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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NOT FOR IMPLEMENTATION – FOR COMMENT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.



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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

