



KOUGA

local municipality

Good Governance through Service Excellence

SPECIAL COUNCIL MEETING AGENDA

Date : 10 June 2022
Time : 09:00
Venue : Virtual Meeting

KOUGA MUNICIPALITY (EC108) <u>NOTICE CONVENING A MEETING</u> NOTICE IS HEREBY GIVEN that in terms of Section 19 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000) that a virtual Council Meeting will be held on <u>DATE:</u> 10 June 2022 <u>TIME:</u> 09:00  <u>B.WILLIAMS</u> SPEAKER	UMASIPALA I-KOUGA (EC108) <u>ISAZISO NGENTLANGANISO</u> ISAZISO sikhutshiwe ukuba ngokweCandelo-19 uMthetho weNkqubo zikaMasipala, (uMthetho 32 ka-2000), ukuba kubanjwe intlanganiso ebonakalayo yesigqeba Ye khansile <u>UMHLA:</u> 10 Isilimela 2022 <u>IXESHA:</u> 09:00  <u>B.WILLIAMS</u> USOMLOMO	MUNISIPALITEIT KOUGA (OK108) <u>KENNISGEWING VAN VERGADERING</u> KENNIS GESKIED HIERMEE dat ingevolge Artikel 19 van die Wet op Munisipale Stelsels, 2000 (Wet No.32 of 2000), dat 'n virtuele raadsvergadering gehou sal word op <u>DATUM:</u> 10 Junie 2022 <u>TYD:</u> 09:00  <u>B.WILLIAMS</u> SPEAKER
---	---	---

Councillors are required to comply with the Standing Rules and Orders of Council and all its Committees By-law as promulgated in the Provincial Gazette on 22 October 2018 No.4134 and applicable to this meeting of Council. Any person who willfully contravenes any provision of these rules shall be guilty of an offence and which contravention shall be dealt with in accordance with the disciplinary procedures for Councillors.

A G E N D A

1. **NOTICE OF MEETING**
2. **OPENING AND WELCOME**
3. **ABSENT WITH LEAVE**
4. **ABSENT WITHOUT LEAVE**
5. **PRESENTATIONS**
6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**
7. **STATEMENTS OR COMMUNICATIONS BY THE SPEAKER**
8. **STATEMENTS OR COMMUNICATIONS BY THE EXECUTIVE MAYOR**

9. **DISCLOSURE OF INTEREST**

10. **STATUTORY MATTERS**

11. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).

12. **REPORTS BY THE PORTFOLIO CHAIRPERSONS**

12.1 **REPORTS BY THE PORTFOLIO CHAIRPERSON: PLANNING, DEVELOPMENT & TOURISM**

22/06/PDT14 Sponsorship for the World Surf League Requesting Event Support to Host the 2022 J-Bay Surf Festival in Jeffreys Bay

Pages: 6 - 12

12.1 **REPORTS BY THE PORTFOLIO CHAIRPERSON: CORPORATE SERVICES**

22/06/CORP7 Determination of the Upper Limits of Salaries, Allowances and Benefits of Different Members of a Municipal Council for 2021/2022 Financial Year

Pages: 14 - 33

13. **CLOSURE**

Distribution list:

Executive Mayor
Executive Deputy Mayor
Speaker
All Councillors
Municipal Manager
All Directors
Relevant Managers
Committee Services

MATTERS DEALT
WITH IN TERMS OF
DELEGATED
AUTHORITY BY THE
EXECUTIVE
MAYOR

REPORTS BY
THE
PORTFOLIO
CHAIRPERSON:
PLANNING
DEVELOPMENT &
TOURISM

KOUGA MUNICIPALITY (EC 108)

SPECIAL COUNCIL MEETING

PLANNING DEVELOPMENT AND TOURISM

DATE: 10 JUNE 2022

ITEM NO: 22/06/PDT14

SPONSORSHIP FOR THE WORLD SURF LEAGUE REQUESTING EVENT SUPPORT TO HOST THE 2022 J-BAY SURF FESTIVAL IN JEFFREYS BAY.

1. Purpose

The purpose of this item is to seek the Council's approval for financial support to host the 2022 J-Bay Surf Festival in support of the J-Bay Surf Open from 12 – 21 July 2022 in Jeffreys Bay.

