

GENERAL NOTICE

NOTICE 372 OF 2006

MINISTRY FOR PROVINCIAL AND LOCAL GOVERNMENT

REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1999

(ACT NO. 20 OF 1998)

**DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND
BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCIL**

1. I, Fholisani Sydney Mufamadi, Minister for Provincial and Local Government, hereby publish a draft Government Notice that sets out the upper limits of salaries, allowances and benefits of different members of municipal councils in terms of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), for comments .

2. Comments must please be submitted in writing to

The Director-General
Attention: Adv S Kholong
Department of Provincial and Local Government
Private Bag X 804
PRETORIA
0001

3. Comments may also be faxed to facsimile number (012) 3344828 at the above address .

4. Comments must be received by no later than 24 March 2006.

DRAFT GOVERNMENT NOTICE**DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT**

No. R.....

28 February 2006

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, Fholisani Sydney Mufamadi Minister for Provincial and Local Government, hereby -

- (a) after consultation with the member of the Executive Council responsible for local government in each province; an
- (b) after taking into consideration the matters listed in paragraphs (a) to (i) section 7(1) of that Act; an
- (c) after taking into consideration the recommendations of the Commission in terms of sections 8(5)(a) and 9(5)(a) of that Act, respectively ,

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 the date on which the results of the second election of the municipal councils are declared in terms of section 64 of the Local Government: Municipal Electoral Act, 2000 (Act No. 27 of 2000), in respect of that municipal council, and repeal Government Notice No. R. 1125 of 14 November 2005 with effect from the same date.

F S MUFAMADI**MINISTER FOR PROVINCIAL AND LOCAL GOVERNMENT**

SCHEDULE

Definitions

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

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

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

"municipal income" means in respect of a local municipality or metropolitan municipality the sum total of the revenue income for the 2004/2005 financial year of the municipality concerned ;

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

"population" means the latest available official statistics of the population residing in the area of jurisdiction of a local municipality or metropolitan municipality, as determined by the Statistician -General in terms of the Statistics Act, 1999 (Act No. 6 of 1999); and

"total remuneration package" includes remuneration payable in respect of salary, housing allowance, travelling allowance, the municipality's contribution to a medical aid, and the municipality's contribution to a pension fund .

Allocation of number of points for total municipal income

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

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

Allocation of number of points for total population

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

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

Determination of grade of municipal council

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

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

(b) For purposes of the determination of the upper limits of the annual total remuneration package, allowances and benefits of those members of a district council who have been directly elected to such council, such council is allocated the same grade as the highest grade of local council within its area of jurisdiction

(c) A local council that does not have any municipal income is a grade I municipal council as envisaged in paragraph (a).

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

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

GRADE	MAYOR OR EXECUTIVE MAYOR	SPEAKER, DEPUTY MAYOR OR DEPUTY EXECUTIVE MAYOR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE, WHIP OR CHAIRPERSON OF A SUB-COUNCIL
6	680,152	544,122	510,114
5	499,937	399,950	374,953
4	426,811	341,449	320,108
3	411,057	328,846	308,293
2	384,894	307,915	288,671
1	373,678	298,942	280,259

Upper limits of allowances of full-time councillors other than full-time executive mayors or full-time mayors of grade 6 municipal councils

6. The upper limits of the allowances of a full-time councillor other than the full-time executive mayor or full-time mayor of a grade 6 municipal council, is as follows :

(a) Travelling allowance :

- (i) An allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of item 5, and which allowance includes running and maintenance costs up to 500 kilometres per month
- (ii) In addition to the allowance referred to in subparagraph (i), official distances travelled in excess of 500 kilometres in a particular month may be claimed in accordance with the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles
- (iii) For the purposes of claiming running and maintenance allowances, a logbook reflecting the official and private kilometres travelled per month must be kept;

(iv) A councillor, other than an executive mayor or a mayor where applicable, may not receive any allowance provided for in subparagraphs (i) and (ii) where the municipal council concerned makes a vehicle available to the councillor; and

(v) In addition to the allowances provided for in this paragraph, a councillor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned:

(b) Housing allowance :

A councillor may structure their annual total remuneration package to include a housing allowance

(c) Celiphone allowance :

In addition to the annual total remuneration package provided for in item 5, a councillor may obtain a fixed allowance of not more than R1057-00 per month in respect of cellphones .

(d) Out of pocket expenses :

A councillor must be reimbursed for reasonable and actual out of pocket expense incurred during the execution of official and ceremonial duties .

