipal council as follows:

(Total Points: 33,33 + 25,00 = 58,33)

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

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	TOTAL REMUNERATION PACKAGE			
	EXECUTIVE MAYOR OR MAYOR	SPEAKER, DEPUTY EXECUTIVE MAYOR OR DEPUTY MAYOR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE, WHIP OR CHAIRPERSON OF A SUBCOUNCIL	CHAIRPERSON OF A SECTION 79 OR SECTION 79A COMMITTEE
6	R1,585,052	R1,280,117	R1,205,851	R1,170,478
5	R1,181,792	R945,430	R886,343	R860,344
4	R1,008,918	R807,140	R757,035	R734,498
3	R971,690	R777,353	R728,770	R714,128
2	R909,842	R727,875	R688,879	R668,673
1	R883,325	R713,395	R668,805	R649,187

6. Upper limit of annual total remuneration package or allowance in respect of councillors appointed to a district council

(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 or section 79A 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, 11 and 12, 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 received at the local council, entitled to a sitting allowance not exceeding R1,245,25: Provided that this allowance is limited to R1,245,25 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 payment of cell phone expenses not exceeding 50% of the applicable allowances as prescribed under item 11 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) A councillor designated by organised local government 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 R1,245,25 per sitting and actual attendance of any meeting: Provided that the allowance is limited to R1,245,25 per day, irrespective of the number of meetings attended by such councillor on a specific day.
- (b) A councillor designated by organised local government to represent organised local government at any intergovernmental structure, including national and provincial executive authorities, must in addition to the total remuneration package applicable to that councillor, be paid an allowance not exceeding R1,245,25 per sitting and actual attendance of such structure: Provided that the allowance is limited to R1,245,25 per day, irrespective of the number of attendances 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 of 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	TOTAL REMUNERATION PACKAGE			
EXECUTIVE MAYOR OR MAYOR	SPEAKER, DEPUTY EXECUTIVE MAYOR OR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE OR	CHAIRPERSON OF SECTION 79 OR SECTION 79A COMMITTEE	OTHER PART-TIME MEMBERS

	DEPUTY MAYOR	WHIP			
6	R888,481	R751,618	R672,708	R652,974	R593,610
5	R659,285	R527,429	R494,465	R479,957	R373,349
4	R562,850	R450,289	R422,137	R409,755	R319,289
3	R542,077	R433,624	R406,565	R394,630	R307,494
2	R507,572	R406,057	R380,681	R369,514	R287,933
1	R492,782	R394,224	R369,588	R358,745	R279,206

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 councillor listed in item 5 and 8 of this Notice may, in line with applicable legislation, structure his or her basic salary to provide for motor vehicle allowance.
 - (b) If a councillor structures a vehicle allowance, the councillor must provide proof of ownership of a private vehicle to the municipality and have the vehicle available for official duties.
 - (c) A councillor who uses a privately-owned vehicle for execution of official duties on behalf of the municipality, may be reimbursed for official kilometres travelled, in addition to the total remuneration package of a councillor as determined in terms of items 5 and 8 of the Notice, not exceeding the applicable tariffs as prescribed by the national department responsible for transport and in terms of the municipal council's policy.
 - (d) A councillor who utilises a privately-owned vehicle for official purposes 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 (i.e. reason for the trip, duration of trip and place from and place to).
 - (e) A councillor may, in exceptional circumstances and upon good cause shown, and with the approval of the Mayor or Speaker, utilise the municipal-owned vehicle for official purposes: Provided that the municipal council must, in line with applicable legislation and approved municipal council policy, exercise prudent financial

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

- (f) 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.

10. 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 municipal council policy.

11. 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 paid a cell phone allowance not exceeding R3 600.00 per month in accordance with the applicable municipal council policy.

12. 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 paid an allowance on the use of data bundles not exceeding R317 per month.

13. Upper limits of pension, provident or retirement annuity fund contributions and medical benefits of councillors

- (1) Pension, provident or retirement annuity contributions
 - (a) A councillor may participate in a pension, provident or retirement annuity fund registered in terms of the Pension Fund Act, 1956 (Act No. 24 of 1956).
 - (b) If a councillor elects to participate in a pension, provident or retirement annuity fund, the municipal council must deduct from that councillor's salary, the monthly contributions and pay the contributions to a pension, provident or retirement annuity fund to which the councillor is a member in accordance with the rules of such pension, provident or retirement annuity fund. The contributions by the municipal council and the councillor are included in the total remuneration package as a total cost to the municipality.
- (2) Medical Aid Scheme
 - (a) A councillor may participate in a medical aid scheme registered in terms of the Medical Schemes Act, 1998 (Act No. 131 of 1998).
 - (b) If a councillor elects to participate in a medical aid scheme, the municipal council must deduct from that councillor's salary, the monthly contributions and pay the contributions to a medical aid scheme to which the councillor is a member in accordance with the rules of such medical aid scheme. The contributions by the

municipal council and the councillor are included in the total remuneration package as a total cost to the municipality.