2. Background

Jeffreys Bay is world-renowned for the famous right-hander called Super Tubes, an iconic surfing wave regarded by most as the "world's best wave". This year the World Surf League will host the J-Bay Surf Festival in support of the 2022 J-Bay Surf Open.

Each year thousands of local and international tourists set their sights on Jeffreys Bay to watch the world's best surfers compete at our prestigious Super Tubes.

The goal is to use this global platform to increase the overall number of visitors to the area by hosting attractive social and sporting events showcasing Kouga and what it has to offer.

The organizers believe by offering the Surf Festival events during the 2022 J-Bay Surf Open contest, the Kouga region will host one of the biggest festivals in South Africa over the winter period.

For reference to the above item please see attached **Annexure A** as follows:

Annexure A

Sponsorship/Partnership Proposal

3. Comments by Director Planning, Development and Tourism

No comment

4. Financial Implications

R200 000.00 (Two Hundred Thousand Rands) is all-inclusive.

5. Legal Implications

Section 67 of the MFMA reads as follows:

Funds transferred to organisations and bodies outside government

67. (1) Before transferring funds of the municipality to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, the accounting officer must be satisfied that the organisation or body—

(a) has the capacity and has agreed—

(i) to comply with any agreement with the municipality;

(ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;

(iii) to report at least monthly to the accounting officer on actual expenditure against such transfer; and

(iv) to submit its audited financial statements for its financial year to the accounting officer promptly;

(b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and

(c) has in respect of previous similar transfers complied with all the requirements of this section.

(2) If there has been a failure by an organisation or body to comply with the requirements of subsection (1) in respect of a previous transfer, the municipality may despite subsection (1)(c) make a further transfer to that organisation or body provided that—

(a) subsection (1)(a) and (b) is complied with; and

(b) the relevant provincial treasury has approved the transfer.

(3) The accounting officer must through contractual and other appropriate mechanisms enforce compliance with subsection (1).

(4) Subsection (1)(a) does not apply to an organisation or body serving the poor or used by government as an agency to serve the poor, provided—

(a) that the transfer does not exceed a prescribed limit; and

(b) that the accounting officer—

(i) takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds; and

(ii) certifies to the Auditor-General that compliance by that organisation or body with subsection (1)(a) is uneconomical or unreasonable.

6. Recommendations

6.1 That Council approves the funding amount of 200 000.00 (Two Hundred Thousand Rand) all-inclusive towards the J-Bay Surf Festival from 12 – 21 July 2022 hosted in the Kouga Local Municipality area.

6.2 That Council authorizes the Accounting Officer to conclude a Sponsorship Agreement / SLA with World Surf League (WSL/ASP) in respect of sponsorship stated in (6.1) above.

Drafted by LED & Tourism -Events Officer: Ms. L Campher

Item approved by the Director PDT:
(Ms. FF Mabusela)

Item noted by the Portfolio Chairperson:
(Cllr. H Bornman)

ANNEXURE A: SPONSORSHIP AGREEMENT



To the Director of Planning, Development and Tourism: Ms. FF Mabusela.

It gives me great pleasure to present our proposal for sponsorship of the 2022 Jeffreys Bay Surf Festival 2022.

Jeffreys Bay is world-renowned for the famous right-hander called Super Tubes, an iconic surfing wave regarded by most as the "world's best wave". Each year thousands of local and international tourists set their sights on Jeffreys Bay to watch the world's best surfers compete at this prestigious venue.

Our aim and ambitions are to increase the number of tourists, visitors and spectators of the event by hosting an array of secondary events within the Kouga area.

Kouga has a wide variety of world-class accommodation, restaurants, sights and attractions. Our goal is to use this platform - the international surf event - to increase the overall number of visitors to the area. We will do this by hosting attractive social and sporting events to showcase Kouga and what it has to offer.

We firmly believe by offering our Surf Festival events during the Corona Open Jeffreys Bay 2022 surf contest, the Kouga region will host the biggest festival in South Africa over the winter period.

Offering a vast array of events attracts families and children instead of individual competitors as there is something daily for the family.

The festival structure will benefit the following markets during an ordinarily quiet winter.

- Local food and beverage
- Accommodation
- Sights, attractions and shopping
- Local development

We thank you for taking the time to review the below document.

