



**PROPOSALS AND RECOMMENDATIONS FOR A
REVISED SYSTEM OF REMUNERATING MEMBERS OF MUNICIPAL COUNCILS**

by

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submitted in partial fulfilment of the requirements for the degree

Philosophiae Doctor (PhD)

in

Public Affairs

in the Faculty of Economic and Management Sciences,
School of Public Management and Administration,

in the subject

Public Administration

at the

UNIVERSITY OF PRETORIA

PROMOTER:

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NOVEMBER 2007

DECLARATION

I, Kesavan Naidoo, hereby declare that this dissertation entitled “Proposals and Recommendations for a Revised System of Remunerating Members of Municipal Councils” is my own original work and has, as far as I am aware, not previously been submitted at any university, in its entirety or in part, in order to obtain an academic qualification, and that all sources that I have consulted have been duly acknowledged by means of a complete bibliography and elsewhere in the text.

28 November 2007

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K. NAIDOO

.....
DATE

DEDICATION

I dedicate this study to my grandparents (all four of whom have passed on), my parents, my teachers, my wife Nirvanie, and my daughter Shevanti.

I thank you unconditionally for all the love, support and encouragement in finalising this study.

ACKNOWLEDGEMENTS

Thank You God for giving me the strength and courage to undertake this study and to pursue it to finalisation. God, You are the Greatest!

A word of appreciation and special thanks goes to my promoter and Guru, Prof. Dr. E. van Rooyen. In Indian tradition, the “Guru” (teacher) has an important place. The word Guru is made up of two parts: *Gu* means darkness or ignorance and *ru* means dispeller or remover. Thus, Guru means remover of ignorance, and the student gains knowledge from the guru. As Vasudevan (2002) states, the student gains knowledge from the guru, and the Vedic adage “Matha, Pitha, Guru, Deivam” (mother, father, teacher, God) places the teacher before God and immediately after one’s parents. Thank you Prof. for all the guidance, and for having “faith” in me.

To all my friends and colleagues in the Ministry for and the Department of Provincial and Local Government; to all councillors (including mayors / executive mayors, deputy mayors / deputy executive mayors, members of executive committees / mayoral committees, and speakers) and senior managers in municipalities (including municipal managers and chief financial officers); and to all of you at all levels of government with whom I have interacted in the past: you have played a significant role in my professional development. I would like to place on record my sincere thanks to each and every one of you, for, although I may not have expressly stated it, you have assisted me in shaping, re-shaping and refining my research.

ABSTRACT

Municipal elections that were held on 5 December 2000 ushered in a developmental system of local government, with specific political, economic and social challenges. This first democratic term of municipal councils was based on newly developed local government legislation, and reduced the number of councillors from approximately 12 000 to approximately 9 000. The system was unique, in that it provided for, amongst other things, the designation of certain full-time councillors, and also introduced the office of Speaker. The roles and responsibilities of councillors were clearly stated in law, and this distinguished the envisaged functions for councillors from their former ceremonial duties.

Based on recommendations made by the Independent Commission for the Remuneration of Public Office-bearers, the Minister for Provincial and Local Government introduced a remuneration system to coincide with the new term of municipal councils. However, due to certain shortcomings in the newly introduced system, stakeholders expressed their misgivings with the remuneration dispensation that was introduced.

This study investigates the evolution of local government in South Africa, and then elaborates on recent advancements made in this regard. The study shows how the roles and responsibilities of councillors evolved. More specifically, it initially attempts to identify relevant provisions that deal with the remuneration of all public office-bearers, and then focuses on the remuneration for members of municipal councils.

Due to the constantly changing provisions relating to the remuneration of councillors, this study examines all interventions made by government until 14 November 2005, when the Minister for Provincial and Local Government published the upper limits of remuneration to be paid to councillors in terms of the relevant provisions in the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998).

It would be most feasible to implement the recommendations made in this dissertation with effect from the date of commencement of the financial year for municipalities during the second term of municipal councils, in terms of section 64 of the *Local Government: Municipal Electoral Act, 2000* (Act No. 27 of 2000).

KEY CONCEPTS

CBDC	-	Cross-boundary District Council
CBLC	-	Cross-boundary Local Council
DMA	-	District Management Area
DC	-	District Council
DPLG	-	Department of Provincial and Local Government
EXCO	-	Executive Committee
FFC	-	Financial and Fiscal Commission
IDP	-	Integrated Development Plan
IEC	-	Independent Electoral Commission
LGES	-	Local Government Equitable Share
MAYCO	-	Mayoral Committee
MEC	-	Member of the Executive Council
MP	-	Member of Parliament
MPL	-	Member of Provincial Legislature
NCOP	-	National Council of Provinces
RED	-	Regional Electricity Distributor
SALGA	-	South African Local Government Association
SARS	-	South African Revenue Service
UK	-	United Kingdom

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DESCRIPTION OF ANNEXURE

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ANNEXURE B	Government Notice No. R. 903 of 19 July 1999 as published in <i>Government Gazette</i> No. 20306.
ANNEXURE C	Government Notice No. R. 803 of 11 August 2000 as published in <i>Government Gazette</i> No. 21474.
ANNEXURE D	Government Notice No. R. 1326 of 4 December 2000 as published in <i>Government Gazette</i> No. 21853.
ANNEXURE E	Government Notice No. R. 910 of 20 September 2001 as published in <i>Government Gazette</i> No. 22696.
ANNEXURE F	Government Notice No. R. 999 of 2 October 2001 as published in <i>Government Gazette</i> No. 22726.
ANNEXURE G	Government Notice No. R. 1319 of 18 October 2002 as published in <i>Government Gazette</i> No. 23965.

DESCRIPTION OF ANNEXURE

- ANNEXURE H** Government Notice No. R. 1097 of 28 July 2003 as published in *Government Gazette* No. 25265.
- ANNEXURE I** Government Notice No. R. 1477 of 21 December 2004 as published in *Government Gazette* No. 27138.
- ANNEXURE J** Government Notice No. R. 1125 of 14 November 2005 as published in *Government Gazette* No. 28231.

SCHEDULE

Appended after the above-mentioned annexures, is a size A3 schedule (folded) which provides the following information in respect of all municipalities for the first and second terms of municipal councils:

- (i) The province that a municipality is incorporated into;
- (ii) The name of the municipality;
- (iii) The number of seats / councillors as determined by the MECs for local government for the municipality for the 5 December 2000 municipal elections;
- (iv) The number of registered voters in the municipality;
- (v) The property rates income for the municipality;
- (vi) The grade of the municipal council during the first term of municipal councils;
- (vii) The remuneration paid to councillors in terms of Government Notice No. R. 1125 of 14 November 2005;
- (viii) The total remuneration paid to councillors for each municipality in terms of Government Notice No. R. 1125 of 14 November 2005;
- (ix) The number of seats / councillors as determined by the MECs for local government for the municipality for the 1 March 2006 municipal elections;
- (x) The total municipal income for the municipality;
- (xi) The “new” grade of the municipal council;
- (xii) The remuneration paid to councillors in terms of recommendations made in the dissertation;
- (xiii) The total proposed remuneration for each municipality;
- (xiv) The total increase in remuneration for each municipality; and
- (xv) The percentage increase in remuneration for each municipality.

The following assumptions were made in determining the total cost of councillor remuneration for all municipalities:

- All municipalities implemented 100 per cent of the upper limit as determined by the Minister for Provincial and Local Government, and as recommended in this study;
- All municipalities opted for the collective executive system of government;
- All municipalities opted for the maximum size of executive committee, and all members of the executive committee were designated as full-time; and
- All municipalities that qualified for a whip (municipalities with more than 40 councillors), designated the whip as full-time.

CD-ROM

Schedule 4 to the *Constitution of the Republic of South Africa, 1996* deals with the functional areas of concurrent national and provincial legislative competence. Schedule 5 to the *Constitution of the Republic of South Africa, 1996* deals with the functional areas of exclusive provincial legislative competence. Part B of Schedules 4 and 5 lists the local government functions.

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) requires that the Municipal Demarcation Board assesses the capacity of a municipality when its boundary is redetermined, or when requested by a MEC responsible for local government. The capacity of all district and all local municipalities are assessed annually. This process commences in July (the beginning of the financial year of municipalities), and results in the submission of district reports covering the capacity of each district vis-à-vis the capacity of each local municipality within the area of the district. The assessments are based on information provided by municipalities, and the purpose of the assessments is to adjust powers and functions between district and local municipalities.

Each report for a district municipality is comprehensive, and is contained on a compact disc in the inside of the back cover of the dissertation. The reports / capacity assessments are for the 2005 / 2006 period, and were finalised by the Municipal Demarcation Board during August 2005.

CHAPTER 1

RESEARCH PROBLEM AND RESEARCH DESIGN

1.1 INTRODUCTION

The primary function of local government in any country is to improve the general welfare of the community which it serves through the provision of services. Local government in South Africa derived its powers over the years from central government. These powers were clearly defined in legislation regulating the establishment of provincial and municipal councils. The powers were limited to areas of administrative government such as the provision of roads, hospitals, schools, parks and services within urban areas.

Although this chapter is devoted to outlining the research problem, it was considered appropriate to provide a brief background to the development of local government in South Africa, and to then, very concisely, elaborate on the remuneration for councillors. The focus of this thesis is, therefore, to evaluate the past and present systems of remunerating councillors against the policy and legislative provisions regulating this matter, and then to develop recommendations on how the remuneration system for councillors could be improved.

Local authorities in South Africa became essential institutions long before the Union of South Africa was established on 31 May 1910. Since then, the country has had five constitutions. Constitutional change in South Africa has been evolutionary, passing power from one regime to another through a process of negotiation.

Local government was constituted within municipalities having boundaries which demarcated the urbanized areas of the land, each having a council of members. These members were elected by registered voters in periodic municipal elections. Each municipality was empowered to employ a town clerk and staff with whom to carry out its functions, and these officials were accountable to the municipal council. The defined boundaries did not cover all areas, but only the developed urban areas. Another limitation was that the voters were confined, by law, to the white population. In terms of service to community, on this basis, local government extended to only a fraction of the population.

Furthermore, the role of members of municipal councils (or “councillors”, the term more generally used) was limited, by virtue of its political nature, to voting within council meetings. Councillors were in effect “representatives” of the residents of the municipality. Consequently, appointments were “figure-head” appointments - that is, of prominent community leaders (such as doctors, lawyers or prominent businessmen). Retired persons, who had previously been prominent in their careers, would frequently be appointed.

Prior to the centralisation of the determination of the salaries, allowances and benefits of members of municipal councils, their remuneration was determined by the respective provincial government. This was done independently, in order to provide councillors with financial independence from the funds which they would be responsible for controlling. Remuneration for councillors during those years was nominal by today’s standards, and more in the form of a fee or “honorarium”. Furthermore, the hours which a councillor was required to devote to the appointment were limited to the attendance of formal council and ratepayers meetings, taking up between five and ten hours per month.

The remuneration for councillors was provided for in the following ordinances of the erstwhile provinces:

- (i) The *Local Authorities Ordinance*, 1974 (Ordinance No. 25 of 1974) in the former Natal Province;
- (ii) The *Transvaal Local Government Ordinance*, 1939 (Ordinance No. 17 of 1939) in the former Transvaal Province;
- (iii) The *Local Government Ordinance*, 1962 (Ordinance No. 8 of 1962) in the former Orange Free State Province; and
- (iv) The *Cape Municipal Ordinance*, 1974 (Ordinance No. 20 of 1974) in the former Cape Province.

This system resulted in skewed and inconsistent remuneration being paid to councillors in the different provinces.

1.2 PROBLEM STATEMENT AND HYPOTHESIS

In terms of section 219(1) of the *Constitution of the Republic of South Africa*, 1996, an Act of Parliament must establish a framework for determining the upper limits of salaries, allowances or benefits of, among other persons holding public office, members of municipal councils. The *Constitution of the Republic of South Africa*, 1996 further states that national legislation must establish an independent commission to make recommendations regarding the salaries, allowances and benefits of all public office-bearers.

The *Independent Commission for the Remuneration of Public Office-bearers Act*, 1997 (Act No. 92 of 1997) provides for the establishment of the Independent Commission for the Remuneration of Public Office-bearers, and gives the President of the Republic of South Africa the discretion to decide how many members the Commission should have, as long as the members have knowledge of, or experience in matters relating to the functions of the Commission.

The Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998) provides for the remuneration of all public office-bearers in the three spheres of government, and section 7 provides that the Minister for Provincial and Local Government must determine the upper limits of the remuneration of members of municipal councils.

Subsequent to the promulgation of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), the Minister for Provincial and Local Government annually published the upper limits of the salary, allowances and benefits of councillors by notice in the *Government Gazette*, in terms of sections 7, 8 and 9 respectively, of the Act.

On 4 December 2000, the Minister for Provincial and Local Government published Government Notice No. R. 877 in the *Government Gazette* in terms of section 7 of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), which specified the upper limits of the remuneration that was to be paid to councillors with effect from the commencement of the first term of councillors. The provisions contained in Government Notice No. R. 877 were based on recommendations made by the Commission, after the Commission had undertaken a thorough investigation in this regard. However, subsequent to the publication of Government Notice No. R. 877, many stakeholders voiced numerous concerns in this regard, stating that, amongst other things, the remuneration levels were too low. Some of these concerns related to the financial impact of Government Notice No. R. 877 on the financial viability of the newly-established municipalities, and these are outlined in detail hereunder.

- (i) The remuneration scales did not reflect the responsibilities of councillors when compared to those of other office-bearers in other spheres of government;

- (ii) Individuals with the required expertise and talents were unwilling to accept full-time positions in councils due to the fact that the remuneration of councillors did not compare favourably with that in other spheres or sectors; and
- (iii) In certain cases, senior politicians had been re-deployed to serve in councils to ensure effective service delivery, and these individuals had to accept lower salaries, allowances and benefits.

Due to the issues raised above, and other problems and inadequacies in the system, during 2001 the Local Government MINMEC, and subsequently Cabinet, resolved that the entire system of remuneration of councillors be reviewed. The Department of Provincial and Local Government (DPLG) was therefore mandated to take the relevant steps to undertake this review (Department of Provincial and Local Government, 2003a).

The **problem** can therefore be **stated** that the remuneration system for councillors is presently inadequate, as it does not take into account the following:

- (i) The remuneration (salaries, allowances and benefits) that is payable to public office-bearers in the other spheres of government;
- (ii) The local government transformation imperatives;
- (iii) The purpose, duties, responsibilities, powers and activities attached to the various positions, and how they should relate to the remuneration of full-time and part-time councillors;
- (iv) Appropriate criteria for grading municipal councils; and
- (v) The affordability / financial position of municipalities to pay remuneration to councillors.

Therefore, and with regard to the above problem statement, the following **research questions** will be answered by this study:

- (i) Why is there a disparity in the remuneration of members of municipal councils, when similar benchmarked remuneration is payable to public office-bearers in the national and provincial spheres of government?
- (ii) Should the remuneration of members of municipal councillors, then, not be greater than that which is presently paid to them, when the demands of the local government transformation agenda are considered? and
- (iii) Which offices (of public office-bearers) in the national and provincial spheres of government can be identified to benchmark the remuneration of members of municipal councils, taking into account the roles and responsibilities of councillors in relation to the size of a municipal council?

In order that firm recommendations are made, this thesis therefore interrogates the above issues within the local and international environments, before well-informed proposals can be made.

With regard to the above problem statement, the following **hypothesis** is formulated:

The newly instituted and democratically elected local sphere of government in South Africa is in an early state of transformation and development. As a result, the present remuneration system applicable to members of municipal councils is inadequate, as it does not take into account the wide-ranging transformation imperatives of local government, and the roles and responsibilities of members of municipal councils.

This research study addresses the problems that have been identified, the questions that have been raised, and the hypothesis that has been formulated. Specific recommendations will thereafter be made, and guidelines will be provided on how to implement the recommendations.

1.3 RESEARCH APPROACH AND METHODOLOGY

In human science research, the method of study undertaken should comply with the norms, benchmarks and guidelines of scientific research in order to reach valid conclusions and recommendations. Scientific research methods, as required for this study, have the advantage that new knowledge can be collected while current knowledge can be reinterpreted and applied. In so doing, solutions can be found for specific problems that have been identified. Furthermore, applied research is undertaken to solve a specific problem, and in this instance, the research will add value in dealing with a problem presently being faced by local government in South Africa (Brynard and Hanekom, 1997:5).

There were several **limitations to this study** due to the fact that there has been limited research undertaken in this regard both locally and internationally. Consequently, there is a lack of relevant literature on the remuneration of members of municipal councils. The literature review that was conducted for this dissertation is not exhaustive in extent and analysis, and has led to a flow of ideas that has resulted in sound recommendations being developed.

In this study, a description of the historical and the current situation is provided by examining relevant literature such as books, journals and periodicals, legislation, official publications and correspondence, discussion documents, government reports, papers presented at workshops, seminars and conferences, speeches and debates, newsletters and pamphlets, newspapers, surveys and statistics, theses and dissertations, as well as material from the internet. Due to the sourcing of information through the above-mentioned methods, it was not deemed necessary for the study to undertake structured or focussed interviews with stakeholders. Informal discussions were, however, held with some officials that were employed in the public sector.

By making use of the above primary and secondary sources of data, the identified problems will be analytically evaluated to identify the variables and factors that have resulted in the inadequacy of the present remuneration system for councillors. The purpose, therefore, of the descriptive and analytical methods of research is to find a systematic explanation for the shortcomings identified in a particular situation.

This study incorporates both qualitative and quantitative data collection methods. Quantitative research methods are used to describe and explain facts and policy instruments developed by the relevant stakeholders (refer to the Schedule that is attached after Annexure J), while qualitative research methods aim to provide an understanding of the policies and relevant legislation, documents and literature. An imperative for this study is the premise that when relevant data and information are gathered, correct and relevant facts will result in sound and practical public policies.

1.4 REFERENCE TECHNIQUE

This dissertation uses the shorter Harvard method as well as the American Psychological Association (APA) format of referencing. Citation in the text of the dissertation refers the reader to an alphabetic reference list, or bibliography, at the end of the dissertation, which uses the author-date method of citation. The surname of the author and the date of publication are inserted at the appropriate point in the text of the dissertation. The reference list includes all sources used in the compilation and finalisation of this dissertation, and as indicated *supra* (paragraph 1.3), includes books (monographs and edited books); reference materials (dictionaries); research reports, technical reports and dissertations; newspapers; electronic sources (CD-ROMs, world wide web); and fieldwork sources (personal interviews) (Mouton, 2003:229).

1.5 CLARIFICATION OF TERMINOLOGY

In order to excel in a particular field of study, it is extremely important to understand the meanings, applications, definitions and interrelationships of concepts and terminology. Phenomena and issues relating to local government are continuously debated, and this has resulted in certain words gaining a specific technical meaning. To eradicate the possibility of more than one meaning being attached to a specific word or term, a common source of reference that attributes an exact explanation to some terminology is provided hereunder.

1.5.1 Allowances

In terms of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), allowances means any allowance, including out of pocket expenses, which forms part of an office bearer's conditions of service, other than a salary and benefits. Councillors could receive allowances for the following:

- (i) Cell phone and telephone;
- (ii) Travelling;
- (iii) Housing;
- (iv) Use of personal facilities; and
- (v) Holding the position of "office-bearer" – discussed *infra* (paragraph 2.7.3).

According to the South African Revenue Service (2003:1), an allowance is typically an amount of money granted by an employer to an employee in circumstances where the employer is certain that the employee will incur business-related expenditure on behalf of the employer, but where the employee is not obliged to prove or account for the business expenditure to the employer. The amount of the allowance is based on the expected business-related expenditure.

1.5.2 Apartheid

The foundation of the policy of apartheid was not rooted in the assumption of the common humanity, the common rights and therefore the common loyalties of all members of a complex society. It was based on the contention that differences of race and cultural inheritance are fundamental and antipathetic in association (Ballinger, 1969:15-16). This was manifested in various laws. Black people were not regarded as permanent citizens of South Africa and their presence in the urban areas was linked to their contribution to the urban economy. Apartheid legislation led to racial segregation of settlements; racially-divided local authorities and racial disparities in accessing services and housing. Apartheid local government was based on the idea that towns and cities could be separated and administered by separate local authorities with their own fiscal, administrative, legal and representative systems (Cameron, 1991:12-13; Johnson, 1994:1-2).

1.5.3 Appointed Councillor

An appointed councillor is a councillor in a local municipality who is indirectly elected to represent the local municipality at the district municipality. Appointed councillors constitute 60 per cent of the number of councillors at the district municipality, and the remaining 40 per cent of the councillors are directly elected to that municipality, in terms of section 23 read with Part 1 of Schedule 2 to the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998).

1.5.4 Benchmark

Spendolini (1992:9) defines benchmarking as a “continuous, systematic process for evaluating the products, services, and work processes of organizations that are recognized as representing best practices for the purpose of organizational improvement”. While this definition was developed for purposes of launching an

effective programme in the private sector, its relevance to this study is that elected representatives in similar positions need to be evaluated against the services and work processes that are performed by each other in the different spheres of government.

According to the Cassell Pocket English Dictionary (1995:74), benchmark is further defined as “anything that serves as a standard of comparison or point of reference”.

1.5.5 Benefits

Benefits for councillors are restricted to pension and medical aid, and are provided for in terms of sections 8(a) and 9(a) respectively of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998).

1.5.6 Ceremonial Functions

In terms of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), ceremonial functions are determined by the municipal council. According to the *South African Mayoral Handbook* (2003:57), ceremonial functions include the following:

- (i) Opening projects, civic functions, events and new buildings;
- (ii) Hosting and welcoming dignitaries to the municipality;
- (iii) Advocating council policy;
- (iv) Representing the council at civic events;
- (v) Leading / championing campaigns initiated by the mayor or the council;
- (vi) Representing the council during disasters;
- (vii) Being the “First citizen”; and
- (viii) Being a patron for local organizations on an invitation basis.

1.5.7 Councillor

Councillor means a member of a municipal council. The term “councillor” is used synonymously with the term “member of a municipal council” throughout this dissertation.

1.5.8 Democracy

The word “democracy” literally means “the government of the people”. It is derived from the Greek word *demos* (the people or masses) and *kratos* (to govern). The concept evolved first in the small Greek city estates, and was refined in the Athenian democracy (roughly between 450 B.C. and 350 B.C.). Pericles, an Athenian statesman, stated that: “Our Constitution is named a democracy, because it is in the hands not of the few but of the many. But our laws secure equal justice for all their private disputes and our public opinion welcomes and honours talent in every branch of achievement ... on grounds of excellence alone ... Our citizens attend both to public and private duties and do not allow absorption in their various affairs to interfere with their knowledge of the city’s ... We decide or debate, carefully and in person all matters of policy, holding ... that acts are foredoomed to failure when undertaken undiscussed” (Thucydides, 1951:111–112). From this definition stems a common conception that democracy ensures self-determination and self-government through popular consultation and participation, competition of ideas and policies, basic individual freedoms, equality before the law and access to opportunity to influence policy (Reddy, 1996:14; Venter, 1998:16-17; 205-206).

Democracy in local government stresses the potential ability of people to co-operatively identify and solve issues and problems they encounter collectively. Common problems cannot be resolved effectively without the participation of those affected by the solution (Ready, 1967:100-102; Levine, 1982:53; Van Der Waldt and Helmbold, 1995:5-6). The objective of local government is to create

conditions under which each individual may achieve the greatest measure of welfare and prosperity. In order to achieve local government democracy, the machinery of local government should be organized in such a manner as to allow mutual deliberation and consultation. Local democracy is that form of government seeking to unite its citizenry as a community and which constantly pursues the happiness of the largest number of its people.

1.5.9 Developmental Local Government

By definition, “developmental local government” is local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and to improve the quality of their lives (*White Paper on Local Government*, 1998:17).

1.5.10 First Term of Municipal Councils

The first term of municipal councils commenced on 5 December 2000, the date on which the first democratically held municipal elections were held in all municipalities in South Africa, which effectively signalled the beginning of the final phase of local government as provided for in the *Local Government Transition Act*, 1993 (Act No. 209 of 1993).

1.5.11 Full-time Councillor

An office-bearer in a municipal council may be appointed as a full-time or as a part-time councillor. However, such an appointment must first be determined by the MEC responsible for local government in the province, which must be in accordance with a policy framework as determined by the Minister for Provincial and Local Government. On 28 July 2003 the Minister for Provincial and Local Government published a policy framework for the designation of full-time councillors in Government Notice No. 1068. In terms of section 12(f) of the *Local*

Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), the MEC for local government must set out which councillors of the municipality, if any, may be designated as full-time.

1.5.12 Governance

Governance is used to redefine relationships between the government and society. The World Bank (1994:1) defines “governance” as the practical exercise of power and authority by governments in the management of their affairs in general and of economic development in particular. It could therefore be deduced that it encompasses the set of relationships between governments and citizens, institutions such as enterprises, special interest groups and the media. Craythorne (2003:254) suggests that governance means the manner or style in which government is carried out. If the style of governance is autocratic, or secretive, or skewed against equity, people become angry and will not accept public policy.