14. Special risk cover

(1) A municipality must, in addition to the annual total remuneration packages as provided in items 5 and 8 respectively, 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 councillor's personal immovable 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, provide alternative accommodation for a further period not exceeding 30 days.

(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.

15. 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 11 and 12), including 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, part-time chairpersons of section 79 committees, and whips.

	TOOLS OF TRADE	APPLICABLE TO:
(c)	Laptop or tablet	All councillors.
(d)	Official accommodation and furniture where it currently exists	Full-time Executive Mayors or Mayors
(e)	Business cards; Calculators; Letter-heads; Stationery; and Diaries.	Part-time councillors and the usage must comply with policy directives of the municipality.
(f)	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.
(g)	Personal security	<p>Executive Mayor, Mayor, Deputy Executive Mayor, Deputy Mayor, Speaker and Whip are entitled to two bodyguards per shift of a two-shift system. Deviation from the norm may only be based on the recommendations of the South African Police Service.</p> <p>In the event that a written report is received concerning a threat and risk to the personal security of any of the office-bearers referred to above, the municipal council must:</p> <ul style="list-style-type: none"> (i) Determine whether such a threat and risk exist. (ii) Provide bodyguards in terms of this paragraph if such threat and risk exist. (iii) Exercise financial prudence when providing personal security to any of the office-bearers referred to above. <p>All councillors, subject to a threat and risk analysis conducted by the South African Police Service.</p>

(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.

(3) The tools of trade must be insured by the council with the exception of sub-item (1)(g).

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

16. Capacity building

(1) Every council must develop and adopt a policy to provide for education, training and development of councillors.

(2) Council must make provision in its budget for education, training and development of councillors, which must remain valid for the tenure of office of that council.

(3) A training programme must take into consideration the capacity needs of a councillor to fulfil individual councillor's statutory obligations. Provided that the municipal council must, in line with applicable legislation and approved council policy, exercise prudent financial management to ensure that the provision of education, training and development of councillors does not undermine the need to prioritise service delivery and sustain a viable municipality.

17. 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 a municipality –

- (a) must recover that remuneration from the councillor concerned; 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.

18. Information to be submitted to the Minister

(1) A municipal council must submit to the MEC responsible for local government under whose jurisdiction it falls, within 30 days from the date of publication of this Notice on an official letterhead of the municipality, signed by the executive mayor or mayor, a report containing the following information in respect of its serving councillors for the 2024/ 25 financial year.

- (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;
- (k) Total budget for personal security; and
- (l) Any allowance(s) payable to a councillor.

(2) Upon receipt of the information referred to in sub-item 1, the MEC must analyse the information for correctness and completeness and submit a consolidated report to the Minister within 60 days from the date of publication of this Notice.

19. Transitional measures

(1) If a municipal council has no audited financial statements for 2023/ 24 financial year by the date of publication of this Notice, the audited financial statements for the 2022/ 23 financial year shall apply.

(2) If the grading of a municipal council is lower than the current grade of the municipal council as determined in terms of this Notice, a councillor –

- (a) who is in office as at 30 June 2024, will retain the total remuneration package as determined in terms of Government Notice No.5435, Government Gazette No. 51407 of 17 October 2024; and
- (b) such councillor is entitled to the applicable cost of living adjustment;
- (c) provided that the data used by the municipal council for determination of the grade of a municipal council is correct.

(3) Item 15(1)(g) of the Notice on upper limits of the salaries, allowances and benefits of the different members of municipal councils has been amended as follows effective from the date of publication of this Notice:

(g)	Personal security	<p>Executive Mayor, Mayor, Deputy Executive Mayor, Deputy Mayor, Speaker and Whip are entitled to two bodyguards per shift of a two-shift system. Deviation from the norm may only be based on the recommendations of the South African Police Service.</p> <p>In the event that a written report is received concerning a threat and risk to the personal security of any of the office-bearers referred to above, the municipal council must:</p> <ul style="list-style-type: none"> (i) Determine whether such a threat and risk exist. (ii) Provide bodyguards in terms of this paragraph if such threat and risk exist. (iii) Exercise financial prudence when providing personal security to any of the office-bearers referred to above. <p>All councillors, subject to a threat and risk analysis conducted by the South African Police Service.</p>
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(4) This Notice replaces Government Gazette No. 51407 of 17 October 2024

20. 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 2024.