Ari Kraak

Jeffreys Bay Surf Festival event listing

Music Festival

The 2022 Music Festival will be hosted in the Super Tubes park. The event will be undercover, allowing for any adverse weather and hosting 1500 guests each night. We aim to give upcoming local artists from Kouga the platform to perform opening acts before our leading artists. Below are the main headline acts for the festival performing over the key days/ weekends

- Goldfish, Matthew Mole, Jeremy Loops, Zakes Mdtweni

During the non-surfing days, we will host local artists on the platform, ensuring there is entertainment for visitors each day.

We estimate over 7000 people will attend the music festival.

Festival Market

We have allowed 12 independent local stands to sell food and crafts within the music festival area. These stands are strictly local as it is fundamental that Kouga's vendors benefit from this. The stands are open from 12 July to 21 July, aligned with the surfing event. The breakdown of stands is as follows:

4x food stands, 4x craft stands, 1x tourism stand, 1x Kouga Municipality stand, 2x underprivileged/ development stands.

An estimate of over 25000 people will visit the market over the event period.

Mountain Biking

A Mountain Biking (MTB) event showcasing the trails on offer in Kouga. This event has been around for over 5 years. We will partner with the Big O sports management to house a MTB event with 3 categories. (50km/ 32km 20km) Men's and ladies. The event will be run from the Zuurbroen Farm over the weekend of 15 July.

Estimated entries are 500-600

Trail Running

Running draws big numbers with over 125000 listed and affiliated runners in South Africa. To increase effectiveness and lower the cost of infrastructure, our running and mountain biking will be held at the same venue on 16 July.

Estimated entries are 300-450

Board Paddling

This event has never been done before and is a first for Kouga and South Africa. It is a winner takes all board-paddle event from the main beach in Jeffreys Bay. Ensuring we appeal to various sporting disciplines in SA, board paddle will attract most South African lifeguard fraternities and the country's top athletes.

Estimated Entries 150

Squash

Keeping with the theme of having something for everyone, we have proposed to the Jeffreys Bay Squash Club to host a competition at the JBay club. This will bring in athletes from the Eastern Cape and allow the club to have a platform to build their event on each year.

Estimated Entries 42

Golf

Having been rated 56th in the world and 1st in South Africa by Golfers Digest, The Links is a must-play for all South African golfers. Teaming up with Oakley Eyewear, this event will draw players from all over the country. A 1-day event hosted by the links.

Estimated Entries 100

Funduro

In its 7th year running, Roche and his team put on a fun day of motocross obstacles and a fun race from Ubuntu Bricks in Jeffreys bay.

Estimated Entries 200

Fishing Skins

Gerhard Guse, a Springbok fisherman, hosts a Skins Fishing Tournament. This event in the past has drawn a large number of fishermen and their families for a 1-day event. It showcases the variety of fishing disciplines in the area and the diversity of fish and marine species.

Estimated Entries 400

Jiu-Jitsu Tournament

The fastest-growing martial art in the world. We are teaming up with Chris Bright from PESFA (Port Elizabeth Submission Fighting Academy) to host a 1-day winner-takes-all open tournament. Patrons will be treated to South Africa's elite grappling artists battle it out under the tent in the Super Tubes park. Along with the tournament, we are working on having some World Surf League athletes participate in the demonstrations.

Invitational Event, Expected spectators 800

Event Guide

To advertise the event and showcase "What's On", we will be producing a 42-page event guide with over 10000 copies to be distributed through South Africa. The guide will advertise all events and showcase our South African surfers and local artists at the music festival.

Sponsorship Opportunities

The JBay Surf Festival is a growing brand. It promises to attract many athletes, spectators and tourists to Kouga. Therefore, it is only fitting that the event's main sponsor is Kouga Municipality. The support from the local municipality shows the community and visitors the commitment to grow and promote our community and region.

In exchange for the funding support, the JBay Surf Festival is offering the following

- Named sponsor (JBay Surf Festival presented by Kouga Municipality)
- 1x stand at the Music Festival/ WSL event to promote Kouga Municipality.
- 1x tourism stand.
- Branding on the front page of the event guide
- 1x Half page advert in the event guide
- 1x VIP Fundraising evening for Kouga athlete Joshe Faulkner and The Surf Alliance.
- Branding at all the events and special thank you mention at the prize giving.
- Media releases(detailed below)
- Detailed article about local surf foundation and local surfer Joshe Faulkner.
- A platform for local artists at the Music Festival.
- A platform for local craft stores at the event market.