1.5.13 Independent Commission for the Remuneration of Public Office-bearers

The Independent Commission for the Remuneration of Public Office-bearers was established in terms of section 2 of the *Independent Commission for the Remuneration of Public Office-bearers Act, 1997 (Act No. 92 of 1997)*, and consists of eight members that are appointed by the President of the Republic of South Africa.

The Independent Commission for the Remuneration of Public Office-bearers is referred to as “the Commission” throughout this dissertation.

1.5.14 Local Government

Meyer (1978:10) defines local government as:

“Local democratic units within the unitary democratic system, ... which are subordinate members of the government vested with prescribed, controlled governmental powers and sources of income to render specific local services and to develop, control and regulate the geographic, social and economic development of defined local areas.”

Meyer (*ibid.*) further states that the following could be considered as characteristics of local government:

- (i) A local area and a local community formed and kept together by common interests;
- (ii) Participation by a local community in the government of its local affairs;
and
- (iii) A local political unit endowed with corporate status vested with subordinate governmental powers and powers of taxation to control, regulate and develop local affairs and to render specific local services.

Local government is the sphere of government closest to the people, and is entrusted with the responsibility for rendering basic services such as electricity, water, transport and health to the community and for the benefit of the community.

1.5.15 Local Government MINMEC

According to Thornhill (2002:122), the Local Government MINMEC is chaired by the Minister for Provincial and Local Government, and is composed of the following members:

- (i) Nine provincial MECs for local government;

- (ii) Heads of the nine provincial local government departments;
- (iii) Office-bearers of the South African Local Government Association;
- (iv) Chief Executive Officer of the South African Local Government Association;
- (v) Chairpersons of the nine provincial municipal associations of the South African Local Government Association;
- (vi) Representative of the National Treasury;
- (vii) Representative of the Independent Electoral Commission;
- (viii) Representative of the Municipal Demarcation Board;
- (ix) Chairperson of the Portfolio Committee responsible for local government matters;
- (x) Chairperson of the National Council of Provinces;
- (xi) Chairperson of the Financial and Fiscal Commission; and
- (xii) Other national government departments who may attend on an ad hoc basis, if and when required.

The main functions and powers of this forum are as follows:

- (i) To serve as a forum through which the role players in all three spheres of government can consult with each other on a political level in order to contribute towards the creation of legitimate, democratic, economically viable and developmental local government;
- (ii) To encourage, ensure and promote as far as local government matters are concerned, co-operative governance, consultation, co-ordination and participative decision-making; and
- (iii) To implement the provisions contained in the White Paper on Local Government, chapter 7 of the *Constitution of the Republic of South Africa, 1996*, as well as other matters pertaining to local government as contained therein.

1.5.16 Local Government Technical MINMEC

Thornhill (*id.*) states that the Local Government Technical MINMEC is chaired by the Director-General of the Department of Provincial and Local Government, and is composed of the following members:

- (i) Senior Managers, Executive Managers and Deputy Directors-General from the Department of Provincial and Local Government;
- (ii) Heads of the nine provincial local government departments;
- (iii) Chief Executive Officer of the South African Local Government Association;
- (iv) Directors of the nine provincial municipal associations of the South African Local Government Association;
- (v) Representative of the National Treasury;
- (vi) Representative of the Municipal Demarcation Board; and
- (vii) Representative of the Auditor-General's Office.

The main functions and powers of this forum are as follows:

- (i) To advise and assist MINMEC on key policy, technical and strategic local government issues, thus representing an extremely important link and consultative forum between national, provincial and local government at an official level;
- (ii) To thoroughly discuss and negotiate matters before recommendations are made to MINMEC, in view of its advisory and supportive function to MINMEC; and
- (iii) To serve as a forum to simplify the task of MINMEC by means of advising and preparing politicians for discussions at MINMEC meetings and limiting agenda items for discussion at MINMEC.

1.5.17 MEC for Local Government

In terms of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), the MEC for local government means the member of the Executive Council of a province responsible for local government in the province. Many MECs for local government have more than the portfolio of local government to deal with, for example they may deal additionally with the portfolios of traditional affairs, security, housing or traffic. The MEC for local government is sometimes referred to as the “Minister for Local Government” by provincial officials.

1.5.18 Municipal Administration

In terms of section 1 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), municipal administration refers to the organizational structure (municipality) that delivers municipal services to local residents. It consists of officials who are employed by the municipal council.

1.5.19 Municipal Council

In terms of section 1 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), the municipal council consists of politicians who are democratically elected by local residents. A municipal council is responsible for representing and governing the local area. Section 157(1) of the *Constitution of the Republic of South Africa, 1996* also provides for the composition and election of municipal councils.

1.5.20 Municipality

The word "municipality" comes from the Latin word *municipalis*, which was a city with some self-government, but subject to the central government of the Roman Empire (Cloete and Thornhill, 2004:2). A municipality is a political subdivision

that is constituted in terms of sections 151 and 152 of the *Constitution of the Republic of South Africa*, 1996 and has substantial control of local affairs, including the powers to impose taxes or to exact labour for prescribed purposes. A municipality therefore refers to a local institution comprising local elected representatives and appointed officials, which functions within a specific geographical area to provide services to its local community. Although a municipality has a right to govern and administer on its own initiative, it is, in terms of section 156(1) of the *Constitution of the Republic of South Africa*, 1996, subject to constitutional provisions as well as national and provincial legislation. Regarding its obligation to provide services to communities, to promote social and economic development, to promote a safe and healthy environment, and to encourage the involvement of the communities in local matters, a municipality may not, in terms of section 156(3) of the *Constitution of the Republic of South Africa*, 1996, enact by-laws that conflict with national or provincial legislation.

1.5.21 Office-bearer

Office-bearer means, in respect of a municipal council, a mayor, executive mayor, deputy mayor, executive deputy mayor, speaker, member of an executive committee, member of a mayoral committee, whip, or chairperson of a sub-council. Office-bearers may be appointed on a full-time or a part-time basis. The election of office-bearers is provided for in Schedule 3 to the *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998).

1.5.22 Official Functions

Official functions are functions that may be performed by all councillors, including the following:

- (i) Attending public and council meetings;
- (ii) Attending council related seminars and conferences; and

- (iii) Discharging any function that is directly related to and associated with his or her holding of public office.

1.5.23 Part-time Councillor

A part-time councillor is also referred to as an ordinary councillor, except if the councillor is an office-bearer. A part-time councillor may be employed on a permanent basis in the private sector. Prior to the first term of municipal councils, all councillors in South Africa were appointed on a part-time basis, due to the ceremonial nature of the work for which they were responsible.

1.5.24 Policy

According to Wildavsky (1979:387) "policy is a process as well as a product. It is used to refer to a process of decision-making and also to the product of that process. Policy is spoken of as what is and as what ought to be".

1.5.25 Policy Analysis

Policy analysis is about relationships between people, and is an activity creating problems that can be solved (Wildavsky, 1979:17). It is also a step-by-step way of unpacking and understanding policy choices, and comparing possible outcomes. Put differently, policy analysis is a set of tools that assists decision-makers in deciding among alternative courses of action.

1.5.26 Policy Implementation

Roux and Van Rooyen cited in Van der Molen, Van Rooyen and Van Wyk (2002:221) state that after the formulation and thorough analysis of public policy, the process of implementation should commence. However, it appears as if this phase in the policy process tends to be the most problematic one in terms of

practical policy execution. Sound policies are annually formulated and analysed in government's quest to restructure and develop South African society according to the best policy options available. Unfortunately, such options do not always include a well-designed programme on the practice of implementation. The same authors suggest further that an implementation programme should also take into consideration the following requirements:

- (i) The financial or budgetary requirements brought about by new policies or changes in existing policy;
- (ii) Organizational and administrative requirements; in other words, the administrative and organizational capacity of the department responsible may have to be realigned, or changed if necessary, in order to cope with policy changes; and
- (iii) Human resource requirements; implementing policy implies not only the availability of trained staff, but also their commitment to pursuing goals and objectives in a professional manner.

1.5.27 Proportionally Elected Councillor

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) provides that metropolitan and local councils are elected by voters registered on that municipality's segment of the national common voters' roll, to proportionally represent the parties that contested the election in that municipality, and by voters registered on that municipality's segment of the national common voters' roll in the respective wards in that municipality, to directly represent wards. The number of ward councillors in a metropolitan or local council must be equal to 50 per cent of the number of councillors determined for the municipality as prescribed. The balance of the councillors in a metropolitan or local municipality is made up of proportionally elected councillors.

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) also provides that for a district council, such council consists of councillors elected by voters registered on that municipality's segment of the national common voters' roll, to proportionally represent the parties that contested the election in that district municipality (40 per cent), and by councillors appointed by the councils of the respective local municipalities within that district municipality, to directly represent those local municipalities (60 per cent); and if the district municipality has a district management area, councillors elected by voters registered on that district municipality's segment of the national common voters' roll in that area, to proportionally represent the parties that contested the election in that area.

1.5.28 Public Administration

Corson and Harris (1963:12) state that "Public Administration is ... formulating objectives and goals, working with the legislature ... establishing and revising organizations, directing and supervising employees ..., determining work methods and procedures ... and exercising controls. It is the action part of government, the means by which the purposes and goals of government are realized. Public Administration is multi-disciplinary in nature and consists of numerous activities, processes or functions performed by public officials to promote the welfare of the community".

Fox, Schwella and Wissink (1991:2) define Public Administration as "that system of structures and processes operating within a particular society as environment, with the objective of facilitating the formulation of appropriate government policy, and the efficient execution of the formulated policy".

Public Administration as a scientific discipline, according to Botes, Brynard, Fourie and Roux (1997:257), is primarily concerned with the implementation of government policy, and involves all the various levels of government, or even an

international organization that comprises government officials. As an academic discipline and science, Public Administration is concerned with the study of all the scientific disciplines that have a bearing on the contemporary administrative and managerial practices in the public sector.

1.5.29 Public Policy

Public policy is policy serving as the enabling and guiding framework for government in all sectors and at all levels. Public policy communicates what a society values, provides guidelines for the actions and decisions that institutions take when implementing policy and provides a basis on which to foresee outcomes, and a yardstick for evaluating the performance of public institutions.

Craythorne (2003:253) states that the following factors influence public policy making today:

- (i) The Bill of Rights and the Constitution;
- (ii) The objectives of local government;
- (iii) The socio-economic environment;
- (iv) Prioritizing needs;
- (v) Financial sustainability;
- (vi) Governance;
- (vii) The influence of officials;
- (viii) The environment;
- (ix) Interest groups; and
- (x) Compliance with law.

1.5.30 Remuneration

Remuneration includes salary, allowances (such as for travelling, cell phone / telephone, use of personal facilities) and benefits (such as pension and medical aid). In terms of sections 7, 8 and 9 of the *Remuneration of Public Office Bearers*

Act, 1998 (Act No. 20 of 1998), the Minister for Provincial and Local Government must, from time to time, determine the upper limit of the various forms of remuneration.

Swanepoel, Erasmus, Van Wyk and Schenk (2000:526) define remuneration as the financial and non-financial extrinsic rewards provided by an employer for the time, skills and effort made available by the employee in fulfilling job requirements aimed at achieving organizational objectives.

1.5.31 Salary

Salary refers to the basic payment received by a person, which is given periodically, usually monthly, for work that is not of a manual or mechanical nature.

1.5.32 SALGA

SALGA means the South African Local Government Association, which is recognized in terms of section 2(1)(a) of the *Organised Local Government Act*, 1997 (Act No. 52 of 1997).

1.5.33 Sitting Allowance

In terms of the present remuneration system for councillors, a sitting allowance is payable to a councillor at a local municipality who is appointed to a district municipality, provided that the remuneration of the councillor is equal to or higher than the upper limit of the remuneration that is applicable to the office to which the councillor has been appointed. The sitting allowance is a fixed amount per day, regardless of the number of meetings of the district council or committees of that council that may be attended by the councillor on a specific day.

1.5.34 Total Remuneration Package

In recent years, the range of benefits on which tax relief could be secured was reduced by legislation. However, the practice of salary and benefit structuring within a “package” has grown in popularity. It is seen today as a corporate governance safeguard and as a critically important cost control strategy. This approach has been extended to government departments and state-owned enterprises in the country, as well as to other political office-bearers in the national and provincial legislatures.

The advantages of adopting the total remuneration package approach, and the driving force behind this movement, are:

- (i) Cost containment in relation to rapidly increasing employment benefit costs;
- (ii) Cost control;
- (iii) Greater recognition of the value of freedom of choice (ensuring that the utility of employment benefits is greater for the same expenditure levels);
- (iv) Better corporate governance of remuneration (in terms of accountability for remuneration costs, and a more accurate method of cross-comparison of remuneration with the labour market); and
- (v) Tax effectiveness (savings in take-home pay).

According to Mohr, Fourie and Associates (2000:372), “the remuneration of labour can take different forms, for example wages, salaries, bonuses, commissions, fees, allowances, royalties, overtime payments and fringe benefits (such as housing subsidies, car allowances, medical aid and pension fund contributions). Economists usually use the term “wages” to refer to the basic amount, excluding any benefits or allowances, that is paid in return for the use of labour in production. The price of labour is usually called the wage rate, that is,

the amount of money to be paid to a worker for working for a specified period, or for performing a specified number of tasks”.

Andrews (1997:20) suggests that the total remuneration package is the monetary as well as the non-monetary compensation which an employee is offered in exchange for their labour. The determination of the remuneration structure for public servants is in no way a simple task and cannot be handled in a haphazard manner. It is further stressed by Andrews that a multitude of factors must be considered because each of the factors can exercise an influence on the remuneration, and that if all the factors are not taken into consideration, public servants may become unhappy and dissatisfied because their standard of living and prospects in community life may be negatively influenced.

"Earnings" is a much broader concept which reflects the amounts actually earned by a worker during a specified period, including all bonuses and fringe benefits. In essence, the total remuneration package system consolidates salary, allowances and benefits.

1.5.35 Ward Committee

If a metropolitan or local council decides to have ward committees, it must establish a ward committee for each ward in the municipality. A ward committee consists of the councillor representing that ward in the council, who must also be the chairperson of the committee. A ward committee consists of not more than 10 other persons, and a member of a ward committee may be reimbursed for out of pocket expenses.

1.5.36 Ward Councillor

A ward councillor is a councillor that represents a ward in a local or metropolitan municipality. In a ward election, there are independent ward councillors, who are

not nominated by a party as a candidate, and there are ward candidates, who are nominated by a party as a candidate representing that party.

1.5.37 Whip

Although there is no definition for "whip" in the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) or the *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000), a municipality has the right, in terms of section 156(5) of the *Constitution of the Republic of South Africa, 1996*, to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions. It is therefore presumed that the appointment of a whip in a municipality is made in terms of this provision. Note also that the policy framework for full-time councillors, elaborated on *infra* (paragraph 6.4.7), allows municipal councils with more than 40 councillors to appoint a whip on a full-time basis.

According to Heydenrych (2006), a party whip is a member of a legislature appointed to represent his or her party's interests and ensure the effective functioning of his or her party in the legislature. Whips are responsible for keeping members of their party informed concerning council business and ensuring attendance. The term "whip" is from the British system, taken from the expression "whipping people into line". In the parliamentary system of government, the role of the chief whip of a political party is to manage other whips in the party to ensure that its members maintain discipline and good conduct and specifically to ensure that party members speak with one voice on matters of policy. Thus one of the chief whip's primary functions is to ensure cohesion between the executive and legislative branches of government. The role of the chief whip within local government in South Africa has been redefined, given that municipalities perform a dual role, encompassing both the executive and legislative domains.

1.6 STRUCTURE OF DISSERTATION

This dissertation is composed of eight chapters. It incorporates a literature study and significant empirical research, both of which have contributed towards testing the stated hypothesis.

Chapter one is introductory and provides an orientation to the study. The problem is briefly analysed and the research hypothesis is stated. The research approach and methodology are presented, whereafter key concepts and terminology are clarified.

A review of related literature is provided in **chapter two**. It elaborates on the theories of public administration and management by various scholars, and then discusses the various functions of public administration. Elements of a remuneration system are also articulated in this section, whereafter the constitutional status of public administration in South Africa, and the role of local government in South African public administration are then examined.

The early development of local government in South Africa during the apartheid period is dealt with in **chapter three**. It elaborates on the manner in which the country's five Constitutions since 1909 provided for local government, and culminates with a brief exposé of the remuneration system that was applicable to councillors until 1998.

Chapter four focuses on the development of local government in South Africa after 1998, and highlights the key interventions that had to be put in place prior to the commencement of the first and second terms of democratically elected municipal councils.

The early development of a remuneration system for councillors is dealt with in detail in **chapter five**, which examines remuneration related provisions in the country's five Constitutions, the four Ordinances in the respective provinces. The chapter concludes with the development of legislation that presently regulates the remuneration system for councillors.

Chapter six interrogates the principles that underpin the present remuneration system for councillors, and elaborates on the institutional, political and administrative systems that are unique to the local sphere of government. It also investigated the past (prior to 5 December 2000) and present roles and responsibilities of the different categories of councillors. This chapter then provides recommendations for an improved remuneration system for councillors, dealing with the founding elements of a remuneration system, and concluding by recommending the actual remuneration that should be paid to councillors.

In order to fully inform the research process and to develop internationally acceptable recommendations, **chapter seven** provides an international perspective on remuneration systems for councillors in the United Kingdom (England, Scotland and Wales), Australia and New Zealand.

Chapter eight deals with the implementation of the recommendations made in the previous chapter, and elaborates on the financial implications and legislative changes that would be required to implement the recommendations.

1.7 CONCLUSION

This chapter has provided an orientation for the study. The problem statement was analysed and the research hypothesis stated. The research approach and methodology were presented.

To eliminate the possibility of more than one meaning being attached to a specific word or term, a common source of reference was provided, that attributes an exact explanation to the technical language used throughout the thesis. A concise overview of each chapter in the dissertation was given.

The ensuing chapter provides insight into the development of local government in South Africa and traces its origins in the various Constitutions of the country. It is considered extremely important to understand the evolution of local government over the years, because as communities became more organized in their daily activities, their demands for quality goods and services increase. This means that frameworks had to be developed to effectively regulate and govern the provision of services to citizens, which gradually found greater relevance and inclusion in the supreme and founding legislation of the country. As local government gained prominence, so did the burden increase on persons being elected at the local level to deliver quality goods and services.

CHAPTER 2

A REVIEW OF LITERATURE RELATED TO THE REMUNERATION OF PUBLIC OFFICE-BEARERS

2.1 INTRODUCTION

A literature review is an account of what has been published on a topic by accredited scholars and researchers. Its ultimate goal is to bring the reader up to date with current literature on a topic and forms the basis for another goal, such as the justification for future research in the area.

A good literature review is characterized by: a logical flow of ideas; current and relevant references with consistent, appropriate referencing style; proper use of terminology; and an unbiased and comprehensive view of previous research on the topic. It is further stated that the “reasons for a review of the literature include the following:

- to identify gaps in the literature;
- to avoid reinventing the wheel (at the very least this will save time and it can stop you from making the same mistakes as others);
- to carry on from where others have already reached (reviewing the field allows you to build on the platform of existing knowledge and ideas);
- to identify other people working in the same fields (a researcher network is a valuable resource);
- to increase your breadth of knowledge of your subject area;
- to identify seminal works in your area;
- to provide the intellectual context for your own work, enabling you to position your project relative to other work;
- to identify opposing views;
- to put your work into perspective;
- to demonstrate that you can access previous work in an area;

- to identify information and ideas that may be relevant to your project; and
- to identify methods that could be relevant to your project (Deakin University online).

The purpose of this literature review is to convey to the reader what knowledge and ideas have been established on the remuneration of public office-bearers, and what the strengths and weaknesses are of the knowledge and ideas. Emanating from the literature review are concepts that are central to a clear understanding of the analysis that will be presented during the course of the dissertation.

The literature review is guided by the problem statement, the research questions and the hypothesis that have been formulated, as discussed *supra* (paragraph 1.2). This chapter discusses information that was published on public administration generally, and focuses on the functions and the theories of public administration. The constitutional status of public administration in South Africa is also discussed, whereafter the role of South African local government as a means of promoting public administration is examined.

2.2 PUBLIC ADMINISTRATION

According to Nigro and Nigro cited in Pruthi (2005:2) the following are five important characteristics of public administration:

- “It is a cooperative group effort in a public setting;
- It covers all three branches – legislative, executive and judicial – and their interrelationships;
- It has an important role in the formulation of public policy, and is thus a part of the political process;
- It is different in significant ways from private administration; and
- It is closely associated with numerous private groups and individuals in providing services to the community”.

Pruthi (*ibid.*) further states that public administration is a specialized field, and that it mainly deals with the “machinery and procedures of government activities”. It operates within a specific political setting, and is a means by which the policy decisions made by politicians are implemented. He also states that some of the following principles govern public administration and have wide acceptance:

- Authority – the political executive give broad guidelines and directions, and leaves the details of the job to officials;
- Discipline – officials must obey the decisions of superiors, and enforce discipline amongst subordinates;
- Span of control – officials must be in a position to effectively supervise an appropriate number of subordinates;
- Responsibility – authority and responsibility complement each other, and officials accountable for all their actions;
- Efficiency – the success or failure of an organisation is measured by its efficiency to deliver on its mandate;
- Co-ordination – organisations are divided into various sections and sub-sections, and each individual within the organisation is entrusted with certain responsibilities;
- Delegation – authority should be gradually delegated to subordinates to ensure that there is no stagnation of work when superiors are not available;
- Evaluation – work performed by organisations must be periodically evaluated by scientific means; and
- Research – organisations must undertake continuous research to keep pace with rapid social, economic and political change.

Fox, Schwella and Wissink (1991:2) define public administration as:

“that system of structures and processes operating within a particular society as environment, with the objective of facilitating the formulation of

appropriate governmental policy, and the efficient execution of the formulated policy”.

The environmental context, politics and policy, and policy execution and management are emphasized in the above definition, and indicates the broad nature and scope of public administration. It is also a combination of generic functions and functional activities. The generic functions of public administration, which are discussed *infra* (paragraph 2.4), can be subdivided as follows:

- Policy-making;
- Organising;
- Financing;
- Personnel;
- Determination of work procedures; and
- Control.

2.3 THEORIES OF PUBLIC ADMINISTRATION AND MANAGEMENT

According to Robbins (1976:32) there is evidence that the Egyptians practiced decentralisation and the use of staff advice around 2 000 years before Christ. He substantiates this assertion by the presence of the pyramids, and indicates that there had to exist formal plans, organization, leadership, and evaluation systems. Robbins further states that “two other institutions that contributed significantly to the development of organization design and administrative theory were the church and the military. The former is best exemplified by the Roman Catholic church. It has endured for nearly 2 000 years with a simple five-level hierarchy. In the Catholic church, the chain of authority moves from the pope to cardinals, to archbishops, to bishops, and finally to parish priests”.

The basis of current theories of public administration can be traced back to the late nineteenth and the early twentieth century – the period often referred to as the industrialisation period. Robbins (*ibid.*) indicates that if one has to specifically

pinpoint the time when the field of modern management or administrative theory was born, the year would have to be 1911. In that year Frederick Winslow Taylor published *Principles of Scientific Management*, and this publication, along with other studies conducted prior to and following its publication, established Taylor as the father of scientific management.

Robbins (*ibid.*) indicates that while Taylor was concerned with shop management, at the same time in France, Henri Fayol took a broader view. Robbins states that “Fayol can be described as the first of the administrative theorists – that is, those concerned with principles of organisation and the functions of an administrator. His most relevant contributions, from our perspective, were the designation of administrative functions and his recognition that the discipline was universal in nature”. Robbins further states that in addition to Taylor and Fayol, Max Weber, Oliver Sheldon, Herbert Simon, and Elton Mayo are amongst other writers that were major contributors to administrative theory. Their contributions are discussed briefly hereunder.

2.3.1 Frederick Winslow Taylor

According to Robbins (*ibid.*), Taylor’s ideas developed as a result of his work as an engineer, where he spent more than 20 years implementing the scientific method on the shop floor, seeking the “one best way” for each job. Robbins states that Taylor realized, amongst others, the following:

- There were no clear concepts of worker and management responsibilities;
- There were no effective work standards, nor any incentives to improve the performance of workers;
- Decisions of management were based hunches, intuition, or past experience;
- Workers performed tasks where they had little or no ability or aptitude; and
- Management and workers viewed themselves as at odds with each other, rather than cooperating towards their mutual benefit.

Robbins states that due to the above perceptions, Taylor sought to create a mental revolution by defining the following “four principles of management:

- (i) The replacement of rule-of-thumb methods for determining each element of a worker’s job with scientific determination;
- (ii) The scientific selection and training of work-men;
- (iii) The cooperation of management and labour to accomplish work objectives, in accordance with the scientific method; and
- (iv) A more equal division of responsibility between managers and workers, with the former doing the planning and supervising, and the latter doing the execution”.

After implementing the above principles, Taylor was able to achieve improvements in productivity of 200 per cent and more.

