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**CIRCULAR 04 / 2020**  
**NOT FOR IMPLEMENTATION – FOR INFORMATION**

**FROM :** CHIEF EXECUTIVE OFFICER

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

**CC :** PROVINCIAL EXECUTIVE OFFICERS  
EXECUTIVE DIRECTORS

**DATE :** 13 FEBRUARY 2020

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**DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF  
COUNCILLORS**

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**NOT FOR IMPLEMENTATION – FOR INFORMATION**

As reported at the recently held Provincial Members Assemblies, the statutorily prescribed process for the determination of the salaries, benefits and allowances of councillors provides that the following processes must be followed:-

1. The Independent Commission for Remuneration of Public Office Bearers (the Commission) makes recommendations concerning the salaries, allowances and benefits of all public office bearers;
2. The Minister for Co-operative Governance and Traditional Affairs will determine the Upper Limits of salaries and allowances by promulgation in the Government Gazette. In doing so, the Minister issues a draft Notice to MECs for local government in the provinces, Treasury and SALGA for comments. Comments so received informs the Minister's final determination, where after the Minister publishes the annual determinations of the upper limits of Municipal Councillor remuneration levels;
3. Following promulgation of the Upper Limits Notice, municipal councils are required to consider a report on the upper limits and resolve on the levels of remuneration which will apply in that municipality. This consideration must occur with regard to the financial year within which the payments will have to be made, and the affordability thereof for municipalities. This implies that the budget for the year in question must reflect the liability to pay the level of remuneration determined by the council and this must in turn be cash funded.

4. Following the Council resolution, it is necessary (prior to implementation) to consult with the MEC responsible for Local Government in the respective provinces, motivating the affordability and demonstrating that the liability has been budgeted for, and obtaining concurrence with such a resolution.

We are pleased to inform municipalities that, after a long wait, the Commission today, 13 February 2020 published its Annual Remuneration Recommendations for all public office bearers (including councillors). The local government relevant recommendation, in the main, is for **an annual increase of 4% to the current annual remuneration of office bearers for the financial year commencing 1 July 2019.**

In addition hereto, the Commission specifically states that issues raised during the review of salaries, allowances and benefits of POBs will be addressed by the major remuneration reviews that had been conducted.

Now that the Commission has gazette its recommendations, we will await the process to unfold as listed above. We will, in the interim, directly engage with COGTA on the development of the draft Upper Limits Notice for the 2019/20 financial year. We will also engage with the Commission, with a view to obtain clarity as to when the recommendations of the Review of Salaries, allowances and benefits of Councillors will be implemented.

**Kindly further note that this Circular is NOT FOR IMPLEMENTATION by municipalities. Implementation may only proceed once the Final Notice has been published by the Minister.**

Yours faithfully,



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**XOLILE GEORGE**  
**CHIEF EXECUTIVE OFFICER**