The JBay Surf Festival aims to put back into the community by raising funds for Joshe Faulkner and the JBay Surf Alliance. Faulkner is a local surfer aiming to compete with the world's best but doesn't have the means. The JBay Surf Alliance is an initiative teaching the previously disadvantaged about the ocean while also teaching them how to surf.

We feel it's a wonderful opportunity to showcase how surfing can change lives with the community's support.

A % of all the entry fee's from the events will go towards the above causes.

A % of our market vendors will go towards the above causes.

The funds raised at our VIP fundraising will go towards the above causes.

Media Representation

The JBay Surf Festival will use print, online, broadcast and digital media for marketing the events. An extensive media and marketing campaign will be produced before the event, ensuring we reach many South Africans. In addition, we will have daily press releases going out to extensive local and international news databases during the event. The media value is estimated to reach a minimum of R5M.

Event Budget

Below is a breakdown of how the JBay Surf Festival will support each event monetarily.

These funds go into infrastructure, media for each event, prizes and staffing.

We respectfully ask for four hundred thousand rand sponsorship (R400 000.00) to be able to support and activate these events.

Photographer	R30 000,00
Music Festival	R120 000,00
Fishing	R15 000,00
Funduro	R10 000,00
Squash	R15 000,00
Trail Running	R20 000,00
Paddle Board	R25 000,00
Mountain Biking	R50 000,00
Jujitsu	R15 000,00
Golf	R20 000,00
Social media and website	R20 000,00
Media manager	R20 000,00
Graphic design	R25 000,00
Event Guide	R15 000,00
Total	R400 000,00

REPORTS BY
THE
PORTFOLIO
CHAIRPERSON:
CORPORATE SERVICES

KOUGA MUNICIPALITY (EC 108)

SPECIAL COUNCIL MEETING

CORPORATE SERVICES

DATE: 10 JUNE 2022

ITEM NO: 22/06/CORP7

DETERMINATION OF THE UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF DIFFERENT MEMBERS OF A MUNICIPAL COUNCIL FOR 2021/2022 FINANCIAL YEAR

1. Introduction

The purpose of this item is to seek approval of Council for the implementation of the upper limits of salaries, allowances and benefits of different members of the Municipal Council for the 2021/22 financial year based on Gazette. No 46470.

Attached find the relevant Gazette and Circular 14/2022 from SALGA.

2. Background

Every financial year the Minister of Co-operative Governance and Traditional Affairs issues a Government Gazette which determines the upper limits of salaries, allowances and benefits for different members of a Municipal Council as per the powers vested in him/her by the Remuneration of Public Office Bearers Act, 1998 (Act no.20 of 1998). On 2 June 2022, the Gazette was published.

3. Legislative Requirements

The Government Gazette requires that prior to the implementation of the provisions of the upper limits, the municipal Council must seek concurrence of the MEC for Local Government.

4. Factors for consideration on concurrence by the MEC

The MEC will consider the following factors for the implementation of the upper limits:

- A certified copy of the Council Resolution approving the new salary, allowances and benefits of the members of the municipal council signed by both the Executive Mayor and the Municipal Manager. The resolution should also include a request for concurrence of the MEC to implement the item on the tools of trade. Section 14 (1) of the Gazette.
- Appended to the Council resolution must be a copy of the attendance register of the meeting containing the signatures of all the Councillors who were present at the meeting at which the resolution was taken and an indication of which Councillors voted for and against the proposed increase.

- Written confirmation signed by both the Municipal Manager as the Accounting Officer as well as the Chief Financial Officer that the municipality has budgeted for this expenditure in the 2021/22 financial year and that they will be able to sustain payment of the increased salaries, allowances and benefits throughout the course of the financial year.

The MEC further requires the municipality to provide the following additional information under the hand of the Municipal Manager and Chief Financial Officer:

- The audited financial statements (statements of liquidity i.e. cash flow, financial performance, financial position statements and notes) of the municipality for the 2020/21 financial year.
- The grading of the Municipality for the purposes of paying Councillor salaries and allowances.
- How this grading was arrived at i.e. municipalities are to provide proof of their total population as well as their total actual municipal income received (all income excluding transfers and/or grants from National fiscus and interests on invested funds).
- The percentage of the total budget comprised of the salaries, allowances and benefits of the municipal councillors.
- A table indicating the current salary, allowances and benefits of each category of municipal councillor e.g. Executive Mayor, Speaker, Chief Whip, Full time Councillor, Part-time Councillor etc, as well as the proposed salary allowances and benefits for each of these categories.