2.3.2 Henri Fayol

According to Robbins (*ibid.*) *General and Industrial Management* was Fayol’s primary work, and this publication viewed administration as a separate body of knowledge which was applicable to all forms of group activity. Fayol defined administration as planning, organising, commanding, coordinating, and controlling, which established the first enunciation of the functions of an administrator.

2.3.3 Max Weber

Max Weber, who was a German sociologist, developed a theory of authority structures and described organisational activity based on authority relations. According to Robbins (*ibid.*) “Weber described a bureaucracy as composed of specialisation of labour, a defined authority hierarchy, a formal set of rules and procedures, impersonal interactions, and selection and promotion based on

merit; and his description developed a sociological theory of organisations that significantly influenced academics and practicing administrators following World War II”.

2.3.4 Oliver Sheldon

Oliver Sheldon authored *Philosophy of Management* in 1923, and this publication differed from previous writings by including ethics and social responsibility to the scientific study of management. Sheldon recognized that administrators had a responsibility to their communities, and this was the first attempt to view management as both a science and a philosophy (Robbins, 1976:37).

2.3.5 Herbert Simon

Herbert Simon’s contributions spanned 30 years in diverse topics including mathematics, cybernetics, computers, and psychological, sociological, and economic approaches to administration. Simon authored *Administrative Behaviour*, and begins to provide an understanding of the importance and implication of decision making on the administrative process. Apart from being a significant contributor in the formative years of the development of administration, Simon also contributed to the decision science, behavioural, and systems movements (Robbins, 1976:38).

2.3.6 Elton Mayo

Elton Mayo, a Harvard psychologist, pioneered the human-relations movement by initiating an examination of the relation between the physical environment (illumination, temperature, and other working conditions) and productivity. After concluding a series of experiments, Mayo concluded that “behaviour and sentiments were closely related, that group influences were significant in affecting individual behaviour, that group standards were highly effective in

establishing individual worker output, and that money was less a factor in determining output than group standards, sentiments, and security” (Robbins, 1976:39).

This led to a new emphasis on the human factor in the functioning of organizations and the attainment of their goals, and the assumption that happy employees are productive workers.

2.4 PUBLIC ADMINISTRATION FUNCTIONS

Brynard, Botes and Fourie (1999:9) state that the generic functions of public administration “are also regarded by some authors as so-called higher level (order) functions which are increasingly used on the higher levels of the hierarchy of a public institution to achieve the objectives of an institution in an efficient and effective manner”. These functions are performed by different individuals and groups of people with the purpose of ensuring successful implementation of the aims of the state in its quest to deal with the needs of communities.

2.4.1 Policy-making

According to Hanekom, Rowland and Bain (1987:25) “the promotion of the general welfare of society depends on the policies made by the policy-makers (legislatures), the resources available, whether the policy-makers have a clear understanding of societal problems and needs, and the nature of public policy. The policy-maker should therefore adopt acceptable models for making policies and for analysing policies and policy impacts”. Policy-making must be informed by rational and careful selections from alternatives, and should not be influenced by subjectivity and future expectations.

Hanekom, Rowland and Bain (*ibid.*) further state that in South Africa, Parliament has the supreme authority to legislate for the country. Also, in terms of delegated

powers, municipal councils also have legislative powers pertaining to their respective areas of jurisdiction, but any by-laws that may be developed by municipal councils must not be in conflict with parliamentary legislation.

Senior officials also inform their political principals on matters requiring policy direction and decisions. In essence, two parties are involved in the development of policy: the legislative institutions, which are responsible for policy formulation and policy-making; and the senior officials, who are responsible for policy advice, policy formulation and for policy implementation (Hanekom, Rowland and Bain, 1997:28)

Mabala (2006:24) indicates that in South Africa, “the Cabinet Lekgotla, which is a gathering of the President and Cabinet Ministers together with directors-general of government departments is held yearly in February and July. During this gathering, issues are discussed to guide the government to meet its objectives for that particular year. The decisions made at the Lekgotla tend to guide future government activities and processes and as such, become government policy when implemented”.

Individual Ministers are also expected to determine policy with respect to particular activities that a government department is responsible for. During 1998 a review of policy relating to the remuneration of all politicians resulted in the development of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), and this Act provides a framework for the remuneration of the following public office-bearers:

- President and the Deputy President;
- Members of the National Assembly;
- Permanent delegates to the National Council of Provinces;
- Ministers and Deputy Ministers;
- Traditional leaders;
- Judges and Magistrates;

- Premiers;
- Members of Executive Councils;
- Members of Provincial Legislatures; and
- Members of Municipal Councils.

In terms of section 7 of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) the Minister for Provincial and Local Government determines the upper limits of the remuneration of councillors, as discussed *infra* (paragraph 5.7.2).

This dissertation therefore undertakes a critical evaluation of existing policy and legislation with regards to the remuneration of members of municipal councils, and makes specific recommendations in chapter 8 on improving the system of remuneration that is applicable to such public office-bearers.

2.4.2 Organising

Once government has determined its objectives and policies, the implementation process should begin. Implementation of policy is a much more demanding task than policy formulation, and requires human, financial and physical resources. Once the resources to implement the objectives have been identified, officials must develop a framework that indicates how the resources will be applied to achieve the goals and objectives. According to Roux, Brynard, Botes and Fourie (1999:11) organisation is not a goal in itself, but a means of achieving the goal, and is a necessary element to achieve the following goals:

- The division of labour or work, which ensures that the training of the particular individual is limited to his or her area of speciality;
- It establishes standard practices, which further brings about uniformity and ease of training;

- It provides for both formal and informal communication, which ensures that facts and other information are made known, collected and spread; and
- It provides a framework for training and influencing, and officials within an organisation are able to affiliate and identify with the culture of the department and also directs all actions and decision-making in accordance.

The above view is confirmed by Hanekom, Rowland and Bain (1987:207) who state that “the activities that take place are normally directed at the creation and maintenance of production lines and lines of authority and communication, as well as the determination, division and orderly grouping and arrangement of functions. An organisation is usually hierarchical in nature, which means that it will have a definite structure of competence based on its division and distribution of authority.

Organising is a continuous function that must be adapted as the environment changes, because constant rationalisation and adaptation is necessary for the effective and efficient operation of any institution.

2.4.3 Financing

Financing relates to the availing of financial resources to an organisation for it to be able to conduct its operations and activities. The financing of government activities is the responsibility of the Minister of Finance, acting in consultation with Cabinet. Financial resources are accumulated through, amongst others, the raising of taxes, the raising of loans, and by attracting donor funds. Funds that are received are earmarked for specific purposes, and it is the function of the National Treasury to monitor the effective utilisation thereof, and ensure that it is properly accounted for.

Section 213 of the *Constitution of the Republic of South Africa*, 1996 states that:

- “**213.** (1) There is a National Revenue Fund into which all money received by the national government must be paid, except money reasonably excluded by an Act of Parliament;
- (2) Money may be withdrawn from the National Revenue Fund only –
- (a) in terms of an appropriation by an Act of Parliament; or
 - (b) as a direct charge against the National Revenue Fund, when it is provided for in the Constitution or an Act of Parliament.
- (3) A province’s equitable share of revenue raised nationally is a direct charge against the National Revenue Fund.”

Legislatures must annually vote money, on the basis of a budget, so that executive institutions can pursue their work. Because legislatures are required to bear final responsibility for expenditure of public funds, they have to make rules and prescribe control measures to ensure that account is given in public of the collection and spending of public moneys (Cloete, 1997:146).

To ensure effective management of financial resources, the National Treasury has developed regulations in terms of the *Public Finance Management Act*, 1999 (Act No. 1 of 1999) to guide all public sector institutions to regulate financial management in the national government and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected therewith.

2.4.4 Determination of Work Procedures

Cloete (1997:191) states that “after policy has been formulated, the organising and financing functions have been completed, and personnel members have been appointed, the work can commence”.

Work procedures prescribe what needs to be done and how it has to be done to meet the objectives and goals. Work procedures can also be likened to specific plans or methods that have to be devised to perform tasks when one is confronted with new challenges.

According to Cloete (*ibid.*) there are two types of work procedures in the public sector. In the first instance, a procedure must be followed when the government embarks on a new course of action. The government could encourage private individuals to undertake work on its behalf, within certain parameters. However, the government could also deal with the matter itself, by mandating an institution in the public sector to undertake such new course of action. Secondly, there are procedures in place to deal with each of the matters dealt with by different institutions in the public sector. In this regard, Cloete states that:

“Since fixed procedures are laid down when two or more people are engaged in carrying out a specific task, it should be clear that the setting of work procedures and organising go hand-in-hand. In most cases the one will flow from the other. Rules and procedures also regulate human conduct. There is thus a link between the setting of procedure and the utilisation of personnel – in particular as regards supervision and leadership.”

Every aspect of administration is dynamic, and by considering the factors which necessitate change, specific changes in work procedures can be anticipated. According to Cloete (*ibid.*) it is possible to prevent procedures from becoming

obsolete, and cognisance should be taken of the following factors which necessitate changes in work procedures:

- Needs of the people;
- Technological progress;
- Scientific progress;
- Development of the administrative / management sciences; and
- Prevention of discrepancies, deviations and obsolescence.

2.4.5 Control

Once legislation has been passed, the organisational arrangements have been completed, funding provided and personnel appointed to implement the policies, control measures must be put in place to ensure accountability. Cloete (1997:205) states that “the exercise of control in the public sector can have one objective; namely to ensure that account is given in public for everything that authorities do or neglect to do, so that all citizens can see exactly what is being done or not being done to further their individual and collective interests”. In the public sector, control consists of internal control and accountability.

Internal control is part of the work of all public office-bearers in charge of executive institutions. It also entails the separation of work environments between public office-bearers and officials, and the exercise of authority so that institutions can achieve their goals and objectives.

Cloete (*ibid.*) states that firstly, control within institutions is exercised by policy-making, organisational arrangements, the determination of work procedures, arrangements for financing, and prescribing rules of conduct for the public office-bearers and the officials. Secondly, control is exercised through the use of formal control measures, such as written reports, inspections and investigations, audits, cost accounting, and statistical returns. Thirdly, control is exercised through the use of informal means. The hierarchical structure in an organisation provides for

functionaries and groups of functionaries to exercise supervision over others. Cloete (*ibid.*) further states that informal control may sometimes be more effective than the application of formal control measures, and “informal control would, in fact, be strengthened by inculcating in public functionaries a sense of duty, a will to work (zeal), diligence, national pride, self-development and professional pride (honour)”.

The intention of the *Local Government: Municipal Finance Management Act, 2003* (Act No. 56 of 2003) is to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government, and to also establish treasury norms and standards for the local sphere of government. As discussed *infra* (paragraph 4.3.4) section 167 of the *Local Government: Municipal Finance Management Act, 2003* (Act No. 56 of 2003) provides that members of municipal councils must only be remunerated within a policy framework determined by the Minister for Provincial and Local Government. This section in the Act also states that the MEC for local government in a province must report to the provincial legislature any transgressions with regard to the policy framework.

2.4.6 Personnel

According to Cloete (1985:13), personnel administration is an integral part of public administration, and is based on the following five guidelines:

- Political and legislative supremacy;
- Public accountability;
- Democratic requirements;
- Fairness and reasonableness; and
- Effectiveness and efficiency.

Cloete (1997:165) further states that “once legislation has been passed to give effect to a particular policy, the organisational arrangements have been completed and money has been made available, then personnel can be appointed to put the institution into operation”. Personnel administration as work entrusted to specific individuals and institutions consists of a combination of generic administrative functions and functional activities, and is undertaken to obtain results in particular fields of work.

The *Public Service Act, 1994* (Proclamation No. 103 of 1994) provides for the organisation and administration of the public service of South Africa, and the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service.

Chapter 7 of the *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000) provides for local public administration and human resources, and stipulates detailed provisions for the manner in which a municipality must organize its administration. Municipalities must also comply with any collective agreements concluded by organised local government.

The productivity of South African labour is low when compared with countries such as Germany, France, Britain and Japan, and this situation is further exacerbated by the practice of granting salary increases to compensate for inflation without insisting on improved productivity (Cloete 1997:189).

(i) Essential Elements of a Remuneration System

As the study intends developing recommendations for an improved remuneration system for councillors, it is imperative that the essential components of a remuneration system are discussed. Armstrong and Murlis (1994:40) state that research has shown that higher paid employees are likely to be more satisfied with their rewards but the satisfaction resulting from a large pay increase may be

short-lived. Other factors which may affect satisfaction or dissatisfaction with pay include the degree to which:

- Individuals feel their rate of pay or increase has been determined fairly;
- Rewards are commensurate with the perceptions of individuals about their ability, contribution and value to the organization; and
- Individuals are satisfied with other aspects of their employment – for example, their status, promotion prospects, opportunity to use and develop skills and relationships with their managers.

The criteria for assessing the effectiveness of financial reward practices as a means of motivation are that, they are, as far as possible, internally equitable as well as externally competitive (although there will always be a tension between these two criteria – paying market rates may upset internal relativities).

Armstrong and Murlis (*ibid.*) further indicate that the determination of individual rates of pay is a function of a number of factors, and overall levels of pay will be affected by business aims, plans and performance, external economic and union influences, reward policies and market rates.

These general considerations affect individual rates for jobs and job holders. These rates are determined by market relativities, the “size” of the job within the structure, as measured by job evaluation, and individual levels of performance. The latter determines the rates of pay above the base rate either by a performance management process or a pay-for-performance scheme.

This process of individual pay determination takes place within the framework of job and role analysis and, apart from business and market rate considerations, is largely influenced by the interrelated processes of job evaluation and performance management for those in receipt of performance-related pay.

Swanepoel, Erasmus, Van Wyk and Schenk (2000:534) state that when constructing a remuneration system, the following four basic tools or technical elements should be utilized:

- Job analysis;
- Job evaluation;
- Pay surveys; and
- Pay structuring.

(a) Job Analysis

Swanepoel, *et al.* (2000:536) state that job analysis and the resulting job descriptions constitute the basic building blocks for remuneration design. The purpose of job analysis is twofold, and that is:

- To identify the characteristics of each job so that job evaluation can be carried out; and
- To identify, define and weigh the compensable factors, that is, all those shared characteristics of jobs that provide a basis for judging job value. These factors are typically linked to the specific job evaluation plan, for example, decision-making, problem solving and accountability.

(b) Job Evaluation

According to Armstrong and Murlis (1994:80), job evaluation is used to measure relativities and determine where the job should be placed in a pay structure (the rate for the job). Relative job size is assessed in terms of inputs (knowledge and skills), process (behavioural requirements involving the use of competences) and outputs (the level of responsibility for results and the impact the job makes on team or organizational performance).

Performance management assesses the individual's performance in the job and, in a performance-related pay environment, determines the rate of pay for that

individual in the job – where he or she is positioned within a pay range or on a pay scale. The performance management process is based on precisely the same factors used in evaluating the job as recorded in a job description or role definition derived from job or role analysis: namely skills, competencies and results.

Armstrong and Murlis (*ibid.*) further state that a job evaluation exercise can generate a lot of paper and take considerable time. The use of knowledge-based software systems, usually known as expert systems, can organize the analytical processes in a way which makes the best use of a database of job analyses and evaluations, assist in making consistent judgements and record decisions to be added to the database. An expert system does this by, amongst other things:

- Grading the job;
- Sorting the job into position in the rank order; and
- Storing the information entered in the form of a factor analysis into the computer's memory so that it can be called to the screen or printed at any time.

It should be remembered, however, that computer-assisted job evaluation systems do not replace the need for human judgement in the evaluation process. They simply provide an efficient means of applying the evaluation criteria and values which have been incorporated by the designers into the expert system on the basis of their analysis of the processes and rules used by evaluators to achieve consistent results.

According to Kanungo and Mendonca (1992:247), job evaluation is the process of determining the value of a job within an organization relative to all the other jobs in that organization. The job value, so derived, becomes the foundation for establishing pay differentials among the jobs in the organization. "Ranking" and the "factor comparison method" are techniques of job evaluation, each of which is discussed below.

Ranking entails distinguishing jobs according to their value, from the most valuable to the least valuable. The job as a whole is considered, using some factor that is believed to be a valid source of value. In practice, however, the “factor” is one person’s judgement of what is believed to be of value to the organization. The advantages of ranking are that it is simple, inexpensive and practical.

The factor comparison method utilizes the concept of benchmark or “key jobs”. Benchmarked jobs are those jobs in the organization that serve as reference points or anchors from which to get a sense of the values of other jobs. The contents of key jobs do not change as drastically as the contents of non-key jobs. Because of this stability, the contents of key jobs are well known, and usually there is considerable agreement between employees and management about the nature and contents of these jobs.

Moreover, there is general agreement about the pay rates of these jobs and the pay differentials that exist among the key jobs. Another important characteristic of key jobs is that such jobs exist in a fairly large number of organizations; hence, the external labour market regards them as reference points (anchors) for wage determination.

(c) Pay Surveys

Swanepoel, *et al.* (2000:546) state that once jobs have been graded by means of job evaluation, the next step in the development of a remuneration system is the determination of a pay rate for the grades. A pay survey provides information on how other employers compensate similar jobs and skills in an organization’s labour market. The labour market for a specific job category may be defined as that area where employees are drawn from or lost to. An organization can obtain pay survey data by conducting or commissioning its own pay survey that is

designed according to its specific informational needs, or it can subscribe to various comprehensive external surveys that are conducted on a regular basis by large consultancies.

(d) Pay Structuring

Armstrong and Murlis (1994:182) state that the process of developing a new or modified pay structure consists of, amongst other things, the following steps:

- (i) Analyse present arrangements – i.e. the existing pay structure and how effectively it operates, and any specific objectives which the new or revised structure is expected to achieve;
- (ii) Set objectives and a timetable for the review;
- (iii) Consider who is going to conduct the review, including the possibility of seeking help from management consultants;
- (iv) Estimate the likely costs of conducting and implementing the review;
- (v) Analyse and evaluate benchmark and related jobs;
- (vi) Obtain market rate information;
- (vii) Make a final decision on the type of structure or structures required and the main design and operational features;
- (viii) Prepare a detailed design for the structure and how it will be managed and maintained;
- (ix) Train managers in how to operate the structure; and
- (x) Monitor the implementation of the structure, and evaluate the application and impact thereof.

The objective is to be as systematic as possible in basing the design on analysis and information produced by job evaluation and market surveys. Judgement is, however, required at every stage to interpret pay structure and in balancing the respective demands of internal equity and external competitiveness.

Pay structure design is, therefore, often an empirical process. There is no one right way of doing it. An initial structure may be designed but when presented for consideration, many different views may be expressed about its suitability. Alternative designs may have to be tried, tested and, often, reconsidered until a result is at last obtained with which, on balance, everyone is reasonably happy.

According to Kanungo and Mendonca (1992:274) the concept of pay equity has evolved over time. Pay equity was originally understood as “equal pay for equal work”. Employees who do identical jobs should be paid the same. Pay differentials, if any, should be only for reasons of performance, experience and seniority. The concept of equal pay for equal work was generally accepted in the work place – although some players who accepted the principle nevertheless paid men a higher pay rate than women because of their belief that the earnings of a man were the principal source of income for the family.

However, changes in traditional roles, the influence of the feminist movement, and the increasing participation of women in the workforce brought about a re-definition of pay equity. It began to be seen as “equal pay for similar or substantially similar work”. According to this definition, employees, whether they are male or female, who do similar work, should be paid the same. This change in the definition of pay equity was only a transitional phase to the present understanding of pay equity, which is “equal pay for work of equal value”. According to this concept, employees, whether they are male or female, who do different work but whose work is of equal value to the organization should be paid the same. As members of municipal councils are both men and women, and the demands on them are the same, they should therefore receive the same remuneration.

Kanungo and Mendonca (*ibid.*) suggest that there are three major steps in the design of a pay structure. First, the organization decides on a pay level policy. Second, the organization carries out the statistical procedures that relate the data

from the relevant external labour market to the organization's pay level policy. Finally, the organization constructs a pay structure – the pay grades and pay ranges.

There are two basic approaches to constructing a pay structure. One approach takes the job structure as it is and, using a regression model, converts the job evaluation points of each job into a monetary value that represent the pay of that job. Under this approach, different jobs will be treated differently and will, in effect, become a separate pay grade. Thus there will be as many pay grades as there are different jobs. This approach is logical and is consistent with the theory that different jobs should be paid differently.

The other approach is to group jobs into pay grades, with each grade consisting of jobs within a certain range of point values. When jobs are grouped into pay grades, all the jobs with points within the interval of the pay grade receive the same pay. The base pay change will occur only when the employee is promoted to a job in the next pay grade.

A well-designed pay structure maintains the right balance between internal and external equity consistent with the organization's compensation philosophy. There are, however, situations where the individual's salary is outside the established pay ranges, either below the minimum or above the maximum of a pay grade. Often, too, a large number of employees will be bunched close to or at the top of a pay grade. In these situations, the motivating potential of the pay structure is not fully realized.

An individual's salary could be below the minimum of the pay grade because the individual is a new employee or due to the "capping" policy of the organization. An individual's salary could also be above the maximum of the pay grade due to the following reasons:

- Employees were receiving substantial seniority increases, which placed them beyond the maximum of the pay grade;
- Employees' performance justified merit increases that placed them above the maximum of the pay grade; or
- Employees were demoted from a job in a higher pay grade to a job in a lower pay grade, with the salary remaining unchanged.

The appropriate salary administration strategy in this situation is to freeze or to reduce the individual's salary. Most organizations freeze the salary until upward revisions in the pay structure bring the salary into the regular pay range.

Kanungo and Mendonca (*ibid.*) further state that the pay structure, like any other compensation technique, method, or structure, should be viewed as a means to an end, and should support the business objectives and strategies of the organization. If the pay structure is treated as an end in itself, then the decisions relating to it are sure to become dysfunctional and will not contribute to the effectiveness of the organization.

(ii) The Applicability of Essential Remuneration Elements to the Remuneration of Public Office-bearers

While the above essentials have indicated how remuneration systems in organizations are determined for the greater "labour market", their applicability to persons holding public office needs to be adapted, as the "labour market" in this instance would be the "pool" of active or aspiring politicians in all spheres of government.

As discussed *infra* (paragraph 5.7.1), the Independent Commission for the Remuneration of Public Office-bearers develops recommendations for the remuneration of all persons holding public office. Attention should therefore be paid to this constitutionally entrenched institution, and the recommendations

developed by it, in order to ensure that any proposals that may be developed have a sound frame of reference and point of departure. It is therefore of paramount importance for the remuneration of members of municipal councils to be appropriately benchmarked against politicians in the other spheres of government, with due regard to the roles and responsibilities of the various offices, and the inherent requirement to deploy politicians between the spheres of government.

(iii) Criteria for Compensating Public Office-bearers

Members of municipal councils are locally elected politicians and do not form part of the administration of a municipality, and their remuneration and conditions of service are not influenced by collective agreements concluded by organised local government. The *Independent Commission for the Remuneration of Public Office-bearers Act, 1997* (Act No. 92 of 1997) requires the Commission to take into account the job content: that is the role, status, duties, functions and responsibilities of the office-bearers concerned. Thereafter, the Commission must consider possible comparators in current principles, and levels of remuneration of organs of state particularly and society generally. It must also consider external fiscal restraints such as affordability and available state resources, as well as macro economic factors such as inflation and any other factor the Commission considers relevant.

The *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) provides the framework for determining salaries, allowances and benefits of all public office-bearers. Public office-bearers fall in vastly different classes of roles, status, duties, functions and responsibilities. They are drawn mainly from the three arms of the state, namely the legislature, the executive and the judiciary. They also emerge from different spheres of government, namely national, provincial and local, and include traditional leaders at various levels of authority. What they share in common is that they are not members of the public service

“which must loyally execute the lawful policies of the government of the day”, but may not “be favoured or prejudiced only because they support a particular political party or cause”, as provided for in section 197 of the *Constitution of the Republic of South Africa, 1996*.

Distinguishing characteristics of the roles of a public office-bearer are high-level decision-making, sound judgement and discretion for which they are publicly accountable. They are required to exercise their discretion - be it legislative, executive or judicial, in accordance with the law, honestly and in the public interest, because they are accountable towards all citizens.

The Commission has to review and make recommendations on salaries, allowances and benefits of public office-bearers at least once every year. Ordinarily, **salaries** refer to the guaranteed and basic cash portion of remuneration. **Benefits** include mainly pension and medical aid benefits and, in a few remaining instances, housing and other benefits. An **allowance** is a specified payment to an employee, other than a salary or benefit that is aimed at reimbursing out of pocket expenses arising from the needs of the job or office.

Actual remuneration that should be payable to members of municipal councils is discussed *infra* (paragraph 6.6.2).