AFFORDABILITY VERIFICATION CERTIFICATE

1/3

GRADING

		Points
Population as per 2022 Census figures	132'495	25,00
Total Municipal Income (gross income as stated in the audited financial statements of the municipality for the 2022/23 financial year)	R1'397'232'391	33,33
Total Points		58,33
Grade		4 (Four)

AFFORDABILITY VERIFICATION CERTIFICATE

COUNCILLOR REMUNERATION: RE-DETERMINATION OF UPPER LIMITS WITH EFFECT FROM 1 JULY 2024: GOVERNMENT NOTICE NO. 5446 DATED 21 OCTOBER 2024

I, D G O'NEILL Accounting Officer of OVERSTRAND MUNICIPALITY, hereby certify that:

(mark and complete as appropriate)

Current Councillor Remuneration Budget : R 13'911'673

Rand Increase of Total Budget as per new upper limits : R 0

- Adequate provision** has been made in the 2024/25 budget for the said increases in councillor remuneration including the back pay.
- There is **inadequate provision** in the 2024/25 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 councillor 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)

N/A

Four horizontal lines for providing details on funding.

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

Print name : DEAN O'NEILL

Accounting Officer of : OVERSTRAND MUNICIPALITY

Signature: *Dean O'Neill*

Date: 26 November 2024



Enq : Michael Chauke
Tel : (012) 369- 8000
Fax : (012) 369 8001
Cell : 0760617598
E-mail : mchauke@salga.org.za



ANNEXURE C 1/4

Physical:

Block B, Menlyn Corporate Park,
175 Corobay Ave, Waterkloof
Glen Ext II, PRETORIA 0181

Postal: PO Box 2094,
PRETORIA 0001

CIRCULAR 29 / 2024

FROM : CHIEF EXECUTIVE OFFICER

**TO : SALGA PROVINCIAL CHAIRPERSONS
EXECUTIVE MAYORS / MAYORS
SPEAKERS
WHIPS OF COUNCILS
CITY/MUNICIPAL MANAGERS**

**CC : PROVINCIAL DIRECTORS OF OPERATIONS
CHIEF OFFICERS**

DATE : 18 OCTOBER 2024

DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS FOR THE 2023/24 AND 2024/25 FINANCIAL YEAR

1. PURPOSE OF THE CIRCULAR

The purpose of this circular is to:

- a) Notify municipalities about the Notice on the Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils for the 2023/24 and 2024/25 Financial Years;
- b) Advise municipalities on the implementation of the Notice;
- c) Highlight the key features of the Notice.

2. BACKGROUND AND CONTEXT

2.1 In terms of Section 219(1) and (5) of the Constitution, read with Section 8(4) of the Independent Commission for the Remuneration of Public Office Bearers (Commission Act),



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PHYSICAL: Block B, Menlyn Corporate Park, 175 Corobay Ave, Waterkloof Glen Ext 11, Pretoria 0181

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the Independent Commission for the Remuneration of Public Office Bearers (“the Commission”) is mandated to make annual recommendations relating to the salaries and/or upper limits of the salaries, allowances, benefits and the resources (tools of trade) required by the Public Office Bearers (POBs) that will enable them to perform their duties effectively.

Further, Section 7 of the Remuneration of Public Office Bearers Act, 1998 empowers the Minister responsible for local government to determine the upper limits of salaries of different members of Municipal Councils by notice in the gazette after consultation with the Member of Executive Council (MECs) responsible for local government in each province and after, inter alia, taking into consideration the recommendations of the Commission.

The Commission is at the final phase of completing its major review of the remuneration of POBs. It is considered that implementation of the entire structural change is not possible in the current economic climate and fiscal constraints. These will require prior consideration by the National Treasury and acceptance of the recommendations by the President.