The MEC has also drawn the attention of municipalities to the fact that if Councillors are being overpaid, such overpayment will be recovered from the Councillor concerned in terms of Section 167 of the MFMA.

5. Financial Implications

An amount of R 13 729 245.00 has been budgeted in the 2021/22 financial year for the implementation of the Upper Limits in the 2021/22 financial year. The Councillors Remuneration was increased by 3% on the prior year budgeted amount. The budget is therefore sufficient to implement Gazette 46470.

6. Recommendation

- 6.1 That the report on the Determination of the Upper Limits of Salaries, Allowances and Benefits of different members of the Municipal Council for 2021/22 financial year be noted.
- 6.2 That Council approve the implementation of the Upper limits based on Gazette 46470 dated 2 June 2022.

- 6.3 That such implementation be back dated with effect from 01 July 2021.
- 6.4 That the Municipal Manager prepares all the required information and documentation for submission to the MEC for concurrence.
- 6.5 That upon concurrence by the MEC, the upper limits and tools of trade (as per section 14 (1)) of the Gazette be implemented retrospectively with effect from 01 July 2021.

Item prepared by: The Director: Corporate Services



Item approved by: The Municipal Manager





Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID AFRIKA

Regulation Gazette

No. 11440

Regulasiekoerant

Vol. 684

2

June
Junie

2022

No. 46470

N.B. The Government Printing Works will not be held responsible for the quality of "Hard Copies" or "Electronic Files" submitted for publication purposes

ISSN 1682-5845



AIDS HELPLINE: 0800-0123-22 Prevention is the cure

IMPORTANT NOTICE:

THE GOVERNMENT PRINTING WORKS WILL NOT BE HELD RESPONSIBLE FOR ANY ERRORS THAT MIGHT OCCUR DUE TO THE SUBMISSION OF INCOMPLETE / INCORRECT / ILLEGIBLE COPY.

No FUTURE QUERIES WILL BE HANDLED IN CONNECTION WITH THE ABOVE.

Contents

<i>No.</i>	<i>Gazette No.</i>	<i>Page No.</i>
------------	------------------------	---------------------

GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS**Co-operative Governance, Department of / Samewerkende Regering, Departement van**

R. 2126	Remuneration of Public Office-bearers Act (20/1998): Determination of upper limits of the salaries, allowances and benefits of different members of municipal councils.....	46470	3
---------	---	-------	---

GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF CO-OPERATIVE GOVERNANCE**NO. R. 2126****2 June 2022****REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998
(ACT NO. 20 OF 1998)****DETERMINATION OF UPPER LIMITS OF THE 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, Nkosazana Clarice Dlamini Zuma, Minister for Cooperative Governance and Traditional Affairs, after –

- (a) consultation with the member of the Executive Council responsible for local government in each province; and
- (b) taking into consideration the matters listed in paragraphs (a) to (i) of section 7(1) of the Act,

hereby determine the upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in the Schedule.



NKOSAZANA CLARICE DLAMINI ZUMA, MP
MINISTER FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
DATE: 01-06-2022

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 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 12(1) and municipal contribution to a medical aid scheme as provided in item 12(2);

"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 pension, provident or retirement annuity 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 audited financial statements of that municipality for the 2020/21 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 annual 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 12(1) and municipal contribution to a medical aid scheme as provided in item 12(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	-	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

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	1,446,388	1,168,131	1,100,361	1,068,083
5	1,078,407	862,723	808,804	785,080
4	920,656	736,530	690,808	670,243
3	886,685	709,349	665,015	651,654
2	830,248	664,199	628,615	610,176
1	806,059	650,986	610,297	615,055
The system of plenary type of municipalities ceased to exist from 1 November 2021 and all mayors must be remunerated according to the total remuneration package column of executive mayor or 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 the councillor is appointed as speaker, mayor, executive mayor, member of a mayoral committee, member of an executive committee, chairperson of oversight committee, part-time member of a district council, such councillor is entitled to an amount equal to the difference between the total remuneration package that the 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 the 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 R1,136.32: Provided that this allowance is limited to R1,136.32 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); and
- (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.