2.5 CONSTITUTIONAL STATUS OF PUBLIC ADMINISTRATION IN SOUTH AFRICA

Theoretically, South Africa has one of the most advanced systems of local government in the world with its powers and functions being entrenched in the *Constitution of the Republic of South Africa, 1996*. Chapter 10 of the Constitution deals with “Public Administration”, and section 195 provides for the basic values and principles governing public administration. Section 195 states that:

- “(1) Public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles:
- (a) A high standard of professional ethics must be promoted and maintained.
 - (b) Efficient, economic and effective use of resources must be promoted.
 - (c) Public administration must be development-oriented.
 - (d) Services must be provided impartially, fairly, equitably and without bias.
 - (e) People’s needs must be responded to, and the public must be encouraged to participate in policy-making.
 - (f) Public administration must be accountable.
 - (g) Transparency must be fostered by providing the public with timely, accessible and accurate information.
 - (h) Good human-resource management and career-development practices, to maximize human potential, must be cultivated.
 - (i) Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.
- (2) The above principles apply to—
- (a) administration in every sphere of government;
 - (b) organs of state; and
 - (c) public enterprises.
- (3) National legislation must ensure the promotion of the values and principles listed in subsection (1).
- (4) The appointment in public administration of a number of persons on policy considerations is not precluded, but national legislation must regulate these appointments in the public service.

- (5) Legislation regulating public administration may differentiate between different sectors, administrations or institutions.
- (6) The nature and functions of different sectors, administrations or institutions of public administration are relevant factors to be taken into account in legislation regulating public administration.”

The public administration system in South Africa has changed radically since 1994 when the country embraced a democratic order. The change process has been characterized by many successes, but many challenges remain to making the system work optimally – particularly given the extent of needs regarding public services for the majority of South Africa’s population. Against the background of the initiative of Government in creating a single public service, the Governance and Administration cluster task team under the leadership of the Department of Public Service and Administration has developed the *Public Administration Management Bill*. The aim of the Bill is to provide for a single public service that is intended to promote more efficient co-ordination between the different spheres of government, eliminating fragmentation and facilitating seamless service delivery; and secondly, an integrated public service to enable the mobility of staff between the spheres of government. It seeks to establish a dispensation where public administration involving all three spheres falls under the Minister for Public Service and Administration.

The *Public Administration Management Bill* also provides for the following objectives:

- Create and transform systems and mechanisms for service delivery in order to enhance seamless service delivery at and between public administration institutions;
- Create a common culture of service delivery within the public administration and provide for norms and standards for services by public administration institutions;
- Strengthen relations between the three spheres of government;

- Enhance coherent, integrated planning, budgeting, implementation, reporting, monitoring and evaluation within the public administration in general and specifically in relation to joint programmes;
- Provide a framework of norms and standards for employment practices, including remuneration and other conditions of service, in respect of all employees within the public administration;
- Provide a framework for employee relations and mandating arrangements in respect of all employees within the public administration;
- Provide for deviations from frameworks for the public administration in exceptional circumstances or in respect of certain categories of employees;
- Provide for the transfer of functions and employees between the spheres of government and institutions within such spheres;
- Create a single senior management service for the public administration in order to facilitate the deployment of managers;
- Provide for a strategy for human resource development for the public administration to align training and other capacity building;
- Provide for a strategy for anti-corruption and standards of conduct for the public administration; and
- Provide for a strategy for electronic government for the public administration as a key mechanism to improve internal efficiency of institutions and service delivery to the public (Department of Public Service and Administration, 2006).

The single public service intervention by government should be seen as revolutionising the personnel arrangements in the public sector, and it is hoped that this facilitates the effective and efficient delivery services by all personnel in the employ of the state.

2.6 THE ROLE OF LOCAL GOVERNMENT IN PUBLIC ADMINISTRATION IN SOUTH AFRICA

Chapter 7 of the *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000) provides for local public administration and human resources, and states that local public administration is governed by the democratic values and principles embodied in section 195 (1) of the Constitution.

The *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000) further provides that a municipality must organize its administration in a manner that would enable the municipality to:

- (i) Respond to the needs of the local community;
- (ii) Facilitate a culture of public service and accountability among its staff;
- (iii) Be performance orientated and focused on the objects of local government, as entrenched in the Constitution;
- (iv) Ensure that its councillors and employees align their roles and responsibilities with the priorities and objectives set out in the municipality's integrated plan;
- (v) Establish clear relationships, and facilitate co-operation, co-ordination and communication, between its councillors and its administration, and its councillors and administration and the local community;
- (vi) Organize its councillors and administration in a flexible way in order to respond to changing priorities and circumstances;
- (vii) Perform its functions through operationally effective and appropriate administrative units and mechanisms;
- (viii) Assign clear responsibilities for the management and co-ordination of management units and mechanisms;
- (ix) Hold the municipal manager accountable for the overall performance of the administration;
- (x) Maximize efficiency of communication and decision-making within the administration;

- (xi) Delegate responsibility to the most effective level within the administration;
- (xii) Involve staff in management decisions as far as it is practicable; and
- (xiii) Provide an equitable, fair, open and non-discriminatory working environment.

The above requirements must be seen as a “wish-list” for municipalities to adhere to, because if they complied absolutely in this regard, municipalities will experience little or no problems, and service delivery will be optimally provided. This is not the case.

According to Atkinson and Reitzes (1998:4) the status of local government as contained in the *Constitution of the Republic of South Africa, 1996* is concerning. They point out that, firstly, “section 156 of the Constitution defines municipal power as limited to the executive authority in respect of, and the right to administer, those Part B Schedule 4 and 5 matters ... and to make and administer by-laws for the effective administration of those matters ... although legislative powers can be assigned or delegated, this really leaves municipalities at the mercy of other spheres in terms of policy-making”.

Secondly, there are instances where “many features of the co-operative government model allow for a measure of intrusion in municipal affairs”. When a municipality cannot or does not fulfil an executive obligation in terms of Constitution or legislation, a provincial government may, in terms of section 139 of the Constitution, intervene in that municipality by taking any appropriate steps to ensure fulfilment of that obligation.

The third concern raised by Atkinson and Reitzes is that relating to structural choice. They state that while the Constitution provides for categories of municipality, Parliament defines the type of municipality, the criteria for their establishment, and makes provision for an appropriate division of powers and functions between municipalities.

The fact that Parliament has legislative power over municipal councils, committees, financial grants, revenue powers and budgeting, and the further reality that Parliament and provinces have unspecified residual powers, are other concerns raised by Atkinson and Reitzes.

To provide impetus to the above obligations, municipalities have at their disposal certain institutional, political and administrative systems that are provided in the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998). These systems are discussed in greater detail hereunder.

2.7 INSTITUTIONAL, POLITICAL AND ADMINISTRATIVE LOCAL GOVERNMENT SYSTEMS IN SOUTH AFRICA

Cloete and Thornhill (2004:77) confirm that the municipal council is the dominant legislative and executive institution in every municipality, and that it is therefore necessary that they should familiarize themselves with the reformed system of local government, as ushered in on 5 December 2000. Considine (2005:96) asserts that electoral systems deliver two results in democratic systems, namely they provide citizens with authoritative representatives and they create an executive to rule and make policy. While there is an important distinction to be made between representative and executive roles, in practice these are intertwined. The policy significance of the executive arm cannot be identified without also analyzing the role of legislatures. The executive arm is composed of two important elements and bringing these two into harmony is of great significance to the overall architecture and design of the policy system. The two elements involve the political leadership of the system and the administrative apparatus, or bureaucracy.

Reddy (1996:102) asserts that the municipality, as a political institution, can have a major impact on levels of political knowledge, consciousness, participation and cohesion within the locality as:

- Councillors are supported in acting as the management committee and as the elected representatives;
- The representative political process is harnessed to the participative political process, and councillors are enabled to act as facilitators and channels for broad-based civic movements within the community;
- The council sees itself as the forum for the diverse and often competing interests within its area, and tries to build coalitions of common interest; and
- The council recognises that it is the only organization with a mandate to reflect and represent the common interests of the whole community.

2.7.1 Categories and Types of Municipalities

Section 155 of the *Constitution of the Republic of South Africa*, 1996 provides for three categories of municipalities (A, B and C), and that national legislation must define the different types of municipality that may be established within each category.

To give effect to the requirement that national legislation must define the different types of municipality, the *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998) provides for five executive systems for municipalities as follows:

- (i) Collective executive system, which allows for the exercise of executive authority through an executive committee in which the executive leadership of the municipality is collectively used;
- (ii) Mayoral executive system, which allows for the exercise of executive authority through an executive mayor in whom the executive leadership of the municipality is vested, and who is assisted by a mayoral committee;
- (iii) Plenary executive system, which limits the exercise of executive authority to the municipal council itself;

- (iv) Subcouncil participatory system, which allows for delegated powers to be exercised by subcouncils established for parts of the municipality (metropolitan municipality only); and
- (v) Ward participatory system, which allows for matters of local concern to be assigned wards to be dealt with by committees established for wards.

Sections 8, 9 and 10 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) further provides that category A, B and C municipalities could, respectively, have the under-mentioned types of executive system:

For category A municipalities:

- (i) A collective executive system;
- (ii) A collective executive system combined with a subcouncil participatory system;
- (iii) A collective executive system combined with a ward participatory system;
- (iv) A collective executive system combined with both a subcouncil and a ward participatory system;
- (v) A mayoral executive system;
- (vi) A mayoral executive system combined with a subcouncil participatory system;
- (vii) A mayoral executive system combined with a ward participatory system;
and
- (viii) A mayoral executive system combined with both a subcouncil and a ward participatory system.

For category B municipalities:

- (i) A collective executive system;
- (ii) A collective executive system combined with a ward participatory system;
- (iii) A mayoral executive system;
- (iv) A mayoral executive system combined with a ward participatory system;
- (v) A plenary executive system; and

- (vi) A plenary executive system combined with a ward participatory system.

For category C municipalities:

- (i) A collective executive system;
- (ii) A mayoral executive system; and
- (iii) A plenary executive system.

Provincial legislation must determine the different types of municipality that may be established in that category of municipality in the province. As can be seen from the above, some of the types are combinations of the systems provided for by the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), and refer to the executive system used by the different categories of municipality.

2.7.2 Composition and Objectives of Municipal Councils

Mahwood (1983:12) states that the body responsible for policy deliberation in African local government is almost invariably a large council, wholly or mainly elected, with the chairperson or mayor drawn from its own members. The next stage is the management structure, which is broadly described as the executive. The latter drafts the budget and local legislation, appoints staff, prepares council decisions for approval and execution, and is responsible for financial accounting. Mahwood (*ibid.*) states that the mayor's influence emanates from his central position in the policy-making process, rather than from any powers which are formally conferred on him as an individual. He is appointed at the choice of the council, or by the government from among the councillors, but in Africa he has no "mandate" directly from the people. Once in office, though, he becomes the ceremonial head and the leader of council business.

Chapter 3 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) provides for, amongst other things, the composition, membership, operation and dissolution of municipal councils. Section 18 provides that

municipalities must have municipal councils, and stipulates that a council must meet at least quarterly. It directs that councils should consist of a number of councillors determined by the MEC for local government in the province concerned, by notice in the *Provincial Gazette*. It further states that a municipality has the power to designate councillors determined by the MEC for local government as full-time, in accordance with a policy framework as determined by the Minister for Provincial and Local Government.

In terms of section 19 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), a municipality must strive within its capacity to achieve the objectives set out in section 152 of the *Constitution of the Republic of South Africa, 1996*. A council must annually review:

- (i) The needs of the community;
- (ii) Its priorities to meet those needs;
- (iii) Its processes for involving the community;
- (iv) Its organizational and delivery mechanisms for meeting the needs of the community; and
- (v) Its overall performance in achieving its objectives.

A municipal council must develop mechanisms to consult the community and community organizations in performing its functions and exercising its powers. In this regard, chapter 4 of the *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000) provides for community participation.

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) provides for the qualifications of councillors, and indicates that a person seeking election as a councillor must be qualified to stand as a candidate. According to Craythorne (2003:67), every citizen who is qualified to vote, has the right to stand as a candidate in an election for that council. However, the following persons may not stand for election as a councillor:

- (i) Any person disqualified from voting for the National Assembly;

- (ii) A municipal employee;
- (iii) A member of the National Assembly, National Council of Provinces or of a provincial legislature;
- (iv) A member of another council;
- (v) A person who is appointed by, or is in the service of the state and receives remuneration for that appointment or service;
- (vi) An unrehabilitated insolvent;
- (vii) A person who has been declared by a court to be of unsound mind; and
- (viii) A person who has been convicted and sentenced to more than 12 months imprisonment without the option of a fine.

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) also provides that metropolitan or local councils are elected by voters registered on that municipality's segment of the national common voters' roll, to proportionally represent the parties that contested the election in that municipality; and by voters registered on that municipality's segment of the national common voters' roll in the respective wards in that municipality, to directly represent wards. The number of ward councillors in a metropolitan or local council must be equal to 50 per cent of the number of councillors determined for the municipality as prescribed. The balance of the councillors in a metropolitan or local municipality consists of proportionally elected councillors. Local municipalities with fewer than seven members have no wards, and it would appear that as the more rural areas have a lower number of registered voters which would result in fewer councillors, members should represent all inhabitants and not focus on only a certain geographic area.

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) also provides for the election and appointment of district councils, which consist of councillors as follows:

- (i) Councillors elected by voters registered on that municipality's segment of the national common voters' roll, to proportionally represent the parties that contested the election in that district municipality;
- (ii) Councillors from the respective local municipalities within that district municipality, to directly represent those local municipalities; and
- (iii) If the district municipality has a district management area, councillors elected by voters registered on that district municipality's segment of the national common voters' roll in that area, to proportionally represent the parties that contested the election in that area.

Cloete and Thornhill (2004:86) suggest that as a general guideline, it could thus be stated that a municipal council consists of directly elected and appointed members.

Craythorne (2003:68) confirms that "South Africa uses a proportional representation system exclusively for national and provincial elections, and a mixed ward / proportional system for local government elections. Out of 211 countries, 66 (or 31 per cent) use the list system of proportional representation and out of 36 established democracies, 15 (or 14 per cent) use the list system. Proportional representation systems are dominant in Latin America and Western Europe and make up a third of all systems in Africa. There are a considerable number of variations in proportional representation systems, because countries take on and adapt a basic system to meet their specific needs. Prior to the introduction of proportional representation into South Africa, the system used was based on the Westminster model of government and because the electorate had to choose a winner, this model was known as First Past the Post, an analogy with horse racing".

The term of office of municipal councillors is five years, calculated from the day following the day set for the previous election. If a council is dissolved or when its term of office expires, an election must be held within 90 days. Whenever a new

election is necessary, the Minister for Provincial and Local Government, after consulting the Independent Electoral Commission, must by notice in the *Government Gazette* call and set a date for an election within the 90 days. In terms of section 24 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), this notice may be published before or after the expiry of the term of office of municipal councils.

Stoker and Wilson (2004:219) suggest that local politics is therefore, more than simply the activities of political parties within elected local government. It is also about the distribution of scarce resources. This distribution is characterized by conflict and the exercise of power between competing interests. Competition and difference are the basis of politics, not consensus and harmony. The role of political institutions, both within local government and beyond, is to regulate the excesses of such conflict and to seek balanced, or at least acceptable, compromises between competing interests. Moreover, there is a general expectation that such institutions meet with the basic democratic principles of political equality and popular control.

2.7.3 Office-bearers

Craythorne (2003:99) indicates that under the old provincial ordinances, a single councillor could not hold executive power, and all executive decisions had to be taken corporately, either at full council meetings or at meetings of committees.

Councillors are elected to represent local communities on municipal councils, to ensure that municipalities have structured mechanisms of accountability to local communities, and to meet priority needs of communities by providing services equitably, effectively and in a sustainable manner, within the means of the municipality (Code of Conduct for Councillors, *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000)).

(a) The Speaker

Each municipal council must have a Speaker. The Speaker is the chairperson of the council, but in the case of local and district councils with a plenary executive system, the Speaker must be called the mayor. The Speaker is elected for the term of the council, unless he or she: resigns as Speaker; is removed from office; or ceases to be a councillor.

The statutory functions of the Speaker include the following:

- (i) Presiding at meetings of the council;
- (ii) Ensuring that the council meets at least quarterly;
- (iii) Maintaining order during meetings;
- (iv) Ensuring compliance in the council and council meetings with the Code of Conduct set out in Schedule 1 of the *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000); and
- (v) Ensuring that council meetings are conducted in accordance with the rules and orders of the council.

In determining the extent of the Speaker's duties outside of council meetings, cognisance must be taken of the delegated powers and duties. A wide range of powers are available that may be delegated to municipal Speakers, including public participation in legislative matters and support to councillors. It has become practice in many municipalities to allocate responsibility for ward committees to Speakers. The Guidelines on Ward Committees issued by the Minister for Provincial and Local Government further enhances this role.

It became clear during the Public Participation Conference hosted by the DPLG in March 2005 that Speakers, in some cases, even become overburdened by the tasks associated with this role and request additional administrative support. Recent emphasis on the improvement of public participation in municipalities could also imply a greater focus on the Speaker's role in this regard.

Further, the role of the Speaker with regard to compliance with the Code of Conduct requires the Speaker to monitor compliance of councillors with provisions pertaining to the general conduct of councillors, attendance of meetings; disclosure of interests; and that councillors may not intervene in the administration of municipalities.

Thus, if the Speaker is of the opinion, on reasonable suspicion, that the Code of Conduct has been breached, he or she must authorize an investigation into the alleged breach and report the matter to council and the MEC. This responsibility of the Speaker could require a continuous, even daily, focus from the Speaker.

Craythorne (2003:112) states that “in parliamentary practice, it is not unusual to give Speakers control over matters such as the approval of leave for councillors, the development of procedural orders and rules and their administration ... and control over the secretariat which serves the council and its committees ... all these matters are politically neutral and not only enhance the status of the Speaker, but makes one politician responsible for the smooth running of the council’s political structures”.

(b) The Mayor and the Deputy Mayor

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) provides for the election and the functions of mayors. The municipal council must elect a member of its executive committee as a mayor and, if the MEC for local government in the province so approves, another member of the executive committee as the deputy mayor of the municipality. The election of a mayor or deputy mayor takes place at the same time as the executive committee is elected, or when it is necessary to fill a vacancy. A mayor and deputy mayor are elected for the duration of that individual's term as a member of the executive committee, but vacate office during a term if they resign as mayor or deputy

mayor; are removed from office as a member of the executive committee; or cease to be a member of the executive committee. A person may hold office as mayor or deputy mayor for not more than two consecutive terms. A mayor whose two consecutive terms have expired, may not immediately thereafter be elected as deputy mayor.

The functions of the mayor of a municipality include the following:

- (i) Presiding at the meetings of the executive committee (as the chairperson);
and
- (ii) Performing the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by the municipal council or the executive committee.

The deputy mayor exercises the powers and performs the duties of the mayor if the latter is absent or not available, or if the office of the mayor is vacant. The mayor may delegate duties to the deputy mayor.

A mayor may serve on an executive committee or any other committee of a municipal council either in the ordinary capacity as a councillor; or by virtue of holding the office of mayor. A municipal council may determine that a mayor has no voting rights when serving on the executive committee or any other committee.

According to Craythorne (2003:114), the “current status of mayors has changed drastically from the older, traditional model inherited from nineteenth century England. The traditional mayor was a ceremonial figure and, in part, the leading citizen of a town, who was considered to be apolitical in the sense of being above the political activities and conflicts in the council; the office of mayor was an office of dignity, calling for respect. The new South African mayor is the political leader of the council, and has far greater influence than was the case in the past”.

(c) The Executive Mayor and the Deputy Executive Mayor

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) provides for executive mayors for particular types of municipalities. If a municipal council chooses to have an executive mayor it must elect one and, if the MEC for local government in the province so approves, also a deputy executive mayor, from among its members, at a meeting held for the purpose.

An executive mayor is entitled to receive reports from committees of the council and to forward these reports, together with recommendations, to the council when the matter cannot be disposed of by the executive mayor in terms of his/her delegated powers. It is clear that an executive mayor's functions are similar to those of an executive committee.

The duties of the executive mayor include the following:

- (i) Identifying the needs of the municipality;
- (ii) Reviewing and evaluating those needs in order of priority;
- (iii) Recommending to the municipal council strategies, programmes and services to address priority needs through the Integrated Development Plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and
- (iv) Recommending or determining the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.

In addition to the above, the executive mayor performs a ceremonial role as the municipal council may determine, and must report to the municipal council on all decisions taken by him or her. The deputy executive mayor of a municipality exercises the powers and performs the duties of the executive mayor if the latter is absent or not available, or if the office of the executive mayor is vacant.

It should be noted that in the past, some of these powers (such as the efficiency of credit control, the implementation of by-laws and the management of the administration) would have vested in a chief executive officer.

Craythorne (2003:113) states that “the executive mayor can be described as being a one-person executive committee. However, in all things, the council remains the supreme body, because section 151(4) of the *Constitution of the Republic of South Africa*, 1996 vests the executive and legislative authority of a municipality in the municipal council. It is best to consider the position of an executive mayor at two levels. At one level, the executive mayor is a formulator of policy. At another level, the executive mayor is both a monitor and manager who ensures that action occurs and in doing so, exercises delegated power”.

Neither the deputy mayor nor the deputy executive mayor has any statutory powers, but each assumes the powers of the mayor/executive mayor when he or she is absent or unavailable. Craythorne (*ibid.*) suggests that “on the face of it, and bearing in mind their higher remuneration, there seems little point in having deputy mayors/executive mayors, but in councils where portfolios are allocated, particularly in the case of non-executive deputies, they can be given meaningful work”.

(d) The Whip

Neither the *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998) nor the *Local Government: Municipal Systems Act*, 2000 (Act No. 32 of 2000) mentions the position of a whip in a municipality. However, municipal councils take it upon themselves to appoint a councillor into such a position, defending such appointment by quoting section 156(5) of the *Constitution of the Republic of South Africa*, 1996 which states that a “municipality has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions”.

According to Heydenrych (2006), the operation of a municipal council and the conduct of political representatives are an integrated mesh of roles, functions and responsibilities, for which the council chief whip has to create synergy and maintain discipline. The council chief whip's role spans both the political and administrative domains of council, with the emphasis on the political aspect.

In the City of Johannesburg Metropolitan Municipality, for example, the system consists of the chief whip of council and the chief whips of the other political parties represented on the council. The chief whips of all political parties are members of the chief whips' forum. One of the responsibilities of the forum is to deal with issues that could hamper the constructive relations between the various political parties represented on council. This is a new responsibility given to chief whips. Councillors generally understand the importance of this form of facilitation that is aimed at effective and efficient decision making on policy-related issues. The council chief whip also collaborates on a regular basis with the Speaker on issues of conduct, councillor benefits and governance. Further, equitable representation in the different council committees has to be overseen and the council chief whip ensures that these committees meet regularly and contribute constructively to the business of council. The council chief whip chairs the Section 79 Disciplinary Committee and is also a member of the Section 79 Rules Committee.

Heydenrych (2006) further asserts that an equally important role of the council chief whip pertains to political accountability, such as the accountability of councillors to ward committees and the allocation of proportional representation councillors to wards, to improve their accountability to communities.

It would appear that the Minister for Provincial and Local Government has acknowledged the action of municipalities in appointing a chief whip, and has provided for such an office in the policy framework for the designation of full-time

councillors that has been determined by the Minister, albeit for fairly large municipalities only.

2.7.4 Municipal Structures

The *Constitution of the Republic of South Africa*, 1996 provides that a municipal council may elect an executive committee and other committees, subject to national legislation. The *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998) was intended to set out a number of municipal structures for the effective performance of municipal functions. Each structure is described and discussed hereunder.

(a) Executive Committees

Only municipalities of the type that allows executive committees may establish such structures. One of the most important aspects of executive committees is that they are a “collective executive system which allows for the exercise of executive authority through an executive committee in which the executive leadership of the municipality is collectively vested” (Craythorne, 2003:115). The emphasis is thus on the collective exercise of executive power.

Craythorne (*ibid.*) further states that “the establishment of an executive committee takes place after each general election. The number of members is calculated on the basis of 20 per cent of the total number of councillors or 10, whichever is the lower, and the composition of the committee must be such that the parties and interests on the council are proportionally represented. Thus, if there are 90 councillors, the executive committee can consist of only nine members”.

Members of the executive committee are elected for the term of office of the council, but a vacancy may occur if a councillor resigns as a member of the

executive committee, or if one or more members of the executive committee are removed from office, or if a member ceases to be a councillor. If all the members are removed from office, a new election of mayor, deputy mayor if necessary, and members of the executive committee must take place.

The functions and powers of an executive committee are important, and may be seen as a “mirror image” of the functions and powers of the executive mayor. The executive committee is the principal committee of the council and receives reports from the other committees, which must be forwarded to the council with recommendations, unless the executive committee can dispose of the matter in terms of its delegated powers. The other functions of the executive committee are to:

- (i) Identify the needs of the municipality;
- (ii) Review and evaluate those needs in order of priority;
- (iii) Recommend to the municipal council strategies, programmes and services to address priority needs through the Integrated Development Plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and
- (iv) Recommend or determine the best methods, including partnerships and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.

According to Craythorne (2003:116), “these are powerful functions which address the very heart of the constitutional mandate to give priority to the basic needs of the community. Past models of executive committees were concerned with financial control, personnel matters, litigations, and property management, with policy formulation added in; the new functions are directed towards what can be called developmental local government. However, it is likely that executive committees will also be given the “older” functions of committees of the past.

