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Contents

No.		Gazette No.	Page No.
GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS			
Co-operative Governance, Department of / Samewerkende Regering, Departement van			
3807	Remuneration of Public Office Bearers Act (20/1998): Determination of upper limits of salaries, allowances and benefits of different members of Municipal Councils	49142	3

DEPARTMENT OF CO-OPERATIVE GOVERNANCE

NO. 3807 **18 August 2023**

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, Thembisile Phumelele Nkadimeng, 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.

THEMBISILE PHUMELELE NKADIMENG, MP
MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
DATE: 18/8/2023

SCHEDULE

PREAMBLE

The salary and allowances of a councillor are 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 Notice, “in consultation” 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 2021/ 22 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, 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 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 MUNICIPAL INCOME			NUMBER OF POINTS
R 0	-	R10,380,000	8.33
R10,380,001	-	R51,900,000,	16.67
R51,900,001	-	R207,600,000	25.00
R207,600,001	-	R1,557,000,000	33.33
R1,557,000,001	-	R2,076,000,000	41.67
More than R 2,076,000,000			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	-	51,900	8.33
51,901	-	103,800	16.67
103,801	-	259,500	25.00
259,501	-	570,900	33.33
570,901	-	1,868,400	41.67
More than 1,868,400			50.00

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:

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 OVERSIGHT COMMITTEE
6	1,501,351	1,212,520	1,142,175	1,108,670
5	1,119,386	895,508	839,539	814,913
4	955,651	764,518	716,738	695,712
3	920,379	736,304	690,286	676,417
2	861,797	689,438	652,503	633,363
1	836,690	675,723	633,488	614,906

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 an oversight 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 R1,179,50: Provided that this allowance is limited to R1,179,50 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 the –

(a) payment of the remuneration or the allowance referred to in sub-item (1);

(b) 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) 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 R1,179,50 per sitting and actual attendance of any meeting: Provided that the allowance is limited to R1,179,50 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 R1,179,50 per sitting and actual attendance of such structure: Provided that the allowance is limited to R1,179,50 per day, irrespective of the number of attendances by such councillor on a specific day.

(2) Organised local government is responsible for the –

(a) payment of the allowance referred to in sub-item (1);

(*b*) 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 DEPUTY MAYOR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE OR WHIP	CHAIRPERSON OF OVERSIGHT COMMITTEE	OTHER PART-TIME MEMBERS
6	841,564	711,929	637,184	618,494	562,265
5	624,471	499,578	468,354	454,613	354,244
4	533,128	426,501	399,846	388.116	302,428
3	513,452	410,761	385,097	373,791	291,266
2	480,770	384,616	360,579	350,001	272,728
1	466,760	373,407	350,072	339,800	264,462

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, including reason for the trip, duration of the trip and departure and destination points.

(e) A councillor may, in exceptional circumstances and upon good cause shown, and with the approval of the Executive Mayor or Mayor (as the case may be) 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 R317.00 per month.

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

(1) Pension, provident or retirement annuity fund contributions

(a) A councillor may participate in a pension, provident or retirement annuity fund registered in terms of the Pension Funds 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 not more than 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:

NO.	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 oversight committees, and whips.
(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	(i) Executive Mayor, Mayor, Deputy Executive Mayor, Deputy Mayor, Speaker or Whip are entitled to two bodyguards. Deviation from the norm may only be based on the recommendations of the South African Police Service.
		(ii) 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 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 municipal council must develop and adopt a policy, including criteria to provide for education, training and development of councillors.

(2) Every municipal 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 that is not 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, a report containing the following information in respect of its serving councillors for the 2022/ 23 financial year on an official letterhead of the municipality, signed by the executive mayor or 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;
(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 verify 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 the 2021/ 22 financial year by the date of publication of this Notice, the audited financial statements for the 2020/ 21 financial year shall apply.

(2) If the grading of a municipal council is lower than the grade as determined in terms of this Notice as on 1 July 2022, such municipality retains the previous grade as determined in terms of Government Notice No. 2126, Government *Gazette* No. 46470 of 2 June 2022: Provided that the data used by the municipal council for determination of the grade of a municipal council is correct.

(3) This Notice replaces Government Notice No. R. 2126 in *Government Gazette* No. 46470 and Government Notice No. 2698 in *Government Gazette* No. 47437 of 2 June 2022 and 2 November 2022, respectively.

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 2022.

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