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 R1,136.32 per sitting and actual attendance of any meeting: Provided that the allowance is limited to R1,136.32 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 R1,136.32 per sitting and actual attendance of such structure: Provided that the allowance is limited to R1,136.32 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	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	810,755	685,866	613,857	595,851	541,681
5	601,610	481,289	451,208	437,970	341,275
4	513,611	410,888	385,208	373,908	291,356
3	494,655	395,724	370,999	360,107	280,603
2	463,169	370,535	347,379	337,188	262,744
1	449,672	359,737	337,256	327,361	254,788
The system of plenary type of municipalities ceased to exist from 1 November 2021 and all mayors must be remunerated according to the total remuneration package column of executive mayor or 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, in line with applicable legislation, structure his or her total remuneration package to provide for motor vehicle allowance.
- (b) 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 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, where to and reason for the trip.
- (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 viable municipalities.
- (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 package provided for in terms of items 5 and 8 respectively, be paid a cell phone allowance not exceeding R3,400.00 per month inclusive of mobile data, in accordance with the applicable municipal council policy.

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

(1) Pension, provident or retirement annuity funds 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.

13. 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 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.

(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 forfeits the benefits associated with the special risk insurance cover.

(5) If a councillor already belongs to another special risk cover, such councillor must declare to the municipality the details of property, assets and beneficiaries to be covered by the special risk insurance.

14. Tools of trade

(1) A municipal council may extend the following tools of trade to a councillor:

	TOOLS OF TRADE	APPLICABLE TO:
(a)	Braille reader.	All visually impaired councillors.
(b)	Office space and furniture; Parking bay; Business cards; Calculators; Letter-heads; Stationery; Toner cartridges; Diaries; Postage costs; Office telephone; and Appropriate mobile technology and multi-digital office (excluding cell phones and as per item 11), including facsimile, printer, photocopier and scanner.	Full-time councillors, part-time executive mayors or mayors, 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.	Executives Mayors, Mayors and Speakers are entitled to two bodyguards. Deviation from the norm must only be based on the recommendations of the South African Police Service. 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.

15. Capacity building

(1) The municipal council must develop and adopt a skills development plan and personal development plan prior to any councillor undergoing training.

(2) A municipality must make a provision in its budget for development and implementation of capacity building programme for a councillor during the term of office of that councillor.

(3) Capacity building programmes consist of short courses or programmes as provided for in the training, education and development policy and skills development plan of the municipality, including training conducted by national departments, associated government agencies and SETAs, provincial departments, municipalities and organised local government.

(4) The capacity building and 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. 56 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;
- (b) may not write-off any expenditure incurred by the municipality in paying or giving that remuneration; and
- (c) must be reported to the MEC within 30 days of becoming aware.

(2) The MEC must report to the Minister –

- (a) any transgression of subsection (1); or
- (b) any non-compliance with this Notice,

within 14 days from the date when the MEC became aware of such transgression or non-compliance.

17. Information to be submitted to the Minister

(1) A municipality must submit to the MEC, by not later than 31 August 2022, a report containing the following information in respect of its serving councillors for the 2021/22 financial year on an official letterhead of the municipality, signed by the executive mayor or mayor, as the case may be:

- (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 in terms of item 14(4) 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 data referred to in sub-item 1, the MEC must submit a consolidated report of all municipalities in the province to the Minister by not later than 31 October 2022.

18. Transitional measures and repeal of *Government Gazettes*

(1) If a municipality has no audited financial statements for the 2020/21 financial year by the date of publication of this Notice, the audited financial statements for the 2019/20 financial year apply.

(2) If the grading of a municipality degrades as a result of the redetermination of the grade of municipal council as set out in item 4 of this Notice, a councillor who was in office as at 30 June 2021 retains the total remuneration package as determined in terms of Government Notice No. 475, *Government Gazette* No. 43246 of 24 April 2020 and the councillor is entitled to the applicable cost of living adjustment: Provided that the data used by the municipality for determination of the grading of a municipal council is correct.

(3) The Notice replaces *Government Gazette* No. 43246 of 24 April 2020 and *Government Gazette* No. 45420 of 2 November 2021.

19. Short title and commencement

This Notice is called the Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils and takes effect from 1 July 2021.