The powers of an executive committee are that it must:

- (i) Identify and develop criteria in terms of which progress in the implementation of the strategies, programmes and services referred to above can be evaluated, including key performance indicators which are specific to the municipality and common to local government in general;
- (ii) Evaluate progress against the key performance indicators;
- (iii) Review the performance of the municipality in order to improve:
 - The economy, efficiency and effectiveness of the municipality;
 - The efficiency of credit control, revenue and debt collection services; and
 - The implementation of the municipality's by-laws.
- (iv) Monitor the management of the municipality's administration in accordance with the policy directions of the municipal council;
- (v) Oversee the provision of services to communities in the municipality in a sustainable manner;
- (vi) Perform such duties and exercise such powers as the council may delegate to it; and
- (vii) Report annually on the involvement of communities and community organizations in the affairs on the municipality, ensuring that regard is given to public views; and
- (viii) Report on the outcome of consultation on the decisions of the council."

(b) Mayoral Committees

Only municipalities of the type that allows mayoral committees may establish them. Mayoral committees allow for the exercise of executive authority through an executive mayor in whom the executive leadership of the municipality is vested and who is assisted by a mayoral committee.

If a municipal council has more than nine members, its executive mayor must appoint a mayoral committee from among the councillors to assist him or her.

The executive mayor may delegate any powers to the respective members of this committee, and may dismiss a member if necessary. The mayoral committee must consist of the deputy executive mayor (if any) and as many councillors as may be necessary for effective and efficient government, provided that no more than 20 per cent of the councillors or 10 councillors, whichever is the lower, are appointed. The powers and functions must be exercised and performed by the executive mayor together with the other members of the mayoral committee. The members of a mayoral committee remain in office for the term of the executive mayor who appointed them. If the executive mayor vacates office, the mayoral committee appointed by that executive mayor, dissolves.

(c) Plenary Committees

Only local and district municipalities of the type that allows plenary committees may establish them. Such a committee limits the exercise of executive authority to the municipal council itself. In municipalities with such committees, there are no mayors, but the speaker of the municipality must be called the mayor.

(d) Ward Committees

An important element in the promotion of local democracy is the promotion and “rooting” of public participation in municipal governance. The *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998) provides for the establishment of ward committees. Such ward committees are structures created to assist the democratically elected representative of a ward (the councillor) to carry out his or her mandate. Ward committee members are members of the community representing a number of interests within the community and the ward. Ward committees can play a critical role in:

- (i) The preparation, implementation and review of Integrated Development Planning;

- (ii) The establishment, implementation and review of a municipality's performance management system;
- (iii) Monitoring and review of a municipality's performance;
- (iv) Preparation of a municipality's budget;
- (v) Decisions about the provision of municipal services; and
- (vi) Communication and the dissemination of information.

Against the bigger picture of a new South African state constructed on principles of democracy and participation by all, local government was transformed to reflect these values. Democracy is however, not only about formally electing representatives, it is also important that the elected leaders and the community continually interact. Together, the leaders and the community can then address the needs and concerns of the community, and teach people to be democratically active (Department of Provincial and Local Government, 2003d).

The understanding of local government has changed dramatically since 1994. One such change has been a move towards local governance and participatory democracy. In the 1996 Constitution it is stated as an object of local government to encourage the involvement of communities and community organizations in the matters of local government.

The 1997 document "Towards a White Paper on Local Government in South Africa", stated that:

"Throughout the world, municipalities have come to appreciate that the relation between government and those who are governed is as important as government itself. This is what is meant when people speak of the shift from government to governance. Governance is a way of governing. It takes the views and interests of those affected by government more seriously than in the past. The "governed" refers to the community at large. This includes individuals, community organizations and businesses,

trade unions and non-governmental organizations. Municipalities have realized that they need to involve the community and all its constituent parts in the functioning of government. Relationships, partnerships and alliances have therefore become much more important for local government than in the past.”

By the time the 1997 *Green Paper on Local Government* was published, the policy on participatory democracy in the local sphere was becoming clearer. The Green Paper stated that municipal councils have a central role to play in enhancing local democratic participation, both as a means of rebuilding local communities and as a contribution to nation building. It further argued that the contact between municipalities and communities must not be limited to election and representation only. On the contrary, increased citizen involvement will increase the ability of municipalities to effectively shape viable human settlements.

The *Green Paper on Local Government* stated that:

"Democratic participation in government enhances effective governance by:

- Building human capital and strengthening democratic cultures in communities;
- Enhancing official responsiveness by enabling public interests to be clearly expressed by communities themselves;
- Promoting government legitimacy by ensuring transparency;
- Creating conditions for smooth policy implementation by facilitating an understanding of policy objectives and constraints, and
- incorporating citizen preferences and concerns into the design of policy programmes;
- Channelling independent energy, ideas and sometimes resources into civic projects; and

- Improving citizen's knowledge of the governing processes and its constraints, and so fostering an understanding of the need for prioritization."

The *White Paper on Local Government*, 1998 holds public participation as a central theme. The term "ward committees" is specifically used within the context of local government systems. The reasoning in this regard suggests that ward committees are regarded as a mechanism to allow for greater interaction with the municipality by communities. The policy on ward committees corresponds closely with the provisions relating to ward committees in the *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998).

In relation to the role of ward committees it was stated that their central role is the facilitation of local community participation in decisions which affect the local community, the articulation of local community interests and the representation of these interests within the government system. Ward committees thus bring about communication between communities and their political representatives. Ward committees that work well give every resident a say in municipal government and make ward councillors accountable to local residents.

The *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998) establishes the rules for ward committees, and provides that the object of a ward committee is to enhance participatory democracy in local government. In as far as the functions and powers of ward committees are concerned, a ward committee may make recommendations on any matter affecting its ward, and it has the duties and powers as the council may delegate to it.

At the National Conference on Ward Committees in 2003 the Minister for Provincial and Local Government presented draft guidelines for the Establishment and Operation of Ward Committees. These guidelines were published in the *Government Gazette* on 24 October 2003. In the draft guidelines

a comprehensive item dealt with the functions and powers of ward committees.

The most relevant functions are:

- (i) To serve as an official specialized participatory structure in the municipality;
- (ii) To create formal unbiased communication channels as well as co-operative partnerships between the community and the council. This may be achieved as follows:
 - (a) Advising and making recommendations to the ward councillor on matters and policy affecting the ward;
 - (b) Assisting the ward councillor in identifying conditions, challenges and the needs of residents;
 - (c) Spreading information in the ward concerning municipal affairs such as the budget, integrated development planning, service delivery options and municipal properties;
 - (d) Receiving queries and complaints from residents concerning municipal service delivery, communicating these to council and providing feedback to the community on council's response;
 - (e) Ensuring constructive and harmonious interaction between the municipality and community through the use and coordination of ward residents meetings and other community development forums; and
 - (f) Interacting with other forums and organizations on matters affecting the ward;
- (iii) To serve as a mobilizing agent for community action by:
 - (a) Attending to all matters that affect and benefit the community;
 - (b) Acting in the best interest of the community; and
 - (c) Ensuring the active participation of the community in service payment campaigns, the integrated development planning process, the municipality's budgetary process, decisions about the provision of municipal services, and decisions about by-laws; and
- (iv) To draw up the boundaries of a ward and chair zone meetings.

What is clear from the above provisions in the draft guidelines is that the role and functions of ward committees hinge on the participation element as discussed earlier. It should also be remembered that the ward committee cannot play the role ascribed to the elected representative nor the employed municipal official. It is therefore necessary that the role of ward committees be understood as an instrument of public participation within a broader context of municipal governance. All functions performed by ward committees must also fit into this framework (Department of Provincial and Local Government, 2003d).

(e) Metropolitan Subcouncils

Craythorne states that “only metropolitan municipalities that were established as a type with subcouncil, may establish metropolitan subcouncils. In some cases, subcouncils could be established with ward committees. Subcouncils must be established by means of a by-law, after following a process of public consultation. A subcouncil is not and cannot be a juristic person with a juristic identity of its own: it is an entity established by and under the control of the municipal council. It is convenient to have subcouncils in a metropolitan area because of the size and density of population of such areas, but a subcouncil cannot:

- (i) Pass by-laws;
- (ii) Raise loans or taxes;
- (iii) Have a budget of its own; or
- (iv) Employ personnel.

The above matters are reserved for the municipal council.”

When establishing subcouncils, that is, within the by-laws for that purpose, the council must determine the number of subcouncils to be established and cluster together a number of adjoining wards to give each subcouncil an area, allocate

pre-elected councillors to subcouncils if floor crossing has changed the composition of the council, provide an equitable financial framework within which the subcouncils must function, and give each subcouncil a name. The reference to an equitable financial framework within which subcouncils function must not be construed as giving each subcouncil a separate budget of its own.

Craythorne (*ibid.*) asserts that a council has a number of duties in regard to community participation, the most important being the development of a culture of community participation and the Integrated Development Plan. Because subcouncils are established for relatively smaller areas, they are ideal instruments for the practice of community participation. Subject to the overall policies and strategies of the council, subcouncils could also be given specific delegated powers.

In the light of the perceived advantages of establishing subcouncils, it should be noted that of the six metropolitan municipalities that were established on 5 December 2000, only the City of Cape Town Metropolitan Municipality had opted for establishing subcouncils.

(f) Other Committees

Craythorne (*ibid.*) suggests that a “council probably has the inherent constitutional right to establish other committees, but that the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) regulates this activity”.

In terms of section 79 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), a council may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers. This statement is qualified by the words "effective and efficient" and, in theory at least, a committee should not be established (or retained) unless it will be, or is, effective and efficient.

Such a committee (also referred to as “**section 79 committees**”) is appointed from among the councillors, it may be dissolved at any time, and the council determines the functions of the committee. If the type of municipality empowers it to establish a committee of "the desired kind", it may do so. In other words, a municipality which is established as a plenary type cannot establish an executive committee, and even if it can, it may do so only if the council has more than nine councillors. Craythorne (2003:120) suggests that this particular criterion is aimed solely at the power to establish executive committees. A municipality may also establish a committee if it takes into account the extent of its functions and powers, the need to delegate those functions and powers to ensure efficiency and effectiveness; and the financial and administrative resources of the municipality available to support the proposed committee.

Craythorne (*ibid.*) further states that in theory, the above legislation appears to conflict with section 160(6)(c) of the *Constitution of the Republic of South Africa, 1996*, which empowers a council to make a by-law on the establishment, composition, procedures, powers and functions of its committees. However, in the past this freedom was sometimes grossly abused by the indiscriminate establishment of committees aimed solely at giving rather ordinary councillors a sense of status.

An executive committee or an executive mayor may appoint committees to assist them, in terms of section 80 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998). The executive committee or executive mayor:

- Appoints the chairperson;
- May delegate any vested powers and duties to such a committee;
- Is not divested of responsibility concerning the exercise or performance of a delegated power or duty; and
- May vary or revoke any decision taken by a committee "subject to any vested rights".

These committees (also referred to as “**section 80 committees**”) must report to the executive committee or executive mayor in accordance with their directions. In regard to the membership of these committees, attention is directed to section 160(8) of the *Constitution of the Republic of South Africa, 1996* which states that members of a council are entitled to participation in the proceedings of the council and its committees in a manner that:

- Allows parties and interests reflected in the council to be fairly represented;
- Is consistent with democracy; and
- May be regulated by national legislation.

(g) The Administration of the Municipality

The municipal administration, although a structure of a council, is not, as such, a political structure. Nevertheless, it is a municipal structure and subject to political control.

Craythorne (2003:121) reaffirms that the *Constitution of the Republic of South Africa, 1996* sets out the basic values and principles that apply to administration in every sphere of government, all organs of state and public enterprises. It is a statutory requirement that there must be a municipal manager for each municipality. The municipal manager is the head of administration and also the accounting officer of the municipality, and must have the relevant skills and expertise to perform the duties associated with that post.

In terms of section 60 of the *Local Government: Municipal Finance Management Act, 2003* (Act No. 56 of 2003), the municipal manager is the accounting officer of the municipality and must act with fidelity, honesty, integrity and in the best interests of the municipality in managing its financial affairs. The municipal manager must also disclose to the council and the mayor all available material facts which may influence the decisions or actions of council or the mayor, and

must provide guidance and advice on compliance with the *Local Government: Municipal Finance Management Act, 2003* (Act No. 56 of 2003) to political structures, political office-bearers, officials of the municipality and any municipal entity under the sole or shared control of the municipality.

It is required of the administration that a relationship be established between itself and the political structures and office-bearers. In addition, the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) emphasizes orientation towards development and services, to underpin the constitutional mandate of local government. Also, within the framework of the *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000), it is required of a municipality to define the specific role and area of responsibility of each political structure, political office-bearer, and the municipal manager. These roles and responsibilities must:

- Be defined in precise terms by way of separate terms of reference, in writing, for each political structure or office-bearer and the municipal manager; and
- Be acknowledged and given effect to in the rules, procedures, instructions, policy statements and other written instruments of the municipality.

Thompson (2003:260) states that city managers have contracts and can be (and often are) fired or encouraged to leave by their governing councils. Although it may look like an unstable and risky career path for individual city managers, it does seem to be a stable and workable system, even if it lacks theoretical purity. According to Thompson, the city manager system works for the following three reasons:

- While a city council may become very negative about their last city manager, they still believe in the system principles and hire another manager;
- Leaving a jurisdiction does not prevent the city manager from finding a new post elsewhere – it is a mobile profession with an undersupply of good, tested practitioners; and

- Prospective city managers know about the risks up front, can gather valuable work experience in these systems before stepping up to their first post as city manager (often working as an assistant city manager or departmental head), and they consciously choose a career as a city manager.

Considine (2005:174) states that in the traditional approach to public service leadership the high-level bureaucrat offered impartial advice to the politician “without fear of favour”. Rules and norms within the civil service established constraints against these bureaucrats abusing their posts, and the actual performance of the civil service was based on two distinct positions: Politicians had formal responsibility but no direct control, and bureaucrats had real control but little formal responsibility.

2.8 CONCLUSION

This chapter has introduced the literature that will be reviewed in the dissertation, and its link to public administration in the South African setting. It is common knowledge that there are many scholars and researchers on public administration, and this chapter briefly focussed on the theories of public administration and management as expounded by Taylor, Fayol, Weber, Sheldon, Simon and Mayo. Public administration has been shown to be a collective effort by administrators in the legislative, executive and judicial arms of government, and who are responsible for developing appropriate policy and to then implement that policy.

It has been shown that in South Africa, public administration is entrenched in the Constitution, and it is applicable to every sphere of government and the greater public sector. While different legislation presently provides for the employment and the conditions of service of employees in the public sector, government is taking steps to provide for a single public service that will promote the elimination of fragmentation and the facilitation of seamless service delivery. Municipalities

have various institutional, political and administrative systems at their disposal to facilitate and undertake effective public administration, simultaneously promoting sound corporate governance. There are also clear roles and responsibilities that are applicable to the political and administrative arms of the leadership in municipalities.

Policy relating to the remuneration that is payable to members of municipal councils is developed at national government level, in terms of section 7 of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998). After a municipal council adopts a council resolution determining the upper limit of the proposed remuneration to be paid to a councillor, such upper limit may only be implemented in consultation with the MEC for local government in the respective province. By virtue of this Act and the processes prescribed therein, the remuneration payable to members of municipal councils is subject to certain checks and balances by all spheres of government.

Subsequent chapters in the dissertation will investigate a range of issues and will thereafter make recommendations relating to the remuneration to be paid to members of municipal councils.

CHAPTER 3

THE DEVELOPMENT OF LOCAL GOVERNMENT IN SOUTH AFRICA: A HISTORICAL PERSPECTIVE

3.1 INTRODUCTION

The development of local government over the last 400 years has been radical, bringing about extreme changes to political and social conditions. The study of the details relating to the evolution of local government would be very interesting, but it would be fruitless, since local government then and local government now are so different.

However, it is considered useful to understand how the general principles regarding the system of local government in South Africa have evolved over the years. The purpose of the following exposition is to reflect on the attempts made by citizens to become more organized and systematic in their way of living and on their dependence on the state for the provision and delivery of services.

South Africans obtained freedom from apartheid when a democratic dispensation was ushered in on 27 April 1994. However, while the citizenry enjoyed emancipation on that day, the local sphere of government was still entrenched in and subjected to apartheid planning, policies and legislation. In order to rectify these injustices, negotiations commenced for an interim dispensation for local government, to be finalized over stages.

This chapter provides an overview of the constitutional development of the country, the underlying principles contained in the *Constitution of the Republic of South Africa, 1993* on which the *Constitution of the Republic of South Africa, 1996* is based, the constitutional status and protection of local government, the

restructuring process for a new system of local government, and preparations that were made by the state in this regard.

3.2 SOUTH AFRICA'S FIVE CONSTITUTIONS

Craythorne (2003:1) states that over the period from 1910 to 1996, South Africa had five constitutions. He states further that some describe the *Constitution of the Republic of South Africa, 1996* as the product of a revolution, while others describe it as evolutionary, in that power passed from one regime to another by negotiation and without a civil war. Craythorne (*ibid.*) claims that what can be called revolutionary, however, are the provisions in the current Constitution, in that they changed the entire nature of the South African state.

3.2.1 The South Africa Act, 1909

Vosloo, Kotzé and Jeppe (1974:21) state that the foundations of the South African constitutional framework were laid by the *South Africa Act, 1909*. It was drafted by the National Convention of 1908 – 1909, and embodied in a British imperial statute which was passed by the British Parliament and thereafter assented to by King Edward VII on 20 September 1909. The *South Africa Act, 1909* took effect on 31 May 1910 when the Union of South Africa came into existence.

The *South Africa Act, 1909* introduced the Westminster system, namely, a system of a bicameral (two houses) Parliament, with Parliament being supreme. Parliament consisted of a lower house, the House of Assembly, and an upper house, the Senate. Contrary to the British system, which has only a central government and local government, the *South Africa Act, 1909* provided for four provinces, one for each colony, as well as for four provincial councils.

In 1919, South West Africa (now Namibia) came under the control of the Union as a mandate territory. The Union's status as an independent member of the British Commonwealth was recognized in the Imperial Conference of 1926 and given formal, legal effect by separate British and South African statutes in 1931 and 1934. South Africa continued to be a member of the Commonwealth until 31 May 1961, when a Republic was proclaimed, outside the Commonwealth.

According to Craythorne (2003:2), local government is mentioned under only section 85(vi) of the *South Africa Act*, 1909 which, in its 1947 version, read as follows:

“(vi) (a) ... Municipal institutions, divisional councils, and other local institutions of a similar nature; (b) any institutions or bodies other than such institutions as are referred to in subparagraph (a), which have in respect of any one or more areas (whether contiguous or not) situated outside the area of jurisdiction of any such institution as are referred to in subparagraph (a) authority and functions similar to the authority and functions of such institutions as are referred to in the said subparagraph, or authority and functions in respect of the preservation of public health in any such area or areas, including any such body as is referred to in section seven of the *Public Health Act*, 1919 (Act No. 36 of 1919).”

Meyer (1978:44) states that the courts were called upon to interpret the above section in the *South Africa Act*, 1909, and during 1923 the Natal Provincial Council enacted an ordinance to provide for the establishment of Health Committees to carry out the functions and duties of a local authority in terms of the *Public Health Act*, 1919 (Act No. 36 of 1919).

The types of local authority established by provincial councils under their legislative powers were: municipalities, town councils, town boards, divisional

councils, village management boards, health committees, etc. Because Parliament was supreme, it also legislated on local government matters.

3.2.2 The *Provincial Government Act, 1961 (Act No. 32 of 1961)*

Craythorne (2003:2), states that the main purpose of the *Provincial Government Act, 1961* was to provide for the transition of the South African state from a constitutional monarchy to a Republic. However, in terms of section 84(1)(f) of the *Provincial Government Act, 1961*, provincial councils retained their power to legislate on local government matters.

3.2.3 The *Republic of South Africa Constitution Act, 1983 (Act No. 110 of 1983)*

The *Republic of South Africa Constitution Act, 1983* established a system of own and general affairs. The legislative power of the Republic was vested in Parliament, which consisted of three Houses, namely, the House of Assembly (whites only), the House of Representatives (coloureds only) and the House of Delegates (Indians only). There was to be no black representation in Parliament, which subsequently led to unrest and international sanctions from 1984 onwards.

Craythorne (*ibid.*) states that an "own affair" was a matter that specifically affected a population group in the maintenance of its way of life, culture, traditions and customs. Everything else was to be a "general affair". The State President was given the power to decide what was an own affair, and the basis for such decisions was that the governmental institutions serving the interests of one population group should not be able to affect the interests of any other population group.

In terms of the *Republic of South Africa Constitution Act, 1983* local government was split between own affairs and general affairs. For the white, coloured and

Indian race groups, local government was an own affair in terms of legislating for institutions, development, housing and so on, but norms and standards were imposed in general affairs legislation.

Because of the structure of Parliament, the *Republic of South Africa Constitution Act, 1983* did not provide for elected provincial councils, and the 1961 Constitution was amended and renamed the *Provincial Government Act, 1961*. A new *Provincial Government Act, 1986* (Act No. 69 of 1986) abolished provincial councils, and provinces were to be governed by an Administrator and multiracial executive committees (which included black persons), which had limited legislative powers.

Black people were placed under the control of the provincial administrations and their local government arrangements were regulated by separate legislation, with the exception of black communities in the homelands, whose local government was regulated by homeland legislation.

Craythorne (*ibid.*) further asserts that the *Republic of South Africa Constitution Act, 1983* was complicated and unworkable in practice, and was the foundation for a dictatorship.

3.2.4 The *Constitution of South Africa Act, 1993* (Act No. 200 of 1993)

Craythorne (2003:6) states that because the white-dominated government in 1993 was reluctant to relinquish power without a constitution in place, the negotiations in Kempton Park resulted in a two-stage constitution-making process. Hence, there was a need for an Interim Constitution.

The *Constitution of the Republic of South Africa, 1993*, also referred to as the Interim Constitution, brought fundamental change to South Africa's constitutional development. The *Constitution of the Republic of South Africa, 1993* established

South Africa as one sovereign state, thereby removing any further possibility of homelands. It was stated in the *Constitution of the Republic of South Africa, 1993* that it shall be the supreme law of the Republic and any law inconsistent with its provisions shall, unless allowed by the Constitution, be of no force and effect.

The *Constitution of the Republic of South Africa, 1993* was binding on all legislative, executive and judicial organs of state at all levels of government. This, in essence, changed South Africa into what is known as a *rechtstaat*, a state in which the Constitution of the country is supreme. The *Constitution of the Republic of South Africa, 1993* came about as a result of post 1990 multi-party negotiations, commonly referred to as the Kempton Park Negotiations.

The *Constitution of the Republic of South Africa, 1993* established a Parliament consisting of a National Assembly (400 members) and a Senate (90 members). Nine provinces with elected legislatures were also established, as well as a Commission on Provincial Government to investigate and advise on a constitutional dispensation with regard to provincial systems of government.

Chapter 5 of the *Constitution of the Republic of South Africa, 1993* dealt with the process of developing the final constitution: The National Assembly and Senate, sitting jointly, established the Constitutional Assembly to draft and adopt a new constitutional text. The *Constitution of the Republic of South Africa, 1993* also contained a set of principles with which the new constitutional text had to comply. The Constitutional Court was given the task of certifying the new constitutional text against the Constitutional Principles.

Chapter 10 of the *Constitution of the Republic of South Africa, 1993* fundamentally changed the constitutional status of local government. For the first time in South Africa, the right of local government to exist was constitutionally entrenched, as were its powers and functions. Compared with the *Constitution of the Republic of South Africa, 1996*, the powers and functions of local government

in the *Constitution of the Republic of South Africa, 1993* appear to be weak, but the fact remains that these were at least provided for in the latter.

3.2.5 The *Constitution of the Republic of South Africa, 1996*

The *Constitution of the Republic of South Africa, 1996* is the supreme law of the Republic. Any law or conduct inconsistent with this constitution is invalid, and the obligations imposed by it must be fulfilled. With respect to local government, section 151 (status of municipalities) states that:

- (i) The local sphere of government consists of municipalities, which must be established for the whole of the territory of the Republic;
- (ii) The executive and legislative authority of a municipality is vested in its Municipal Council;
- (iii) A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation; and
- (iv) The national or provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions.

According to Craythorne (*ibid.*) this is where the “new deal” for local government emerges. The three spheres of government are distinctively interdependent and interrelated, but each has its separate existence, as implied by the word “interrelated”. A municipality is not a “creation of statute”, but is an integral part of the government of South Africa by virtue of it being entrenched in the *Constitution of the Republic of South Africa, 1996*. The municipal council has the executive and legislative authority of the municipality vested in it.

Of particular reference to this study, is section 219(1) of the *Constitution of the Republic of South Africa, 1996*, which states that an Act of Parliament must establish a framework for determining the upper limits of salaries, allowances and benefits of members of municipal councils in the different categories. It is

further stated in section 219(2) that national legislation must establish an independent commission to make recommendations regarding salaries, allowances and benefits.

