

**6. 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 – CHAIRPERSON OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

5/12/1

S Reyneke-Naudé  
20 June 2017

(028) 313 8040

Corporate Head Office

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**1. Executive Summary**

To consider an increased salary, allowances and benefits for the Chairperson of a Section 79 Committee, titled the Municipal Public Accounts Committee (MPAC), with retrospective effect from 12 August 2016.

**2. Service Delivery and Budget Implementation Plan – IGNITE**

Directorate: Finance  
Department: Expenditure and Assets

**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 Notice No. 313, dated 03 April 2017.

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, subject to the concurrence of same by the Provincial Minister of Local Government, Environmental Affairs and Development Planning.

**6. Discussion**

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 03 April 2017, 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 313, dated 03 April 2017, is attached as Annexure A.

The Overstrand Municipality is, in terms of the Criteria as summarized on the Affordability Verification Certificate, regarded as a Grade 3 Municipal Council. A copy of the Affordability Verification Certificate, signed by the Municipal Manager, is attached as Annexure B.

The Notice makes provision, amongst other, in particular for the remuneration of a Chairperson of a Section 79 Committee which is a part-time councillor.

It is recommended that the remuneration applicable to a Section 79 Committee for part-time councillors, be considered for approval in line with Notice 313, with retrospective effect from 12 August 2016 to Cllr S Tebele as the Chairperson of the MPAC.

#### **7. Financial Implications**

With the recommended increase in the remuneration of the Chairperson of the MPAC, the cost of the aforementioned will still be within the total budget provision for Remuneration of Councillors of R9'506'956.

#### **8. Staff Implications**

None

#### **9. Comments from other Departments, Divisions and Administrations**

None

#### **10. Annexures**

Annexure A : Government Notice 313 dated 03 April 2017

Annexure B : Affordability Verification Certificate

**RECOMMENDATION TO THE COUNCIL:**

that the salary and allowances in respect of the Chairperson of the MPAC, as a section 79 Committee, as provided for in Government Notice 313, dated 03 April 2017, (Annexure A), **be approved** and be made applicable **with effect from 12 August 2016**, subject to the concurrence of same by the Provincial Minister of Local Government, Environmental Affairs and Development Planning.

**RESPONSIBLE OFFICIAL :****J VORSTER /  
RETHA RUST****TARGET DATE OF IMPLEMENTATION:****31 JULY 2017**

Annexure A  
1/15



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**GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS****DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

NO. 313

03 APRIL 2017

**REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998  
(ACT NO. 20 OF 1998)****AMENDMENT NOTICE NO. 1600 OF 21 DECEMBER 2016****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,

repeal the determination of upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in Government Notice No. 1600, published in Government Gazette No. 40519 of 21 December 2016, and replace it with 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 councillor 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 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 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 an existing 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;

**"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 so approved;

**"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, 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, 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 and housing allowance, payable to a councillor as provided for in



items 9(1), 9(2), 12(1) and 12(2) of this Notice as well as the municipal contribution to a pension fund and a medical aid scheme that is payable by the municipality on behalf of the councillor.

## 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 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 |

### 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 payment 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) A councillor designated 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.

(b) A councillor designated to represent organised local government at any intergovernmental structure, include national and provincial executive authorities, 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 such structure: Provided that the allowance is limited to R962 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 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 councillor listed in item 5 and 8 of this Notice may structure his or her basic salary to provide for motor vehicle allowance.
- (b) A councillor may in the exercise of his or her official duties 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) 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: Provided that a councillor may, in exceptional circumstances and upon good cause shown, and with the approval of the Mayor or Speaker, utilise the municipal vehicle.

- (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 paid a 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 paid an allowance 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 contributions**

- (a) A councillor may participate in a pension fund duly established in terms of law.
- (b) If a councillor elects to participate in a pension fund, the municipality shall pay, on behalf of that councillor, the monthly council contributions and councillor's own contributions to a pension fund to which the councillor is a member in accordance with the rules of such pension fund.
- (c) Sub-items (a) and (b) apply to a councillor who –
  - (i) was in office prior to 1 July 2016 and who is currently a councillor a municipality and who on 1 July 2016 did not participate in a pension fund scheme;
  - (ii) has reached the retirement age determined in terms of the applicable pension rules, and who does not participate in a pension fund nor receive any pension benefits; and
  - (iii) took office as a councillor after the 2016 Local Government Elections.
- (d) Sub-item (a), (b) and (c) takes effect from 1 June 2017.
- (e) The provisions of sub-items (a) and (b) do not apply to a councillor who was in office prior to 1 July 2016 and who is currently in office and participates in a pension fund scheme.

**(2) Medical Aid Scheme**

- (a) A councillor may participate in a medical aid scheme duly established in terms of a law and such councillor shall be entitled to receive such medical aid benefits from the medical aid scheme to which the councillor contributes as may be determined by the rules of such medical aid scheme.
- (b) If a councillor elects to participate in a medical aid scheme, the municipality shall pay from his or her monthly salary, councillor's own contributions and council contributions charged against and paid from the budget of the municipality to the medical aid scheme to which the councillor is a member.

**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 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. 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.

#### 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;  | Part-time councillors and the usage must comply with policy directives of the municipality.   |

|     | TOOLS OF TRADE  | APPLICABLE TO:  |
|-----|---|---|
|     | Stationery; and Diaries.  |   |
| (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.

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

#### 15. Capacity building

(1) A municipality must make a 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) A municipality must submit to the MEC responsible for local government in the province, by not later than 1 July 2017, a report containing the following information in respect of its serving councillors on an official letterhead of the municipality, signed by the mayor:

- (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 1 August 2017.

#### 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 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 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; 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.

(3) In the event that a municipality bought a mayoral vehicle before the publication of this Notice, the usage of such motor vehicle between the period 1 July 2016 and the date of publication of this Notice will not be considered irregular.

**19. Short title and commencement**

(1) This Notice is called the Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils.

(2) Unless otherwise specified in herein, this Notice takes effect from 1 July 2016.

**AFFORDABILITY VERIFICATION CERTIFICATE****GRADING**

|   |                  | Points |
|---|------------------|--------|
| Population as per 2016<br>Community census figures  | 93'470           | 16,67  |
| Total Municipal Income<br>(gross income as stated in<br>the financial statement of the<br>municipality for the 2015/16<br>financial year) | R831'111'000     | 33,33  |
| <b>Total Points</b>   | <b>50,00</b>     |        |
| <b>Grade</b>  | <b>3 (Three)</b> |        |

## AFFORDABILITY VERIFICATION CERTIFICATE

**COUNCILLOR REMUNERATION: RE-DETERMINATION OF UPPER LIMITS WITH EFFECT FROM 1 JULY 2016: GOVERNMENT NOTICE NO. 313 DATED 03 APRIL 2017**

I, C G GROENEWALD Accounting Officer of OVERSTRAND MUNICIPALITY, hereby certify that:

(mark and complete as appropriate)

Current Councillor Remuneration Budget : R 9'506'956

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

**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)

N/A

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

Print name : C G GROENEWALD

Accounting Officer of : OVERSTRAND MUNICIPALITY

Signature: *C Groenewald* Date: 12-04-2017