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



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

Postal: PO Box 2094, PRETORIA
 0001

CIRCULAR 14 / 2022 NOT FOR IMPLEMENTATION – FOR COMMENT
--

FROM : CHIEF EXECUTIVE OFFICER

**TO : SALGA PROVINCIAL CHAIRPERSONS
 EXECUTIVE MAYORS / MAYORS
 SPEAKERS
 CHIEF WHIPS
 MUNICIPAL MANAGERS**

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

DATE : 17 MAY 2022

**DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND
 BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS FOR THE
 2021/22 FINANCIAL YEAR**

1. PURPOSE OF THE CIRCULAR

The purpose of this circular is to:

- a) Notify and consult municipalities regarding the draft Notice on the Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils for the 2021/22 Financial Year;
- b) Request municipalities to submit written comments on the draft Notice; and
- c) Inform municipalities about the decision of the National Conference regarding the engagement with the Independent Commission for the Remuneration of Public Office Bearers and the Department of Cooperative Governance and Traditional Affairs on the review of remuneration of Councillors.



Tel: 012 369 8000 | **Fax:** 012 369 8001

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

POSTAL: PO Box 2094, Pretoria 0001

www.salga.org.za

2. BACKGROUND AND CONTEXT

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), 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.

Therefore, with reference to the attached draft Notice No. 20 on the Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils for the 2021/22 Financial Year as published in the Government Gazette No. 46120 30 of March 2022, municipalities are persuaded to submit written comments on the draft notice of the Minister.

The draft Notice envisages the following key aspects:

- In the main, the Commission recommends an annual increase of **3%** across the board annual salary adjustment of different members of Municipal Councils for the 2021/22 financial year.
- Upper limits of the annual total remuneration packages of full-time Councillors;
- Upper limit of annual total remuneration package or allowance in respect of appointed Councillors;
- Upper limit of allowance in respect of Councillors serving in the governance and intergovernmental structures of organised local government;
- Upper limits of allowances of full-time and part-time Councillors;
- Out of pocket expenses;
- Upper limits of cell phone allowance for Councillors;
- Upper limits of pension, provident or retirement annuity fund contributions and medical benefits of Councillors;
- Special risk cover;
- Tools of trade;
- Capacity building; and
- Overpayment

In terms of the draft notice, SALGA deems it necessary to continue to lobby for municipalities and further proposes the following key issues:

- Public Office Bearers in local government ought to be remunerated in line with other Public Office Bearers at National and Provincial Government;
- All councillors ought to be full time due to the nature of their work; and
- That capacity building programmes for Councillors should include tertiary education where funds are available, and this must be in line with their requirements as Councillors.

Further to the above, **“as directed by the recently held National Conference, SALGA and COGTA will jointly engage with the Commission that the following key elements must be reviewed and re-considered by the Commission in finalising the review of remuneration of Councillors:-**

- (i) Grades 1 – 3 municipalities must receive the same remuneration, regardless of revenue and population;
- (ii) The highest earning councillor (Grade 6 Mayor) should be benchmarked against Deputy Speakers of Provincial Legislatures or MECs;
- (iii) The de-link the grades and salaries from municipal revenue and population;
- (iv) The concurrence process by MECs should be reviewed;
- (v) Compulsory Pension and Medical Aid benefits, provided that it does not result in additional cost to councillors;
- (vi) The extension of the Section 8 (1)(d) Public Office Bearers Allowance to Councillors;
- (vii) Funding models should be reviewed to address the challenges of especially struggling rural and peri-urban municipalities; and
- (viii) A more responsive Gratuity, equitably similar to national and provincial POBs”.

In addition to the above proposals by SALGA, municipalities are further encouraged to submit written comments on any other matters not covered by the gazette relating to the salaries and/or upper limits of the salaries, allowances, benefits, and the resources required by the Public Office Bearers (POBs) and Municipal Councillors.

Notwithstanding the date mentioned in the attached letter from the Minister, SALGA leadership has engaged the Department of Cooperative Governance and Traditional Affairs for a grace period of 14 days for the submission of written comments by municipalities. Therefore, given the urgency of this matter we are urging municipalities to ensure that their written comments on the draft attached Notice are submitted on or before **Tuesday, 24 May 2022** for the attention of **Mr Michael Chauke at SALGA National Office per email at mchauke@salga.org.za**

Kindly note that this draft Notice is NOT FOR IMPLEMENTATION by municipalities, but FOR COMMENT. Implementation may only proceed once the Final Notice has been published by the Minister.

Yours sincerely,

XOLILE GEORGE
CHIEF EXECUTIVE OFFICER