3.3 LOCAL GOVERNMENT DURING THE EIGHTEENTH CENTURY

Craythorne (*ibid.*) states that “initially, the first Dutch settlers governed their colony on a centralised basis, and this continued until the system of *landdrosten* and *heemraden* was established. The *landrost* was a government official with local functions, while the *heemraden* were citizens appointed by the governor, although in later developments *heemraden* were also elected. The *landrost* and *heemraden* constituted a college that decided issues by a majority vote. The system was taken by the Boer trekkers to their Republics and remained in place until the various British conquests”.

3.4 LOCAL GOVERNMENT DURING THE NINETEENTH CENTURY

During this period, Craythorne (*ibid.*) states that the “two British Colonies of the Cape and Natal received new legislation. The ordinance in the Cape Colony in 1836 set the principle of a local tax to cover the cost of local services. This was followed by an 1840 ordinance that established an elected board in Cape Town. In 1867 new legislation resulted in the election of councillors.

The Natal Colony followed the example of the Cape Colony initially, but in 1854 a new ordinance based on developments in England, was passed. At that time, the Natal Colony had more effective local government laws than the Cape. The newer legislation ushered in the following new concepts:

- (i) Towns were constituted as corporate bodies;
- (ii) Representatives were elected by voters registered on a voters’ roll;
- (iii) Auditors had to be appointed;

- (iv) The town clerk and other senior officials were appointed and not elected at a public meeting; and
- (v) The committee system was introduced.”

It is interesting to note that the principle of restricting the election of public representatives to registered voters is a norm adhered to even in present day South Africa, and a criterion that is discussed *infra* (paragraph 6.6.1).

3.5 LOCAL GOVERNMENT DURING THE TWENTIETH CENTURY

During the twentieth century local government was subjected to radical transformation. Therefore the ensuing sub sections deal with the development of local government during the following three specific periods:

- The period 1900 to 1983;
- The period 1984 to 1994; and
- The period 1995 to 2000.

3.5.1 The Period 1900 to 1983

Until the 1960s, the development of local government was largely occupied with the consolidation or repeal of older legislation and the development of new legislation. Craythorne (*ibid.*) states that the provinces of Transvaal and Natal were given boards to deal with settlements that were developing in rural areas. In the Cape Province, where there were a few councillors of colour, apartheid operated to split the common voters' roll. Coloured and Indian representatives were confined to powerless management committees in the Cape, and the local affairs committees in Natal.

In the 1960s, local government aimed to become more efficient. According to Craythorne (*ibid.*) the “Marais Commission in the Transvaal Province condemned government-by-committee and introduced the management (or executive)

committee system. The Orange Free State followed and, in Cape Town the then provincial government also introduced the executive committee system for that city”.

The first tentative steps towards political reform, albeit within the policy of apartheid, were taken when the *Constitution of the Republic of South Africa, 1983* was enacted. Black people were considered a “general affair” under the four provinces and had no representation in Parliament.

Craythorne (2003:11) indicates that the main legislative instruments for these steps were the following:

- *Promotion of Local Government Affairs Act, 1983* (Act No. 91 of 1983);
- *Regional Services Act, 1985* (Act No. 109 of 1985); and
- *Interim Measures for Local Government Act, 1991* (Act No. 128 of 1991).

The legislation referred to above is outlined below.

(a) *Promotion of Local Government Affairs Act, 1983 (Act No. 91 of 1983)*

The *Promotion of Local Government Affairs Act, 1983* (Act No. 91 of 1983) established the Council for the Co-ordination of Local Government Affairs. The council consisted of the then Minister of Provincial Affairs and Constitutional Development and his Director-General, the Minister of Finance, the secretaries of the associations representing the so-called white, coloured, Indian and black local government, as well as a number of persons appointed by the Minister of Finance. Although the *Promotion of Local Government Affairs Act, 1983* (Act No. 91 of 1983) provided for various functions for the Council, that body was restricted to making recommendations.

(b) *Regional Services Act, 1985 (Act No. 109 of 1985)*

The regional services councils were designed to allow joint decision-making by the representatives of the institutions established for the different race groups, but as this took place within the policy of own or general affairs enshrined in the *Constitution of the Republic of South Africa, 1983*, the matters on which a council could take decisions of necessity had to be general affairs. According to Craythorne (*ibid.*) the *Regional Services Act, 1985 (Act No. 109 of 1985)* provided local government a second and sorely needed source of power.

(c) *Interim Measures for Local Government Act, 1991 (Act No. 128 of 1991)*

The *Interim Measures for Local Government Act, 1991 (Act No. 128 of 1991)* was designed to allow local communities to negotiate for a range of options, from total amalgamation to various forms of resource sharing or the establishment of joint services bodies.

However, in terms of section 9 of this Act, the proposals of the local negotiating forums had to be submitted to the Provincial Administrator for approval, and because the Administrator was appointed by the then State President, the African National Congress and other parties would not co-operate.

3.5.2 The Period 1984 to 1994

During this period, the erstwhile apartheid government implemented contradictory policies for softening, yet maintaining the policies of apartheid, for example, by modifying the group areas legislation by declaring “free settlement areas”. However, during these times, anti-apartheid political resistance at local community level led to such an escalation of conflict, that government was obliged to declare a state of emergency to restore law and order. The conflict at

local government level and the resultant deadlock contributed to the demise of apartheid.

Meyer (1997:10) states that during this dispensation, Parliament reigned supreme, and that local government merely consisted of local authorities entrusted to Provincial Councils to administer. He cites a provision in the *Local Authorities Ordinance*, 1974 (Ordinance No. 25 of 1974) of the former Natal Province, which sums it up as follows:

“Whenever in terms of this Ordinance or any regulation made thereunder, or any other law, the approval or consent of the Administrator is required, whether in respect of any by-law or the sale or lease or acquisition of immovable property, or any loan or other transaction or matter, he may, before giving such approval or consent, require to be furnished with such information or he may make such enquiry as he may deem necessary; and he may either give or withhold such approval or consent ...”

3.5.3 The Period 1995 to 2000

Towards the end of 1992, the two major conflicting parties at local government level, namely the National Party and the African National Congress, decided to settle their differences in a more peaceful manner. As a result, parallel with the negotiations in Kempton Park, a separate negotiating body called the Local Government Negotiating Forum was established. This was a bilateral forum between a statutory delegation consisting of representatives from central, provincial and organized local government on the one hand, and the South African National Civics Organization on the other hand. The Local Government Negotiating Forum eventually developed the *Local Government Transition Act*, 1993 (Act No. 209 Of 1993) which served as the basis for restructuring local government.

In terms of the political agreements incorporated into the *Local Government Transition Act, 1993* (Act No. 209 of 1993), local government restructuring would occur in three well-defined phases. The first or the “pre-interim” phase was the period from the commencement of the *Local Government Transition Act, 1993* (Act No. 209 of 1993) - (2 February 1994) to the commencement of the “interim” phase. The interim phase commenced on the first day after the elections which were held on 1 November 1995 or afterwards (KwaZulu-Natal on 26 June 1996, and on 2 May 1996 in the Western Cape) for transitional councils, and ended with the implementation of the final model of local government. The third phase was the “final” phase, which was governed by the provisions of the *Constitution of the Republic of South Africa, 1996*.

3.6 THE REMUNERATION SYSTEM UNTIL 1998 FOR MEMBERS OF MUNICIPAL COUNCILS

Prior to 1994, the different ordinances in the various provinces provided for the remuneration of councillors, subject to the approval of the then Administrator of the province.

From 1994 until 1998 the ordinances still regulated the remuneration of councillors, but the power to remunerate councillors was vested in the Premiers of the different provinces, who in turn delegated this authority to the MECs responsible for local government in the provinces. That power was subject to the provisions of the *Commission on the Remuneration of Public Representatives Act, 1994* (Act No. 37 of 1994), and provided for the appointment of a Commission to investigate the remuneration of all public representatives on an annual basis and to make recommendations thereon to the government bodies responsible for the matters covered by the recommendations.

Although these government bodies were not compelled to implement the recommendations of the Commission, they had to take note thereof. National government was not empowered to deal with councillor remuneration, and consideration of this matter at MINMEC meetings then was solely for co-ordination purposes. The power to determine councillor remuneration was vested in the MECs for local government, and unless a determination was made by the MEC, municipal councils could not grant their officials increased remuneration.

Meyer (1997:47) states that allowances were paid to mayors, deputy mayors and to councillors. These allowances were not regarded as a salary, nor did they constitute the holding of an office for profit. The allowances reimbursed councillors for the time spent and expenses incurred in fulfilling their official duties. In the case of a mayor, an additional amount was paid for the performance of ceremonial and civic duties.

3.7 CONCLUSION

Communities across South Africa are diverse and pose different challenges to local government. Yet every person in every community deserves the benefits of a municipality that is people-driven, with the aim of social and economic development for all. Many municipalities face many of the same challenges – ensuring financial viability and administrative capacity, co-ordinating and implementing good, integrated planning techniques, and co-operating with other spheres of government to provide services to communities.

Metropolitan areas face challenges such as spatially segregated communities that, though they are separated physically, depend on each other and interact together. In common with other areas, metropolitan areas face the challenge of massive poverty and the urgent need for economic development of entire communities and areas. These challenges can be summed up in three categories –

- The need to integrate metropolitan areas into whole and cohesive communities with metropolitan-wide governance;
- The need for effective, meaningful local representation for all communities in a metropolitan area; and
- The need to drastically change the manner in which services are delivered across metropolitan areas.

The new local government dispensation introduced new sets of relationships between the various spheres of government. The objective of the new system of local government must be to ensure viable and sustainable municipalities. All spheres of government must assist, within the framework of co-operative government, to make this bold transformation initiative work. This entails facing the challenges of the new dispensation and establishing appropriate monitoring procedures and support programmes.

The establishment of new municipalities was a key part of building a viable, developmental local government system within the framework of co-operative governance. Every area in the country is currently still in a fairly early state of achieving a developmental system of local government. Such transformation aims to overcome the legacy of racially divided, undemocratic and overly bureaucratic local government. It seeks to address the massive inequalities and backlogs in service delivery, as well as to increase the ability of municipalities to meet a broad range of community needs in an efficient and effective manner.

CHAPTER 4

THE DEVELOPMENT OF LOCAL GOVERNMENT IN SOUTH AFRICA: RECENT ADVANCEMENTS

4.1 INTRODUCTION

The *Constitution of the Republic of South Africa, 1996* and the *Local Government Transition Act, 1993* (Act No. 209 of 1993) formally activated the transformation of local government in South Africa. The *Constitution of the Republic of South Africa, 1996* took effect on 4 February 1997. Item 26 of Schedule 6 provided that sections 151, 155, 156 and 157 would be suspended, as it were, until a municipal council (replacing an interim phase municipal council) had been declared elected as a result of the first general election of such councils after the commencement of the Constitution. Until such time, the provisions of the *Local Government Transition Act, 1993* (Act No. 209 of 1993) remained in force.

The above-mentioned elections took place on 5 December 2000, and this ushered in a new local government dispensation. However, prior to the election of all municipal councils on that day, a distinct policy process was delineated in the *White Paper on Local Government, 1998*. Amongst other prescriptions, local government was urged to focus on realising developmental outcomes, such as the provision of household infrastructure and services; the creation of liveable, integrated cities, towns and rural areas; and the promotion of local economic development and community empowerment and redistribution. These factors would have an obvious impact on the roles and responsibilities of future councillors when compared to the “traditional” councillor.

This chapter focuses on the key interventions that had to be in place prior to the advent of the new local government dispensation. It then elaborates on the related interventions that were undertaken as South Africa prepared for the next term of municipal elections, which, in terms of the prevailing legislative provisions had to take place within 90 days after 6 December 2005.

4.2 THE PROCESS OF DEVELOPING THE *WHITE PAPER ON LOCAL GOVERNMENT*, 1998

The white paper process went through three stages. Firstly, a discussion document was developed during April 1997, which raised a number of questions on the future structure and nature of local government, and invited comments on the policy positions contained therein.

The second phase, which consisted of issue-focused research processes, provincial and local workshops and other consultation mechanisms, resulted in the Green Paper on Local Government, which was released for public comment in October 1997. Normally, a Green Paper is “an instrument” that sets out the potential policy and invites comments. In this case, the comments received on the Discussion Document were presumably used to frame the Green Paper, together with views on how to deal with the issues raised.

The third phase, consisting of Portfolio Committee hearings, a local government summit, public submissions and sectoral consultative conferences, resulted in the White Paper on Local Government, 1998. Published during March 1998, it became government’s policy position and vision for local government in South Africa, and provided for the following main themes:

- (i) Current Reality;
- (ii) Developmental Local Government;
- (iii) Co-operative Government;
- (iv) Institutional, Political and Administrative Systems; and

- (v) Municipal Finance.

The *White Paper on Local Government*, 1998 also focused on the impending transformation process, and emphasized the speedy implementation of this policy document, and the establishment of intensive support programmes to facilitate the changes that needed to take place.

4.3 LEGISLATION FLOWING FROM THE *WHITE PAPER ON LOCAL GOVERNMENT*, 1998

The *White Paper on Local Government*, 1998 led to the development of the following key pieces of legislation:

- (i) *Local Government: Municipal Demarcation Act*, 1998 (Act No. 27 of 1998);
- (ii) *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998);
- (iii) *Local Government: Municipal Systems Act*, 2000 (Act No. 32 of 2000);
- (iv) *Local Government: Municipal Finance Management Act*, 2003 (Act No. 56 of 2003); and
- (v) *Local Government: Municipal Property Rates Act*, 2004 (Act No. 56 of 2004).

4.3.1 The *Local Government: Municipal Demarcation Act*, 1998 (Act No. 27 of 1998)

The *Local Government: Municipal Demarcation Act*, 1998 (Act No. 27 of 1998) was enacted on 3 July 1998. Its main objective was to establish criteria and procedures for the determination of municipal boundaries by an independent authority as required by section 155(3)(b) of the *Constitution of the Republic of South Africa*, 1996.

The Municipal Demarcation Board is empowered to determine and re-determine municipal boundaries, and to publish such determinations in the relevant *Government Gazette*. Provision is also made for any person who is aggrieved by a determination to submit his or her objections to the Municipal Demarcation Board, which must then consider the objection and either confirm, vary or withdraw its determination.

The *Local Government: Municipal Demarcation Act, 1998* (Act No. 27 of 1998) provides the objectives of demarcation, and the factors that must be taken into account when municipal boundaries are determined. It recognises city regions as metropolitan areas, and provides the procedures that must be followed when boundaries are demarcated, such as:

- (i) Public notification of the determination of boundaries;
- (ii) The holding of public meetings and the procedure at such meetings;
- (iii) The holding of formal investigations; and
- (iv) The powers of investigating committees.

The *Local Government: Municipal Demarcation Act, 1998* (Act No. 27 of 1998) also deals with the administration of the Municipal Demarcation Board, the funding and financing of the Board, and with miscellaneous matters (Zybrands, 2000a).

4.3.2 The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998)

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) was promulgated on 18 December 1998. Its main objective is to provide for the new constitutional dispensation for local government, in so far it relates to the different categories and types of municipalities, and the division of powers and functions between certain categories of municipalities. It also provides for the electoral system to be applied in the sphere of local government.

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) makes provision for the transformation of local government into a more citizen friendly, accountable, developmental, financially sustainable and performance orientated sphere of government. It establishes criteria for determining when an area should have a single category A municipality or when it should have municipalities of both category B and C, and defines the different types of municipalities that may be established within each category.

The number of councillors to be elected or appointed is regulated, and it provides for the holding of by-elections, the term of office of councillors, the dissolution of municipalities and the assignment of powers and duties to committees and other internal functionaries.

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) also provides criteria for determining when municipal councils may elect an executive committee, the composition, powers and functions, the term of office, the filling of vacancies, removal from office, quorums and decisions and the appointment of subcommittees of executive committees. It also provides for the election of a mayor, defines the powers and functions of a mayor, and regulates the appointment of mayoral committees.

The Schedules to the Act provide for:

- (i) The electoral system for metropolitan and local councils, ward elections, proportional representation elections, as well as the topping up and amendment of party lists;
- (ii) The electoral system for councillors of district councils;
- (iii) The election of municipal office-bearers;
- (iv) The allocation of councillors elected from party lists to metropolitan subcouncils; and

- (v) The identification of traditional leaders who are entitled to participate in the proceedings of local and district councils.

4.3.3 The *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000)

While the *Local Government: Municipal Demarcation Act, 1998* (Act No. 27 of 1998) and the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) deal with the institutional and jurisdictional aspects of the local government transformation process, the *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000) seeks to establish the basic principles and mechanisms to give effect to the vision of “developmental local government”. Its focus is therefore primarily on the internal systems and administration of the municipality.

The legislative approach adopted therein is broadly enabling, and seeks to achieve a degree of equivalence and balance between the regulatory frameworks governing the three spheres of government. The *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000) is mandatory only to the extent that the fundamental elements of public sector reform, socio-economic development, delivery of basic services, and public reporting and accountability need to be applied uniformly on a national basis.

The *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000) describes the core processes or elements that are essential in realising a truly developmental local government system. These include participatory governance, integrated development planning, performance management and reporting, resource allocation and organizational change. The *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000) links these processes into a single cycle at local level, that aligns various sectoral initiatives from national and provincial government departments with a municipality’s own capacity and

processes. This aims to ensure better synergy between local, provincial and national initiatives, and a more effective system of inter-governmental relations.

The various provisions of the *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000) were implemented incrementally. Different provisions were phased in over different time frames for various categories and classes of municipalities, as the requisite capacity to implement the provisions of the legislation developed (Zybrands, 2000c).

4.3.4 The *Local Government: Municipal Finance Management Act, 2003* (Act No. 56 of 2003)

The *Local Government: Municipal Finance Management Act, 2003* (Act No. 56 of 2003) imposes additional responsibilities on mayors and executive committees in terms of the budget process and in relation to budgetary controls. The powers of delegation given to mayors in terms of sections 57 to 59 are important in the context of the responsibilities devolving on individual members of executive and mayoral committees.

Of particular reference to this study is section 167 of the *Local Government: Municipal Finance Management Act, 2003* (Act No. 56 of 2003) which states as follows:

“167. Councillors’ remuneration

- (1) A municipality may remunerate its political office-bearers and members of its political structures, but only –
 - (a) within the framework of the Public Office Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members; and
 - (b) in accordance with section 219(4) of the Constitution.

- (2) Any remuneration paid or given in cash or in kind to a person as a political office-bearer or as a member of a political structure of a municipality otherwise than in accordance with subsection (1), including any bonus, bursary, loan, advance or other benefit, is an irregular expenditure, and the municipality –
 - (a) must, and has the right to, recover that remuneration from the political office-bearer or member; and
 - (b) may not write off any expenditure incurred by the municipality in paying or giving that remuneration.
- (3) The MEC for local government in a province must report to the provincial legislature –
 - (a) any transgressions of subsection (1); and
 - (b) any non-compliance with sections 17(3)(k) (i) and (ii) and 124(1)(a).”

It is clear from the above that this piece of legislation was an attempt to ensure that councillors were remunerated within the ambit of the prevailing legislation. Furthermore, the *Local Government: Municipal Finance Management Act, 2003* (Act No. 56 of 2003) declared certain “benefits” as unauthorized expenditure.

4.3.5 The *Local Government: Municipal Property Rates Act, 2004* (Act No. 6 of 2004)

Guidelines for the levying of property taxes are found in paragraph 2.1.1 in section G of the *White Paper on Local Government, 1998*. Property tax is the biggest single net source of income for any local or metropolitan municipality. The taxation of property has been, and always will be, a very sensitive matter.

The need for new uniform legislation must be viewed against the background of the following important aspects, namely:

- (i) The four former provinces each had their own legislation in regard to property rating. The rating cycles varied significantly from an annual basis in certain municipalities to gaps of ten years or more in the case of other municipalities – especially those in the former Cape Province;
- (ii) The government is well advanced with the process of establishing regional electricity distributors (REDs) and, once established, this could result in most municipalities losing their lucrative source of income or, at the very least, having this source of income severely reduced; and
- (iii) The whole scenario regarding the provision of water has changed as a result of the *Water Services Act, 1997* (Act No. 108 of 1997) and the *National Water Act, 1998* (Act No. 36 of 1998). With the advent of water service authorities, many municipalities will find that the sale of water as a commercial venture has become less profitable.

Furthermore, there was no uniformity on the rate base, namely whether it was the land or site value alone that should be rated, or whether improvements thereon should be included. All property is rateable, but different rates may be levied for different categories of property. These categories of property apply to the use, the status and the area in which the property is situated.

The Minister for Provincial and Local Government, with the concurrence of the Minister of Finance, may set limits on the amounts that may be levied on property. This right may give the impression of an infringement on the independence of local government.

In essence, the *Local Government: Municipal Property Rates Act, 2004* (Act No. 6 of 2004) is a mixture of the traditional and the more modern. It endeavours to establish uniformity and to deal with situations that constitute a reversal of the old apartheid policies and legislation, and it is to a large extent, an enabling act. An important innovation is the requirement that a municipality must have a rates policy. Such a policy, which must promote equity, should cover the

different rates for different categories, exemptions, rebates or reductions, the effects of rates on the poor and it should promote local, social and economic developments. Such a policy must be reviewed annually (Zybrands, 2000d).

4.4 THE DEMARCATION OF MUNICIPAL BOUNDARIES

The following sections elaborate on the demarcation of municipal boundaries for the first and second terms of municipal councils.

4.4.1 The First Term of Municipal Councils

The drawing of new municipal boundaries was the first step in the further transformation of local government. Much had to be done in addition to demarcation, in order to ensure that municipalities had administrations that were properly organized, stable and adequate sources of income and well-functioning neighbourhood structures to encourage community participation.

Demarcation set the structural conditions within which these other processes of transforming and developing local government had to take place. A boundary determines the size and character of the voting population, or “electorate”, and depending on the way a boundary is drawn, the electorate may be wealthy or poor, better or worse served with municipal infrastructure, or have more or less access to economic opportunities. Because political parties tend to appeal to different constituencies, this may also affect which parties win or lose at the polls.

The demarcation process must not be politically biased or manipulated, otherwise people will lose confidence in the process and some of the objectives of the Constitution will be compromised in favour of more narrow political interests.

In essence, the Municipal Demarcation Board was tasked with considering the boundaries of the 843 municipalities, which were the product of the second phase of the transition to local government, the first being the establishment of appointed “pre-interim” municipalities. Municipal elections during 1995 and 1996 led to these “interim” municipalities, while the December 2000 elections established the final institutional form of local government.

It was also proposed that municipalities be divided into two broad types – metropolitan and non-metropolitan. Non-metropolitan local government would consist of two tiers: the district tier would focus primarily on (i) ensuring the implementation of an integrated development plan for the district as a whole and (ii) administering bulk services (water, electricity, etc.). The second tier of government in non-metropolitan areas would allow for urban, rural or urban-rural municipalities. These municipalities would have functions and powers devolved to them depending on their capacity to administer such functions and powers (*White Paper on Local Government*, 1998:58).

The demarcation process also had to address two key issues in rural areas. Firstly, the artificial division that existed between small towns and their rural hinterland had to be eradicated. The functional linkage between town and country needed to be acknowledged in the construction of new local council boundaries. This would require the incorporation of rural areas within the boundaries of currently existing town councils. Secondly, district council boundaries (the basic building block of rural local government) needed to be drawn to achieve a balance, or compromise, between the municipality’s income generating capacity (and therefore its sustainability) and its imperative to provide representation for its community. If the new district councils were too small, they would be condemned to non-viability, and if they were too large, they would remain remote and lack democratic legitimacy.

The Municipal Demarcation Board is charged with determining all municipal boundaries throughout South Africa, and sections 24 and 25 of the *Local Government: Municipal Demarcation Act, 1998* (Act No. 27 of 1998) require that the Municipal Demarcation Board must establish areas to:

- (i) Enable the municipality for that area to fulfil its constitutional obligations, including –
 - the provision of democratic and accountable government for the local communities;
 - the provision of services to the communities in an equitable and sustainable manner;
 - the promotion of social and economic development; and
 - the promotion of a safe and healthy environment;
- (ii) Enable effective local governance;
- (iii) Enable integrated development; and
- (iv) Have a tax base as inclusive as possible of users of municipal services in the municipality.

Section 25 of the *Local Government: Municipal Demarcation Act, 1998* (Act No. 27 of 1998) requires that when the Municipal Demarcation Board determines boundaries, it must take into account the interdependence of people, communities and economies as indicated by:

- (i) Existing and expected patterns of human settlement and migration;
- (ii) Employment;
- (iii) Commuting and dominant transport movements;
- (iv) Spending;
- (v) The use of amenities, recreational facilities and infrastructure; and
- (vi) Commercial and industrial linkages.