2.2 KEY FEATURES OF THE NOTICE

Amongst the provisions of the Notice are the following:

1. A sitting allowance of R 1214.88 per day;
2. Executives Mayor, Mayor, Deputy Executive Mayor, Deputy Mayor, Speaker, or Whip are entitled to two bodyguards. Deviation from the norm must only be based on the recommendations of the South African Police Service. **All other councillors are subject to a threat risk analysis conducted by the South African Police Service;**
3. The retainment of the cellphone allowance not exceeding R3600 per month;
4. The retainment of the mobile data bundles not exceeding R317 per month;
5. **Capacity building programmes** provide for training courses or programmes as provided for in the education, training and development policy of the council, including training conducted by national departments, associated government agencies and SETAs, provincial departments, municipalities and organised local government through institutions of higher learning and Further Education and Training Colleges. Every council must develop and adopt a policy to provide for the education, training and development of councillors. The council must make provision in its budget for the education, training and development of councillors, which must remain valid for the tenure of office of that council. In the provision thereto, municipalities must exercise financial prudence.
6. The total population is based on the official statistics of the population residing in the area of jurisdiction of a metropolitan, district or local municipality as determined by the Statistician-General for the 2022 Census.
7. The **special risk insurance** on residential property is 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.



3. IMPLEMENTATION

- 3.1 Municipal Managers should note that the Upper Limits Notice **MAY NOT BE IMPLEMENTED** before respective municipal councils have considered a report on the upper limits and have resolved the levels of remuneration which will apply in that Municipality. This consideration must occur concerning the financial year (in this instance 2023/ 24 and 2024/25) within which the payments will have to be made, and the affordability thereof for municipalities. This implies that the budget for the year in question must reflect the liability to pay the level of remuneration determined by the council and this must in turn be cash-funded.

Furthermore, before implementation, it is necessary for a council to consult and **obtain concurrence** from the MEC responsible for Local Government in the Province, motivating the affordability and demonstrating that the liability has been budgeted for. Failure to follow these steps will result in **AN ADVERSE AUDIT OPINION** being expressed by the Auditor General.

- 3.2 It will be necessary for councils to **apply the formula** contained in paragraphs 2, 3 and 4 of the gazette, **to determine which grade of Municipality** they are. It should be noted that this formula applies to Local, District and Metropolitan Municipalities.
- 3.3 The upper limits of the annual total remuneration package of various categories of full-time and part-time Councillors are contained in paragraphs 5 and 8 of the gazette respectively. It should be noted that the amount contained under *“total remuneration”* requires that **every Councillor who elects to include the motor vehicle allowance in his or her salary structure must specifically provide for it.** If a councillor structures his or her total remuneration package to provide for motor vehicle allowance, the councillor must submit proof of ownership of a private motor vehicle.

In providing for the travelling allowance Councillors attention should be drawn to the reality that this allowance is granted to cover costs incurred on travelling for official business, which excludes travel between the place of residence and ordinary place of work. Although fully taxable on assessment, only 80% of the allowance is subject to the deduction of PAYE. Again, this does not mean that only 80% is taxable. The full allowance remains taxable, and any unspent portion will be included in a Councillor’s taxable income and a Councillor would be required to account to the South African Revenue Service (SARS) for the use of such an allowance. Councillors who **DO NOT HAVE MOTOR VEHICLES** and/or who are likely to have difficulties accounting to SARS for this allowance are advised **NOT TO INCLUDE THE TRAVEL ALLOWANCE IN THE SALARY STRUCTURE.**

- 3.4 It should be clarified that the total remuneration package **INCLUDES** the travel allowance, housing allowance, municipal contribution to the pension fund and municipal contribution to the medical aid scheme. The allowances that are provided for in the notice and applicable for councillors form the total remuneration package. **No** additional contribution must be made by the municipality.



- 3.5 Additionally, over and above the annual total remuneration package provided for in terms of items 5 and 8 respectively, councillors may be paid a cell phone allowance not exceeding R3,600.00 per month, mobile data not exceeding R317.00 per month, in accordance with the applicable municipal council policy.
- 3.6 Municipalities must take out the special risk insurance, insurance on residential property is 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. 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 **forfeits the benefits** associated with the special risk insurance cover.
- 3.7 The notice necessitates that municipalities develop the following policies to give effect and assist in the implementation of the provisions of the notice:
- Policy on capacity building;
 - Travel policy;
 - Policy on out-of-pocket expenses; and
 - Tools of trade policy.
- 3.8 **Overpayment-** it should be taken into account that any remuneration paid to a councillor of a municipality other 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 a municipality must recover that remuneration from the councillor concerned.

Any questions regarding the implementation of the upper limits should be directed to the Provincial Director of Operations of SALGA at provincial offices or Mr. **Michael Chauke** (mchauke@salga.org.za) [(012) 369- 8000 / 076 061 7598) at SALGA National Office.

Yours faithfully,



SITHOLE MBANGA
CHIEF EXECUTIVE OFFICER

