



Ref: Mr M Mothekhe
Ext: 8095/8543
Date: JUNE 08, 2022

**THE SPEAKER
COUNCILLOR SB LOCKMAN -NAIDOO**

COUNCIL ITEM

**DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF
COUNCILLORS 2021/2022**

1. PURPOSE

The purpose of this report is to appraise the Municipal Council on the progress regarding determination of upper limits of Municipal Councillors;

Secondly, to request the Municipal Council to mandate the Executive Mayor and Acting City Manager to finalize and implement determination of upper limits of Councillors once concurrence is granted by the MEC for Cooperative Governance and Traditional Affairs.

2. BACKGROUND

Section 219 (2) of the Constitution of the Republic of South Africa of 1996 (Act 108 of 1996) stipulates that national legislation must establish an independent commission to make recommendations concerning the salaries, allowances and benefits of public office-bearers. On an annual basis, as defined under Section 7 (1) of the Remuneration of Public Office Bearers Act (Act 20 of 1998), the Minister after consultation with the MEC: Cooperative Governance and Traditional Affairs (COGTA), had to promulgate the upper limits for Councillors through notice in the Government Gazette. The Municipal Council would then have to consider the report of the City Manager whereby the recommendation will be implemented dependent on the Council approval and concurrence by MEC for COGTA.

3. DELIBERATION

The Minister of COGTA, Dr N Dlamini-Zuma issued a gazette relating to determination on upper limits of salaries, allowances and benefits of Councillors on the 2nd June 2022. The commission proposal had been adequately consulted and the final recommendation gazetted by the National Minister of COGTA as indicated above on the 2nd June 2022. Then the following are currently approved and gazetted, namely;

- (a) an across the board salary and benefits increase of 3% per annum;

- (b) a zero increase for voice and data allowances;
- (c) The gazette recommends that Municipal Council's should customize and simplify the tools of trade for councillors where possible policies and procedures be drafted and implemented to assist Municipal Councillors;
- (d) The gazette further recommends that Municipal Council's should customize and incorporate health care and pension benefits for councillors and also where possible policies and procedure guidelines be drafted and implemented to assist Municipal Councillors.

4. GROWING CONCERN REGARDING ESCALATING OUT OF POCKET EXPENSES FOR COUNCIL MEMBERS

While the new and revised salary and benefits for Municipal Council is welcomed, the limitation of this increase is that it has taken two financial years for the National Minister of COGTA to adjust on the upward curve the benefits of councillors. What happened since 2019/2020 and 2020/2021 financial years, council members across the country received zero percentage increases. The no-win situation in the meantime is that the out of pocket expenses for councillors had exponentially increased with both voice and data costs exposing members to further financial losses, the reason being that many committee meetings are held virtually, but the most hurting of these expenses being the travelling costs, as a result of monthly runaway costs of petrol and diesel, and this causing councillors to constantly adjust their travelling schedules.

5. INTERNAL CONSULTATIONS

The Section 79: Remunerations Committee had been consulted and informed of the implications of the Gazette and updated of the process and progress on the matter, at the meeting held on Thursday, June 09, 2022.

6. APPLICATION AND DATE OF IMPLEMENTATION

This upper limits once approved, is effective for implementation from July 01, 2021 up to June 30, 2022. Council must please note that the non-returning councillors will receive a pro-rata payment from July up to October 30, 2021 and new councillors will receive pro-rata payment from the 8th November 2021 until June 30, 2022.

7. FINANCIAL IMPLICATIONS

Sufficient budgetary provisions had been made in the Mangaung Metropolitan Municipal Council budget for the 2021/2022 financial year for payment of the salaries, allowances and benefits of Councillors. The current budget percentile increase was set at five percentile which is way above the 3% approved.

8. LEGISLATIVE AND POLICY IMPLICATIONS

The internal processes in compliance to our policies had been adequately adhered to, further the Municipal Council should consider this report prior to requesting concurrence of the MEC for COGTA.

9. RECOMMENDATION

It is hereby recommended that it be resolved;
that -

- a) Municipal Council takes note of this report
- b) the Municipal Council approves the 3-percentage salary and benefits increases across the board for Council members for the financial year 2021 /2022;
- c) the Municipal Council notes that sufficient budgetary provisions had been made in the Mangaung Metropolitan Municipal Council budget for the 2021/2022 financial year for payment of the salaries, allowances and benefits of Councillors and;
- d) the Municipal Council mandates the Executive Mayor and Acting City Manager to liaise with the MEC for COGTA for concurrence and once granted should proceed with the implementation of the Upper Limits as gazetted.

SUBMITTED BY:



GM: COMMITTEE SERVICES
MR MOTETE MOTHEKHE

22/06/2022

DATE

SUPPORTED BY:

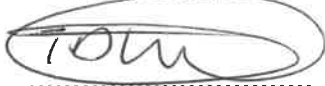


ACTING HOD: CORPORATE SERVICES
ADVOCATE NKATEKO MPANGANE

24/06/2022

DATE

RECOMMENDED/NOT RECOMMENDED

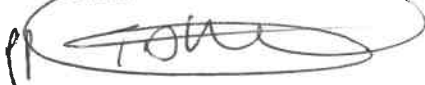


ACTING CITY MANAGER
MR TEBOGO MOTLASHUPING

24/06/2022

DATE

RECOMMENDED/NOT RECOMMENDED



NATIONAL CABINET REPRESENTATIVE
MR ELLIOT MASEKO

24/06/2022

DATE

APPROVED/ NOT APPROVED BY



EXECUTIVE MAYOR
COUNCILLOR MA SIYONZANA

24-06-2022

DATE



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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 • GOEWERMENSKENNISGEWINGS

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.

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