The Municipal Demarcation Board must also take into account:

- (i) The need for cohesive, integrated and unfragmented areas, including metropolitan areas;

- (ii) The financial viability and administrative capacity of the municipality to perform municipal functions efficiently and effectively;
- (iii) The need to share and distribute financial and administrative resources;
- (iv) Provincial and municipal boundaries;
- (v) Areas of traditional rural communities;
- (vi) Existing and proposed functional boundaries, including magisterial districts, voting districts, health, transport, police and census enumerator boundaries;
- (vii) Existing and expected land use, social, economic and transport planning;
- (viii) The need for co-ordinated municipal, provincial and national programmes and services, including the needs for the administration of justice and health care;
- (ix) Topographical, environmental and physical characteristics of the area;
- (x) The administrative consequences of its boundary determination on –
 - municipal creditworthiness;
 - existing municipalities, their council members and staff; and
 - any other relevant matter; and
- (xi) The need to rationalize the total number of municipalities within different categories and of different types to achieve the objectives of effective and sustainable service delivery, financial viability and macro-economic stability.

To summarize the broad legal and policy framework, the *Constitution of the Republic of South Africa*, 1996 states, “the local sphere of government consists of municipalities, which must be established for the whole of the Republic”. At a policy level, the *White Paper on Local Government*, 1998 observed that there were only “a few, very expansive sparse settlements in the country where no municipal services are provided, and no sustainable category B municipality is possible”. The inference is that most of the country would be covered, wall-to-wall, by a mix of urban, amalgamated urban-rural, and rural local municipalities.

The *White Paper on Local Government*, 1998 and the Municipal Demarcation Board concluded that there were too many municipalities in South Africa, and that many of the smaller municipalities lacked the capacity for effective delivery, and had little in the way of economies of agglomeration and scale. This implied that the configuration of future local municipalities would require amalgamation of transitional local councils and transitional representative councils. Moreover, the territories between such amalgamated councils would become eligible for incorporation into the new local municipality.

The approach that became necessary for the amalgamation and demarcation of local municipalities in such a context was as follows:

- (i) In the first instance, there were numerous city / large town candidates for local municipal status which shared several of the features of the metropolitan areas, but which lacked the overall size and multi-nodal character of the metropolitan areas. The demarcation of these areas followed much the same principles as the demarcation of the metropolitan areas – that is, the demarcation of a boundary which made some provision for the incorporation of peri-urban areas relevant to future urban growth, and which also incorporated any of the hitherto excluded functionally-linked suburbs which were the product of apartheid-era displacement; and
- (ii) Once these “urban” local municipalities had been defined in that way, the settlements in the remaining areas of the country needed to be allocated into amalgamated urban-rural local municipalities, and/or rural local municipalities. Some quantitative norms for the approximate population and geographical sizes of such local municipalities needed to be derived, given the Municipal Demarcation Board’s objective of arriving at about 350 municipalities. It was determined that a typical geographical size for a local municipality would be about 3 500 km² with a typical population size of about 80 000 people.

Only where there were obvious exceptions to the possibilities that arose from such a procedure, could district management areas be contemplated (Municipal Demarcation Board, 1999b).

In terms of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), category A municipalities are governed by single councils with exclusive executive and legislative authority. They were consequently established in metropolitan areas. Category C municipalities have overall executive and legislative authority over districts consisting of rural areas as well as some local municipalities. These district councils have power over all municipalities in the district and, theoretically, their resources and liabilities. This is a new concept in local government, aimed at ensuring equitable and sustainable municipal services for all citizens in rural and urban areas within a district.

During December 1999 and March 2000 the Municipal Demarcation Board determined 14 district management areas and 231 category B municipalities (including 8 cross-boundary local councils) in South Africa. These municipalities vary significantly in terms of their economic, financial, social and administrative bases. The metropolitan municipalities are global cities, with key international, national and local relationships. The district municipalities varied from those with single highly-resourced and dominant local municipalities (such as Vaal, East London, Pietermaritzburg, Bloemfontein) to those with any form of local government within the area (such as areas in northern KwaZulu-Natal).

The local municipalities were allocated roughly into three groups:

- (i) The aspirant metropolitan areas and secondary cities – these are dominant sub-provincial centres of economic and commercial growth;
- (ii) The mixed urban-rural amalgamations – these bring together communities which are functionally linked but have never regarded themselves in this integrated way; and

- (iii) The social welfare areas – where colonialism and apartheid destroyed the fabric of local life and thus health, welfare and educational needs are, in the short term, the major areas of activity.

Even after assessing the administrative and financial capacity of every municipality, the Municipal Demarcation Board was unable to make every new municipal structure – particularly the district councils – immediately viable. These municipalities should be able to draw on the existing capacity of other viable municipalities in the region, quite a lot of which resided in cities (Municipal Demarcation Board, 1999b).

According to Willemse (2000), traditional leaders wanted their areas to become district management areas, much like the old regional council system in KwaZulu-Natal. It emerged that, at a practical level, it was difficult to define which areas were controlled by traditional leaders. Policy makers did not know where every traditional authority area was, nor could they be accurately mapped. Secondly, many communities had divided loyalties, and this led to continuing conflict and deaths in many areas. Land claim issues were still unresolved, and district councils had power over district management areas and were to take decisions on all matters of local governance. For these reasons, it was proposed that traditional authorities should not be the basis for rural government in the new municipal system. Local government transformation is an attempt to restructure the entire socio-economic landscape, aimed at ensuring that the development potential of the whole country is realized.

The Municipal Demarcation Board published the boundaries of all category A, B and C municipalities, as follows:

TABLE 1: DETAILS OF *PROVINCIAL GAZETTES* INDICATING MUNICIPAL BOUNDARIES

PROVINCE	NOTICE NO.	PROVINCIAL GAZETTE NO.	DATE PUBLISHED
Gauteng	1175	16	2 March 2000
Limpopo	38; 53	484; 489	28 February; 17 March 2000
Eastern Cape	22; 29	486; 493	28 February; 10 March 2000
Mpumalanga	50; 59; 62	513; 517; 519	28 February; 10 and 17 March 2000
North West	37	5447	28 February 2000
Northern Cape	10	445	28 February 2000
Western Cape	69	5431	3 March 2000
Free State	-	14	28 February 2000
KwaZulu-Natal	24	5414	10 March 2000

The Municipal Demarcation Board's preliminary view was that there were a number of large areas that would have more than one local municipality within their boundary (Municipal Demarcation Board: 1999a). Subsequently, 16 cross-boundary municipalities were demarcated, as discussed in the next section.

4.4.2 The Second Term of Municipal Councils

Since the establishment of municipalities on 5 December 2000, the Municipal Demarcation Board established a forum called the Boundaries Committee, comprised as follows:

- (i) A member of the Municipal Demarcation Board, who is also the Chairperson of the Committee;
- (ii) Officials from the DPLG;
- (iii) Officials from the Independent Electoral Commission;
- (iv) Officials from the South African Local Government Association; and
- (v) Officials from the provincial departments of local government.

Over the years, the Boundaries Committee considered and amended various municipal boundaries, by effecting minor and technical changes thereto.

4.4.3 Cross-boundary Municipalities

Following the municipal elections held on 5 December 2000, 16 cross-boundary municipalities were established, affecting five provinces. It emerged that problems pertaining to provincial boundaries were not limited to the cross-boundary areas, most notably the problems around the Eastern Cape / KwaZulu-Natal provincial boundary. Since the establishment of the cross-boundary areas, numerous problems were experienced in administering these municipalities. Several attempts were made to resolve the issues, but with little progress.

One of the main challenges experienced with the administration of municipal areas that straddle provincial boundaries was the day-to-day management of the cross-boundary municipalities. Consequently, legislative amendments had to be effected to resolve this challenge.

In effect, this meant that, firstly, the *Constitution of the Republic of South Africa, 1996* had to be amended to re-determine the geographical areas of the nine provinces of the country. Secondly, legislation had to be developed to repeal provisions in relevant legislation that provided for the establishment / administration of cross-boundary municipalities. New legislation also had to provide for consequential matters as a result of the re-alignment of former cross-boundary municipalities, and the re-determination of the geographical areas of the provinces.

Given the persistent problems surrounding the administration of cross-boundary municipalities, the Presidents' Co-ordinating Council and Cabinet decided as follows:

- (i) the notion of cross-boundary municipalities be done away with;

- (ii) provincial boundaries be reviewed so that all municipalities fall in one province or the other;
- (iii) the DPLG undertakes investigations and develops an implementation plan that will allow affected municipalities to be located within the jurisdiction of one province; and
- (iv) the *Constitution of the Republic of South Africa, 1996* be amended to provide for boundary changes in respect of the areas affected by cross-boundary municipalities.

The above provisions were facilitated through the enactment of the *Constitution Twelfth Amendment Act of 2005*, and the *Cross-boundary Municipalities Laws Repeal and Related Matters Act, 2005* (Act No. 23 of 2005).

Pursuant to the above, the Municipal Demarcation Board finalised the outer boundaries of all cross-boundary municipalities. Provincial boundaries were finalised with the allocation of the cross-boundary municipalities into a single province. The table below depicts the areas / municipalities that were affected in this regard, and the decision taken as to which province the cross-boundary areas were located:

TABLE 2: DETAILS OF ALLOCATION OF CROSS-BOUNDARY MUNICIPALITIES

NO.	MUNICIPALITY	NAMES OF AREAS INCORPORATED / DISESTABLISHED MUNICIPALITIES
1.	Ekurhuleni Metro (Mpumalanga and Gauteng).	(Khayalami, Kempton Park/Tembisa, Edenvale/Modderfontein, Brakpan, Greater Germiston, Greater Nigel, Springs, Greater Benoni, Boksburg, Alberton, Eastern Gauteng SC, Greater JHB, Eastern JHB, East Vaal, Midrand/Rabie Ridge/Ivory Park, Suikerbosrand, Randvaal, Bronberg).
	DECISION:	Municipality incorporated into Gauteng Province.
2.	Tshwane Metro (North West and Gauteng).	(Greater Pretoria, Pretoria, Centurion, Northern Pretoria, Hammanskraal, Eastern Gauteng SC, Pienaarsrivier, Crocodile River, Western Gauteng, Winterveld, Temba, Ga-Rankuwa, Mabopane, Eastern DC, Roodeplaat)
	DECISION:	Municipality incorporated into Gauteng Province.



NO.	MUNICIPALITY	NAMES OF AREAS INCORPORATED / DISESTABLISHED MUNICIPALITIES
3.	CBDC 1: Kgalagadi District Municipality (North West and Northern Cape).	(Kuruman, Kathu, Vanzylsrus, Deben, Mothibestad) See CBLC 1.
	DECISION:	Entire District to be incorporated into the Northern Cape Province – includes the Moshaweng, Ga-Segonyana and Gamagara Local Municipalities.
4.	CBLC 1: Ga-Segonyana Municipality (North West and Northern Cape).	(Hartswater, Jan Kempdorp, Pampierstad, Vaalharts) See CBDC 1.
	DECISION:	Municipality incorporated into Northern Cape Province as part of Kgalagadi DC.
5.	CBDC 2: Metsweding District Municipality (Mpumalanga and Gauteng).	(Bronkhorstspuit, Cullinan, Eastern Gauteng SC, Roodeplaat, Elands River, Bronberg, Ekgangala, Highveld DC, Pienaarsrivier) See CBLC 2.
	DECISION:	Entire District incorporated into the Gauteng Province – includes the Kungwini and Nokeng Tsa Taemane Local Municipalities.
6.	CBLC 2: Kungwini Local Municipality (Mpumalanga and Gauteng).	(Bronkhorstspuit, Ekgangala, Bronberg) See CBDC 2.
	DECISION:	Municipality incorporated into Gauteng Province as part of Metsweding DC.
7.	CBDC 3: Sekhukhune Cross Boundary District Municipality (Mpumalanga and Limpopo).	(Northern DC, Bosveld DC, Hlogotlou/Lepelle, Eastern Tubatse, Dilokong, Tubatse/Steelpoort, Ngwaritsi/Makhuduthamaga, Nebo North, Nokotlou/Fetakgomo, Highveld DC, Lowveld Escarpment DC, Groblersdal, Marble Hall, Moutse, Steelpoort/Ohrigstad/Burgersfort) See CBLC 3, 4 and 5.
	DECISION:	Entire District incorporated into the Limpopo Province – will include Makhuduthamaga, Fetakgomo, Greater Mable Hall, Greater Groblersdal, and Greater Tubatse Local Municipalities.
8.	CBLC 3: Greater Marble Hall Municipality (Mpumalanga and Gauteng).	(Greater Nebo-North, Groblersdal TRC, Hlogotlou/Lepele, Marble Hall, Moutse, Ngwaritsi/Makhudu-Thamaga) See CBDC 3.
	DECISION:	Municipality incorporated into Limpopo Province as part of Greater Sekhukhune DC.
9.	CBLC 4: Greater Groblersdal Municipality (Mpumalanga and Limpopo).	(Groblersdal TLC and TRC, Hlogotlou/Lepele, Lydenburg TRC, Moutse) See CBDC 3.
	DECISION:	Municipality incorporated into Limpopo Province as part of Greater Sekhukhune DC.
10.	CBLC 5: Greater Tubatse Municipality (Mpumalanga and Limpopo).	(Dilokong, Hlogotlou/Lepele, Lydenburg TRC, Ngwaritsi/Makhudu-Thamaga, Ohrigstad/Eastern Tubatse, Steelpoort/Burgersfort, Thubatse Steelpoort) See CBDC 3.
	DECISION:	Municipality incorporated into Limpopo Province as part of Greater Sekhukhune DC.
11.	DC 9: Frances Baard District Municipality (North West and Northern Cape).	(Diamantveld DC, Kimberley, Ritchie, Barkley-West, Ulco, Delportshoop, Windsorton, Hartswater, Pampierstad, Jan Kempdorp) See CBLC 7.
	DECISION:	Entire District incorporated into the Northern Cape Province - includes the Local Municipalities of Sol Plaatjie, Dikgatlong, Magareng, and Phokwane.

NO.	MUNICIPALITY	NAMES OF AREAS INCORPORATED / DISESTABLISHED MUNICIPALITIES
12.	CBLC 7: Phokwane Municipality (North West and Northern Cape).	(Banknara/Bodulang, Huhudu, Kuruman, Mothibistad, Rooiberg) See DC 9.
	DECISION:	Municipality incorporated into Northern Cape Province as part of Frances Baard DC.
13.	CBDC 4: Bohlabela District Municipality (Mpumalanga and Limpopo).	(Northern DC, Bushbuckridge South/North/Midlands, Hoedspruit/Makhutswi, Lowveld Escarpment, Kruger Park South, Sabie Park) See CBLC 6.
	PROPOSAL:	District Municipality disestablished. Bushbuckridge Local Municipality included into the Ehlanzeni District Municipality, and the Maruleng Local Municipality to be included into the Mopani District Municipality. The southern portion of the DMA (Kruger National Park) included into the Ehlanzeni District Municipality, and the northern portion of the DMA included into the Mopani District Municipality.
14.	CBLC 6: Bushbuckridge Municipality (Mpumalanga and Limpopo).	(Sabie Park, Bushbuckridge Midlands, BBR North, BBR South) See CBDC 4.
	DECISION:	Municipality incorporated into Mpumalanga Province as part of Ehlanzeni DC.
15.	CBDC 8: West Rand District Municipality (North West and Gauteng).	(Carletonville, Krugersdorp, Westonaria, Randfontein, Western Gauteng SC, Magaliesburg RC and TRC, Gatsrant, Vaal River, Fochville, Wedela, Southern DC) See CBLC 8.
	PROPOSAL:	Newly constituted District (Mogale City, Randfontein and Westonaria Local Municipalities) incorporated into the Gauteng Province. Merafong Local Municipality included in the Southern District Municipality within the North West Province.
16.	CBLC 8: Merafong City Local Municipality (North West and Gauteng).	(Carletonville, Fochville, Gatsrant, Southern DC, Wedela) See CBDC 8.
	DECISION:	Municipality excluded from the municipal area of the West Rand District Municipality and included in the municipal area of the Southern District Municipality.

With regard to the KwaZulu-Natal and Eastern Cape Provinces, the Sisonke and Alfred Nzo District Municipalities were re-configured as follows:

KWAZULU-NATAL PROVINCE: SISONKE DISTRICT MUNICIPALITY:

Consists of:

- (ii) Ingwe Local Municipality;
- (iii) Kwa Sani Local Municipality;
- (iv) Umzimkulu Local Municipality;
- (v) Greater Kokstad Local Municipality; and
- (vi) Ubuhlebezwe Local Municipality.

EASTERN CAPE PROVINCE: ALFRED NZO DISTRICT MUNICIPALITY:

Consists of:

- (i) Umzimvubu Local Municipality; and
- (ii) Matatiele Local Municipality.

The whole magisterial district of Maluti, together with the district management area ECDMA44, and the small Matatiele area within Umzimvubu, were excluded from the Umzimvubu Local Municipality and incorporated into the Matatiele Local Municipality. The remainder of Umzimvubu and the new Matatiele Local Municipality moved to the Alfred Nzo District Municipality.

Section 5 of the *Cross-boundary Municipalities Laws Repeal and Related Matters Act, 2005* (Act No. 23 of 2005) provides that the provincial governments of the respective releasing and receiving provinces may enter into an implementation protocol in terms of section 35 of the *Intergovernmental Relations Framework Act, 2005* (Act No. 13 of 2005), to provide for transitional arrangements regarding the transfer of provincial functions, assets and liabilities. In terms of this section, affected provinces may enter into an implementation protocol to provide for:

- The provincial government of the releasing province to continue exercising a function or delivering a service on an agency basis in the area in question; or
- The transfer of staff in accordance with applicable labour law from the provincial government of the releasing province to the provincial government of the receiving province.

Finalised implementation protocols must be submitted to the Presidents' Co-ordinating Council for it to co-ordinate the implementation thereof. If the content of implementation protocols was not finalised before the municipal elections of 1 March 2006, the matter had to be referred to the National Council of Provinces for it to facilitate the reaching of an agreement between the affected provinces.

4.5 THE NUMBER OF COUNCILLORS

Prior to 5 December 2000 no scientific formula existed in South Africa to determine the number of councillors in the different types of municipalities. The allocation of registered voters to councillors was skewed, and varied from one province to the other. While broad national guidelines were determined for council sizes during the transitional period, fairly significant differences existed between provinces in terms of the number of councillors.

The *White Paper on Local Government*, 1998 acknowledged that there were too many councillors, and suggested that a more community-oriented political system should be built through reducing the overall number of councillors. During 1999 the number of councillors was reduced by more than 2000 through a process of political consultation, and was based on the application of mathematical formulae, as provided for by the *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998).

In terms of section 20 of the *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998), the Minister for Provincial and Local Government must publish a formula by notice in the *Government Gazette*; which formula must be based on the number of registered voters on the municipality's segment of the national common voters' roll. Despite this, the number of councillors of a municipal council:

- May not be fewer than three or more than 90 councillors in respect of a local or a district municipality; and
- May not be more than 270 councillors in respect of a metropolitan municipality.

The process of delimiting wards is linked to the determination of the number of councillors, since section 22(2) of the *Local Government: Municipal Structures*

Act, 1998 (Act No. 117 of 1998) provides that 50 per cent of the number of councillors in metropolitan and local municipalities will consist of ward councillors. (If a fraction is obtained, then the fraction is rounded upwards.) Obviously, the greater the number of councillors in a municipality, the greater is the remuneration expenditure for the municipality.

4.5.1 The First Term of Municipal Councils

The determination of the number of councillors and the delimitation of wards are inextricably linked. The delimitation of wards by the Municipal Demarcation Board cannot be done until it is known what the total number of councillors will be. This is because the electoral system for municipalities with wards states that 50 per cent of the councillors must be elected according to proportional representation, and 50 per cent to represent wards.

On 5 April 2000 the Minister for Provincial and Local Government published in the Government Gazette, formulae in terms of section 20 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998). The formulae were straight line or linear formulae, of the form $y = mx + c$. The slope of the graph (m) and c (a constant) were determined by the Minister for Provincial and Local Government. After the application of the relevant number of registered voters (x) in the formula, the number of councillors would be obtained (y). The application of the relevant formulae to all of the newly established municipalities on 5 December 2000 resulted in **8 951** councillors, and **3 759** wards throughout the country.

CATEGORY A MUNICIPALITIES:

$$y = (x \div 10\,000) + 60$$

CATEGORY B MUNICIPALITIES:

$$y = 5$$

(for municipalities that have less than 7 501 registered voters);

$$y = (x \div 1\,682) + 1$$

(for municipalities that have between 7 501 and 100 000 registered voters); and

$$y = (x \div 8\,333) + 48$$

(for municipalities that have more than 100 000 registered voters).

CATEGORY C MUNICIPALITIES:

$$y = (x \div 9\,500) + 9$$

(for municipalities that have less than 100 001 registered voters); and

$$y = (x \div 12\,000) + 12$$

(for municipalities that have more than 100 000 registered voters),

where “**y**” represents the number of councillors, and “**x**” represents the number of registered voters in the relevant municipality.

The seats (number of councillors) for each municipality were obtained by applying the relevant formula, and the number of wards for each municipality is guided by the provisions of sections 22 and 23 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998).

Refer to the attached Schedule for the number of councillors / seats that were determined for each municipality.

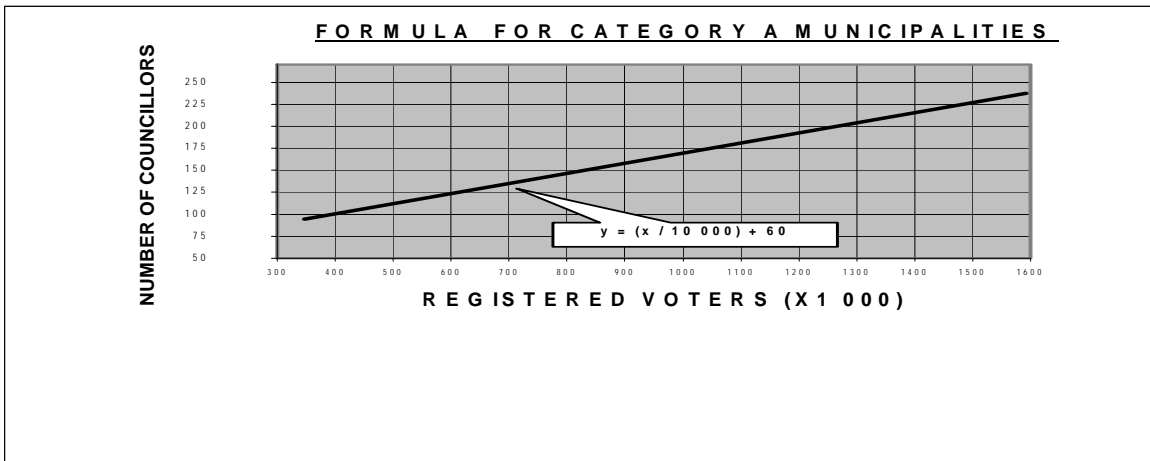
4.5.2 The Second Term of Municipal Councils

During March 2004, the Independent Electoral Commission provided to the DPLG the registered voter figures for Elections 2004 per municipality, as per the certified national common voters' roll. With regard to cross-boundary municipalities, the registration statistics were given by the respective province administering the cross-boundary municipality, and not by geographic province, i.e. if a voting district was geographically located in Limpopo but was managed by the Independent Electoral Commission's Provincial Electoral Officer / Municipal Electoral Officer in Mpumalanga, its figures were shown under Mpumalanga.

For all metropolitan municipalities (category A), the same formula was applied as for the 2000 municipal elections. A maximum number of 220 councillors was allocated to 1.6 million voters (the maximum number of voters then was 1.572 million). The lower point on the scale was 300 000 voters, which equated to 90 councillors.

The formula for all category A municipalities is represented graphically in Figure 1:

FIGURE 1: FORMULA FOR THE DETERMINATION OF NUMBER OF COUNCILLORS FOR CATEGORY A MUNICIPALITIES



For example, in the Johannesburg metropolitan area:

$$y = (x \div 10\,000) + 60$$

where “y” represents the number of councillors, and “x” represents the number of registered voters in the metropolis.

Applying the formula:

$$\begin{aligned}
 \text{The number of councillors} &= (1\,751\,381 \div 10\,000) + 60 \\
 &= 175 + 60 \\
 &= 235
 \end{aligned}$$

Therefore, the number of councillors for the Johannesburg metropolitan area is 235 (fractions disregarded).

Applying the formula to the other metropolitan areas, yields the following results:

TABLE 3: REGISTERED VOTERS AND COUNCILLORS PER METROPOLITAN MUNICIPALITY

METROPOLITAN AREA	REGISTERED VOTERS	COUNCILLORS
City of Johannesburg	1 751 381	235
Ethekwini	1 375 431	197
City of Cape Town	1 448 232	204
Ekurhuleni	1 254 407	185
City of Tshwane	1 072 466	167
Nelson Mandela	514 360	111
TOTAL	7 416 277	1 099

The number of registered voters for category B municipalities ranged from a minimum of 3 659 registered voters (WC051 – Laingsburg), to a maximum of 35 8812 (EC125 – Buffalo City) registered voters. A total of 14 municipalities had less than 7 500 registered voters, 183 municipalities had the number of registered voters ranging between 7 501 and 100 000, and 34 municipalities had more than 100 000 registered voters.