Upper limits of allowances of full -time executive mayors or full -time mayors of grade 6 municipal council

7. The upper limits of the allowances of a full-time executive mayor or full-time mayor of a grade 6 municipal council is as follows

(a) Travelling allowance

(i) An allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of items 5, and which allowance includes running and maintenance costs up to 500 kilometres per month;

- (ii) In addition to the allowance referred to in subparagraph (i), official distances travelled in excess of 500 kilometres in a particular month may be claimed in accordance with the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles
- (iii) For the purposes of claiming running and maintenance allowances, logbook reflecting the official and private kilometres travelled per month must be kept; and
- (iv) In addition to the allowances provided for in this paragraph, a full-time executive mayor or a full-time mayor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned .

(b) Housing allowance :

A councillor may structure their annual total remuneration package to include housing allowance .

(c) Cellphone allowance :

In addition to the annual total remuneration package provided for in item 5, a fixed allowance of not more than R2115.00 per month in respect of cellphones

(d) Out of pocket expenses :

A councillor must be reimbursed for reasonable and actual out of pocket expense incurred during the execution of official and ceremonial duties

Upper limit of allowance in respect of appointed councillor

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

(a) If such councillor is elected or appointed as speaker, mayor, executive mayor member of a mayoral committee, member of an executive committee or part-time member of a district council, the upper limit of the allowance to which such councillor is entitled, is equal to the difference between the annual total remuneration package he or she is receiving as a member of the local council and the annual total remuneration package allocated to that office in the district council in terms of items 5, 6, 7, 9 and 10 as the case may be .

(b) If the upper limit of the annual total remuneration package which a councillor in receiving as a member of a local council is equal to or higher than the upper limit of the annual total remuneration package to which he or she is entitled to as an appointed councillor to the district council, such councillor is entitled to receive an allowance of no more than R521.00 per sitting of the district council or any committee of that council Provided that this allowance is limited to R521.00 per day, regardless of the number of meetings of the district council or committees of that council that are attended by such councillor on a specific day.

(c) A district council is responsible for-

- (i) the payment of an allowance referred to in paragraphs (a) and (b); and
- (ii) the reimbursement of travel expenditure incurred by a councillor during the performance of official functions on behalf of that district municipality

Upper limits of annual total remuneration packages of part-time councillor

9. (1) The upper limit of the annual total remuneration package of a part-time councillor is as follows:

	MAYOR/ EXECUTIVE MAYOR	SPEAKER, DEPUTY MAYOR OR DEPUTY EXECUTIVE MAYOR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE	OTHER PART- TIME MEMBERS
6	374,084 -	299,267	- 280,563	238,053
5	274,965 -	219,972	206,224	149,981
4	234,746	187,797	- 176,060	128,043
3	226,081 -	180,865	169,561	123,317
2	211,692	169,353	- 158,769	115,468
1	205,523 -	164,418	154,142	112,103

Upper limits of allowances of part -time councillors

10. The upper limits of the allowances of part -time councillors is as follows:
- (a) Travelling allowance
- (i) An allowance of not more than 25% of the total annual remuneration package of a councillor concerned as determined in terms of item 9, and which allowance includes running and maintenance costs up to 500 kilometres per month
- (ii) In addition to the allowance referred to in subparagraph (I), official distances travelled in excess of 500 kilometres in a particular month may be claimed in accordance with the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles.
- (iii) For the purposes of claiming running and maintenance allowances, a logbook reflecting the official and private kilometres travelled per month must be kept.
- (iv) A councillor, other than an executive mayor or a mayor where applicable, may not receive any allowance provided for in subparagraphs (i) and (ii) where the municipal council concerned makes a vehicle available to that councillor; and
- (v) In addition to allowances provided for in this paragraph, a councillor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned.

Housing allowance

A councillor may structure their annual total remuneration package to include housing allowance.

(C) Cellphone allowance

In addition to the annual total remuneration package provided for in item 9, a fixed allowance of not more than R660,00 per month in respect of cellphones.

(d) Out of pocket expenses

A councillor must be reimbursed for reasonable and actual out of pocket expense incurred during the execution of official and ceremonial duties.

Upper limit of pension fund contributions and medical aid benefits of councillor

11. (a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a councillor of that council is a member, is 15% of the annual total remuneration package of such councillor determined in terms of item 5 or 9.

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R1014.00 per month: Provided that a part-time councillor is not a member of a medical aid scheme by virtue of his or her employment in a capacity other than a councillor.