It should be noted that for the 2000 municipal elections, three formulae were implemented for Category B municipalities. In developing formulae for the 2004 municipal elections, the same formulae were “tested”.

For municipalities that had less than 7 501 registered voters, a minimum number of 5 councillors was applied (although the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) stipulates a minimum of 3 councillors, for 7 500 or less voters). The formula obtained is $y = 5$.

For municipalities that had between 7 500 and 100 001 registered voters, a minimum of 5 and a maximum of 60 councillors were applied. The same situation applied for the 2000 municipal elections. The formula obtained is

$y = (x \div 1\ 682) + 1$. The results obtained after applying the formula indicated a gain of approximately 450 councillors in all municipalities (7%). It should be noted that the number of registered voters in the local municipalities increased by approximately 13%. The greatest gain was 13 (EC151 – Mbizana, EC155 – Nyandeni), and the greatest decrease was 4 (CBLC7 – Phokwane). Decreases of 3 were experienced in NW395 (Molopo) and NC071 (Ubuntu). Once again, the situation could be “normalised” (the status quo maintained) if the MEC implemented section 20(4) of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998).

For municipalities that had between 100 001 and 350 000 registered voters, a minimum of 60 and a maximum of 90 councillors [as per section 20(1)(b) of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998)] were applied for the 2000 municipal elections. The latter figure was slightly greater than the largest local municipality (EC125 – Buffalo City (345 304)), and catered for a presumed increase in the number of registered voters during a forthcoming registration process. The formula that applied then was $y = (x \div 8\ 333) + 48$.

However, the number of registered voters in Buffalo City had increased to 358 812, and when applied to the above formula, 91 councillors were generated. In order to keep within the upper limit of 90 that is prescribed in the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), a minimum of 60 and a maximum of 90 councillors were applied to 100 001 and 370 000 voters, respectively. Using the above minima and maxima resulted in the formula $y = (x \div 9\ 000) + 49$. Applying the number of registered voters for Buffalo City therefore resulted in 88 councillors being determined for the municipality.

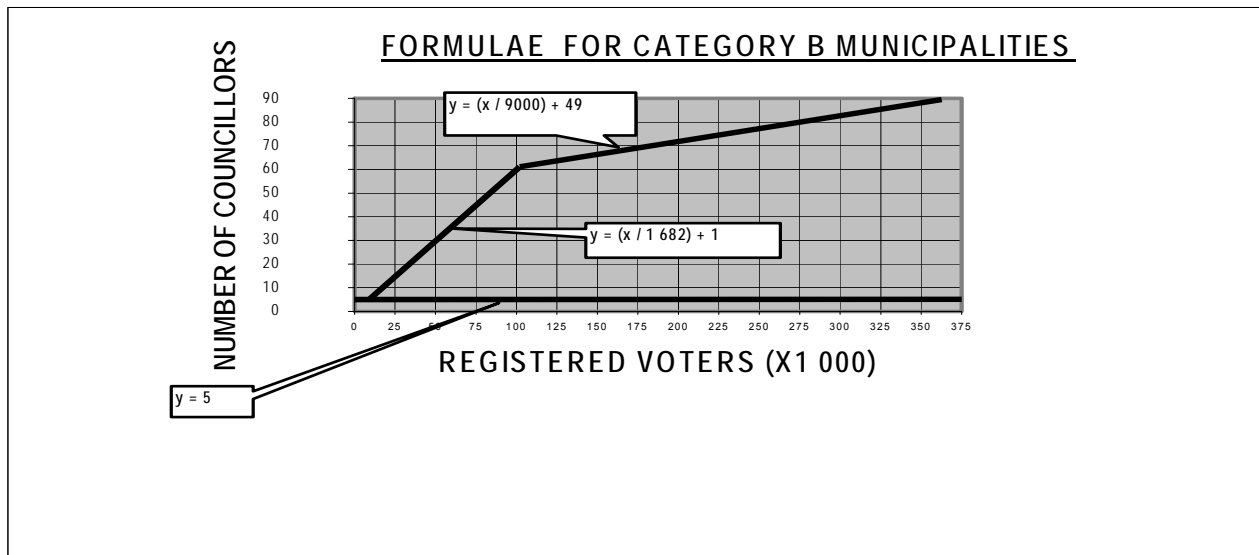
In summary, category B municipalities therefore applied one of three formulae, depending on the number of registered voters in that municipality. The formulae are:

- $y = 5$ - for municipalities that have less than 7 501 registered voters;
- $y = (x \div 1\,682) + 1$ - for municipalities that have between 7 501 and 100 000 registered voters; and
- $y = (x \div 9\,000) + 49$ - for municipalities that have more than 100 000 registered voters,

where “y” represents the number of councillors, and “x” represents the number of registered voters in the relevant municipality (fractions are disregarded).

The formulae for all category B municipalities are depicted graphically in Figure 2:

FIGURE 2: FORMULAE FOR THE DETERMINATION OF NUMBER OF COUNCILLORS FOR CATEGORY B MUNICIPALITIES



Of the 47 district municipalities (category C) during 2000, the following relevant statistics prevailed:

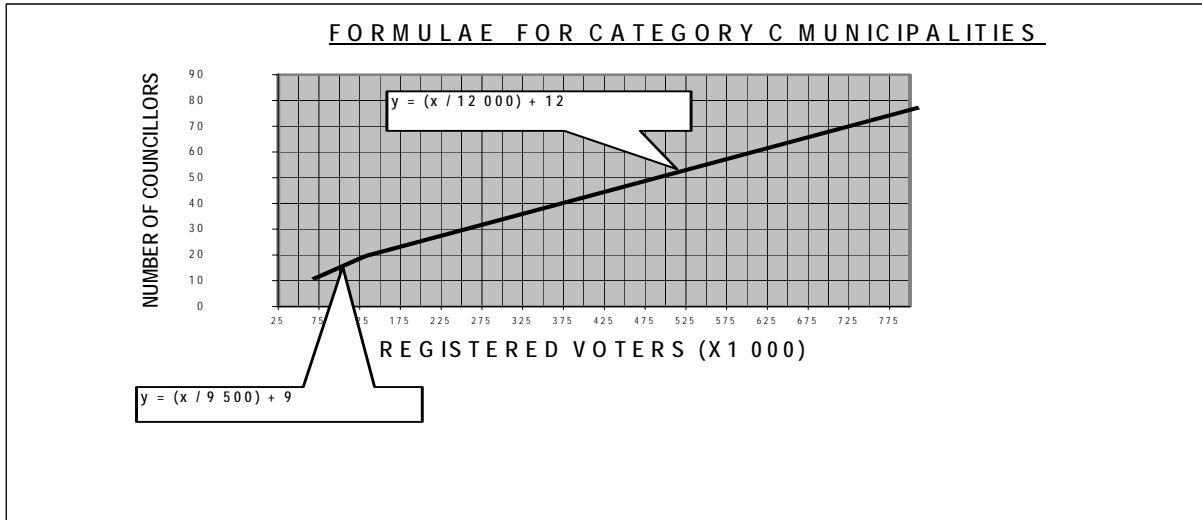
- (i) 7 municipalities had less than 100 000 registered voters;
- (ii) 7 municipalities had between 100 000 and 200 000 registered voters;
- (iii) 13 municipalities had between 200 001 and 300 000 registered voters;
- (iv) 11 municipalities had between 300 001 and 400 000 registered voters;
- (v) 4 municipalities had between 400 001 and 500 000 registered voters;
- (vi) 3 municipalities had between 500 001 and 600 000 registered voters;
- (vii) 1 municipality had between 600 001 and 700 000 registered voters; and
- (viii) 1 municipality (Amatole District Municipality) had 776 303 registered voters.

Bearing the above in mind, and having regard to item 15(3) of Schedule 2 in the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), formulae for this category of municipality were developed by allocating a minimum of 12 councillors for 24 000 voters, and a maximum of 20 councillors for 100 000 voters. For these maxima and minima, the equation $y = (x \div 9\,500) + 9$ was generated – as was done for the 2000 municipal elections.

For between 100 001 and 700 000 voters, a minimum of 20 councillors and a maximum of 70 councillors were applied respectively – the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) stipulates a minimum of 3 and a maximum of 90 councillors for this category of municipality. For these maxima and minima, the equation $y = (x \div 12\,000) + 12$ was generated – as was done for the 2000 municipal elections.

The formulae for all category C municipalities are depicted graphically in Figure 3:

FIGURE 3: FORMULAE FOR THE DETERMINATION OF NUMBER OF COUNCILLORS FOR CATEGORY C MUNICIPALITIES



Refer to the attached Schedule for the number of councillors / seats that were determined for each municipality.

4.6 THE DELIMITATION OF WARDS

In terms of section 22 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) the number of wards in a metropolitan or local council must be equal to 50 per cent of the number of councillors determined for the municipality in terms of the above formulae. If the number of councillors obtained is a fraction, then it must be rounded upwards. Further, local municipalities with fewer than seven members have no wards, and district councils have no wards.

4.6.1 The First Term of Municipal Councils

In approaching the finalisation of ward boundaries, the Municipal Demarcation Board resolved that the building blocks for wards should be the voting districts as defined by the Independent Electoral Commission.

In terms of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), the Municipal Demarcation Board must take into account the following criteria:

- (i) The need to avoid as far as possible the fragmentation of communities;
- (ii) The object of a ward committee as set out in section 72(3), which is to enhance participatory democracy in local government;
- (iii) The availability and location of a suitable place or places for voting and counting if appropriate, taking into consideration:
 - communication and accessibility;
 - density of population;
 - topography and physical characteristics; and
 - the number of voters that are entitled to vote within the required time-frame;
- (iv) The safety and security of voters and election material; and
- (v) Identifiable ward boundaries.

In terms of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), the Municipal Demarcation Board must publish its delimitation of wards for a municipality in the *Provincial Gazette*. Any person aggrieved by a delimitation may within 14 days of publication, submit objections in writing to the Municipal Demarcation Board. The Board must consider those objections and confirm, vary or withdraw its determination. In order to make the process as participatory as possible within the tight time frames, the Municipal Demarcation Board invited the public to assist it in delimiting wards. The process was as follows:

- (i) From 14 March 2000 until 31 March 2000 the public was invited to indicate to the Municipal Demarcation Board which voting districts should be combined to form a ward;
- (ii) On 10 April 2000 the Municipal Demarcation Board availed draft ward boundaries to the public, which were the subject of public hearings held between 12 and 24 April 2000;

- (iii) On 2 May 2000 the Municipal Demarcation Board published the final ward boundaries allowing two weeks for objections, if any; and
- (iv) On 14 September 2000 the Municipal Demarcation Board confirmed all ward boundaries for the country.

Within a municipality, wards must be approximately equal in terms of the numbers of registered voters. This requirement of representative democracy, namely that there be proportionality in the system, does not always mean that the requirements for a participatory democracy are met. Wards are the most vital instrument in bringing together these two fundamental aspects of a democratic society (Municipal Demarcation Board, 2000).

South Africa moved from the interim phase of local government into the final phase of local government on 5 December 2000, which also marked the beginning of the first term of municipal councils. It will be noted from the Schedule that there was a significant reduction in the number of municipalities (from 843 to 284), the number of councillors / seats (from 11 368 to 8 951) and the number of wards (from 5 416 to 3 747).

4.6.2 The Second Term of Municipal Councils

Although the *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998) allows for minimum public participation, the Municipal Demarcation Board's decision to follow a participatory process over an extensive period of time proved to be of great value in improving the ward boundaries within the limits of the criteria provided for in the Act. In the spirit of the *Constitution of the Republic of South Africa*, 1996 and other local government legislation, the Municipal Demarcation Board opted for a more open, transparent and lengthy process, in order to ensure maximum public participation. Three different sets of ward boundaries were published for public comments. Public opinion was also

tested at more than 50 public hearings throughout South Africa, between October and December 2004. More than 1 600 valid submissions were received.

Though many proposals for changes to wards boundaries were favourably considered during the delimitation process, some proposals had to be rejected for various reasons, such as non-compliance with the criteria, and the knock-on effect on the boundaries of other wards. One provision in the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), which disallows an ideal reconfiguration of boundaries in some areas, is the provision that the number of registered voters in each ward may not vary by more than 15 per cent from the norm. Of all the criteria, this is the only mandatory and quantifiable one, and the Municipal Demarcation Board had no choice but to comply with the legislation in this regard.

During the objection phase (after the third set of ward boundaries was gazetted), 389 submissions were received and considered. In this phase, 566 wards in 92 municipalities were varied as a result of public inputs. After further consultation with the Independent Electoral Commission, 123 wards in 23 municipalities were technically corrected to align ward boundaries to municipal and voting district boundaries. The final ward boundaries were handed to the Independent Electoral Commission on 20 May 2005.

4.7 THE DIVISION OF POWERS AND FUNCTIONS BETWEEN CATEGORY B AND CATEGORY C MUNICIPALITIES

Vosloo, Kotzé and Jeppe (1974:26) state that the range of functions performed by municipalities includes the construction and maintenance of streets, bridges, sewers, drains, public places, etc.; the provision and maintenance of fire and ambulance services, public transport, recreation grounds, parks, gardens, museums, art galleries, markets, public conveniences, cemeteries, abattoirs, clinics, isolation hospitals, wash houses, etc.; the control of traffic, building

construction, public health, food supplies, trades and business occupations; urban renewal and township development; the provision of housing for low-income groups, etc.

The legal framework regulating the division of powers and functions between category B and category C municipalities may be summarized as follows:

- section 155(3)(c) of the *Constitution of the Republic of South Africa, 1996* provides that national legislation must, subject to section 229, make provision for an appropriate division of functions and powers between municipalities, when an area has municipalities of both category B and category C;
- section 229 of the *Constitution of the Republic of South Africa, 1996* sets out the fiscal functions and powers of municipalities and provides for an appropriate division of fiscal functions and powers where two municipalities have the same fiscal powers;
- section 156 of the *Constitution of the Republic of South Africa, 1996* provides that a municipality has the executive authority and the right to administer the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5;
- chapter 5 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) deals with the functions and powers of municipalities, the division of those powers and functions between district and local municipalities, and the adjustment of the division of functions and powers as follows:
 - section 83 provides that all municipalities have the functions and powers assigned to them in terms of sections 156 and 229 of the *Constitution of the Republic of South Africa, 1996*; and
 - section 84 (as amended) divides the functions and powers referred to in section 83 between district and local municipalities. Section 84(1) contains a list of the functions and powers allocated to district municipalities, section 84(2) allocates all the section 83(1) functions and

powers to local municipalities, excluding those functions and powers vested in district municipalities in terms of section 84 (1).

More specifically, section 84 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) allocates the following functions to district councils:

- (a) Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality;
- (b) Potable water supply systems;
- (c) Bulk supply of electricity which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity;
- (d) Domestic waste-water and sewage disposal systems;
- (e) Solid waste disposal, in so far as it relates to the determination of a waste disposal strategy; the regulation of waste disposal; and the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district;
- (f) Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole;
- (g) Regulation of passenger transport services;
- (h) Municipal airports serving the area of the district municipality as whole;
- (i) Municipal health services;
- (j) Fire fighting services serving the area of the district municipality as a whole, which include planning, co-ordination and regulation of fire services; specialized fire fighting services such as mountain, veld and chemical fire services; co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures; training of fire officers;

- (k) The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district;
- (l) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of the municipalities in the district;
- (m) Promotion of local tourism for the area of the district municipality;
- (n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality;
- (o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality; and
- (p) The imposition and collection of taxes, levies and duties as related to the above functions, or as may be assigned to the district municipality in terms of national legislation.

The Minister for Provincial and Local Government may, after consulting the relevant line function Minister and the MEC's, authorize a local municipality to perform the following functions:

- Potable water supply systems;
- Bulk supply of electricity which includes for the purposes of such supply, the transmission, distribution and where applicable the generation of electricity;
- Domestic waste-water and sewage disposal systems; and
- Municipal health services.

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) does not prescribe any criteria or conditions in terms of which the Minister for Provincial and Local Government must exercise this power. In other words the Minister has unfettered discretion (except for the consultation requirement) to authorize local municipalities in terms of section 84(3), and is not subject to a recommendation from the Municipal Demarcation Board in exercising this power.

4.7.1 The First Term of Municipal Councils

In the run-up to the 2000 municipal elections, it was decided that in order to ensure the provision of services was not disrupted and the transfer of staff was kept to a minimum, powers and functions were allocated by the Minister for Provincial and Local Government and MECs along the following lines:

- Category B municipalities would be authorized to perform the functions of transitional local councils and transitional representative councils; and
- Category C municipalities would be authorized to perform District / Regional Services council functions.

These authorizations have become known as maintaining the status quo in respect of the four national functions and the other section 84(1) functions (excluding the four national functions), as well as the section 84(2) functions. The result in having maintained the status quo in respect of the division of powers and functions between district and local municipalities is that where a disestablished local municipality performed a function (say water) within its area, the newly established local municipality continued to perform that function, but only for the disestablished municipal area. This resulted in a situation where in areas of certain local municipalities, specific functions (water) were being performed by different entities such as the new local municipality, the new district municipality or a water board.

Although this situation was not ideal, it resulted in the uninterrupted provision of services and disruption was restricted to a minimum.

Until 5 December 2002, the MEC for local government in a province could, subject to the recommendation of the Municipal Demarcation Board, authorize a local municipality to perform or exercise, in its area, the following functions and powers or aspects thereof:

- (i) Solid waste disposal sites in so far as this related to determination of a waste disposal strategy; the regulation of waste disposal; the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district;
- (ii) Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole;
- (iii) Regulation of passenger transport services;
- (iv) Municipal airports serving the area of the district municipality as a whole;
- (v) Fire fighting services serving the area of the district municipality as a whole including planning, co-ordination and regulation of fire services; specialized fire fighting services such as mountain, veld and chemical fire services; co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures, and the training of fire officers;
- (vi) The establishment, conduct and control of fresh produce markets and abattoirs serving the major proportion of the municipalities in the district;
- (vii) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of the municipalities in the district;
- (viii) Promotion of local tourism in the area of the district municipality; and
- (ix) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.

In addition, the MEC for local government in a province could also, by notice in the *Provincial Gazette*, authorize a district municipality to perform or exercise, in the area of a local municipality, the functions and powers of a local municipality or aspects thereof (provided for in sections 156 and 229 of the *Constitution of the Republic of South Africa*, read with section 84(2) of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998)).

The Municipal Demarcation Board has conducted annual capacity assessments since 2001, and pursuant to each of those processes, made recommendations to

the relevant MECs for local government to adjust (in some cases) certain powers and functions between local and district municipalities.

4.7.2 The Second Term of Municipal Councils

During August 2005, the Municipal Demarcation Board embarked on a process to assess the capacity of all local and district municipalities to perform their municipal powers and functions.

A compact disc is enclosed on the inside of the back cover of this dissertation which provides a detailed assessment of capacity of all the functions listed in Parts B of Schedules 4 and 5 to the *Constitution of the Republic of South Africa*, 1996 for each local and district municipality for the 2005 / 2006 period.

4.8 CONCLUSION

The new local government system can be compared to a puzzle, with many parts that fit together to make a whole picture. It takes thought and strategy to put all the pieces together, and the puzzle is incomplete until each piece is in place. The pieces of the puzzle are the processes necessary to start change, the structures necessary to put change into place, the principles to make change really happen, and finally, mechanisms to assist all role players in putting these pieces together. When the puzzle is complete, local government will truly fulfil its constitutional role of being a people-friendly, efficient, viable and developmental agent for change across the country.

While transformation ultimately rests with each municipality, there are a number of ways in which national government can enable and support transformation. The process of establishing the new local government system is likely to result in extraordinary costs, and a transitional fund has been established to assist municipalities to manage the transformation process.

The development of the systems required to support municipal transformation should be managed in partnership with local government. This will both build the capacity of local government and result in effective systems which municipalities can use to lever change in their operations and in their approaches to meeting community needs. Given the scale of need in local communities, it is essential that skills, resources and capacity from a number of institutions and sectors are harnessed behind the vision of developmental local government, to contribute actively to making this vision a reality.

However, successful transformation ultimately rests in the hands of each municipality. Transformation is not a choice – it is an obligation placed on each municipality to fulfil its constitutional mandate and to play a role in the development of the nation. Local government has a critical role to play in consolidating our new democracy, and each councillor, each official, and each citizen is tasked with making their contribution in the areas where they live.

One of the biggest challenges in the process of transforming municipal governance is to address the many anxieties (some well-founded and others less so) which exist among councillors, officials, the private sector and other stakeholders. Some of these anxieties are heightened through gate-keepers trying to control access to information and holding councils to ransom.

CHAPTER 5

THE DEVELOPMENT OF A REMUNERATION SYSTEM FOR MEMBERS OF MUNICIPAL COUNCILS

5.1 INTRODUCTION

After municipal boundaries were determined, and wards were delimited, the holding of municipal elections on 5 December 2000 ushered in a new local government dispensation in South Africa. The newly established municipalities were mandated to deliver effective and efficient services for the communities they serve, simultaneously strengthening local governance. The municipal councils were crucial to the service delivery agenda of government, and were seen as the people's alternative for making local choices and setting local priorities.

Botes, Brynard, Fourie and Roux (1997:226) state that in the past, councillors received no payment except for travelling and subsistence allowances for journeys undertaken in the service of their municipal authorities, and that the ordinances of provinces made provision for monthly payment of allowances to councillors. While the Premier in the province approved the allowances, the Premier also revised the extent of the allowances from time to time and prescribed this in the form of a circular. It is further claimed by the same authors that the new development of paying allowances to councillors follows the trend of paying increased salaries to members of Parliament, with a view to attracting more competent persons to seek election as councillors. Unlike members of Parliament, councillors served on a part-time basis (prior to 5 December 2000), and sacrificed their private and personal time in order to serve their community. Due to the decentralized system of determining the remuneration of councillors, the salaries, allowances and benefits that were extended to councillors differed from one province to the next.

The publication of Government Notice No. R. 903 in *Government Gazette* No. 20306 in terms of the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998) was a conscious move to centralize the determination of the remuneration to be paid to councillors. This notice was applicable for the 1998 / 1999 financial year for municipalities.

Government Notice No. R. 803 was the second notice that was published by the Minister for Provincial and Local Government in the *Government Gazette* in terms of the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998), and this notice was applicable for the 1999/2000 financial year for municipalities. The application of this notice came to an end on 4 December 2000, on the eve of the first democratically held elections of all municipal councils.

In leading up to the dispensation where authority was to be vested in the Minister for Provincial and Local Government to determine the upper limits of the remuneration of councillors, an evolving legislative framework began to unfold. This chapter elaborates on and emphasizes the process that was followed to the point where the Minister for Provincial and Local Government eventually exercised discretion in this regard.

5.2 THE DEVELOPMENT OF A LEGISLATIVE FRAMEWORK FOR THE REMUNERATION OF MEMBERS OF MUNICIPAL COUNCILS

According to Craythorne (2003:109) “one of the most striking features of the new, post-1996 legislation is that it changed the whole basis on which councillors are remunerated. In the early twentieth century, councillors were not remunerated; then the idea of paying an allowance for attending meetings emerged. This practice led to most committee meetings having large numbers of councillors present only until the attendance register had been signed. To remedy this

abuse, a monthly allowance was introduced – but, even up to this point, the basic philosophy had always been that a councillor served the community and was only to be partly compensated for the time taken to attend to municipal affairs. The new legislation, in providing for the payment of salaries, changes the whole basis of councillor remuneration. Councillors are now salaried employees of the voters”.

The following sections deal firstly with the provision, if any, for the remuneration for public representatives in the various Constitutions of South Africa since the country became a Union in 1910, and then with relevant legislation, if any, enacted in terms of those constitutional provisions.

5.3 THE SOUTH AFRICA ACT, 1909

With regard to remuneration related matters for public office-bearers, the *South Africa Act, 1909* provided for the salary of the Governor-General, and stipulated that he or she should receive an annual sum of ten thousand pounds, which should not be altered during the term of office. The Governor-General was the representative of the King, and as such, formed part of the executive government in the country. The Governor-General was appointed by the King, and exercised the powers and functions as assigned by the King. “Governor-General” also means the State President, as defined in section 2 of the *Interpretation Act, 1957* (Act No. 33 of 1957).

The *South Africa Act, 1909* further provided that the members of the different Houses should receive an allowance of one thousand pounds per annum, and that the Leader of the Opposition should receive an additional allowance of one thousand pounds. The *South Africa Act, 1909* also stipulated that where no valid reasons were provided by members, an amount of six pounds would be deducted if a member failed to attend a meeting of the House. Although this

provision appears to have been harsh, it is important to note that such penalties were in existence in the early development of the State.

The *South Africa Act*, 1909 further provided that the President of the Senate should receive a salary of two thousand pounds per annum, and that the speaker of the House of Assembly a salary of two thousand five hundred pounds per annum. The same Act further provided that the salaries of the administrators of provinces should be fixed and provided by Parliament, and that the allowances of provincial councillors should be determined by the Governor-General in consultation with his or her Executive Council. The *South Africa Act*, 1909 also provided for the remuneration of Judges, and stipulated that their remuneration should be prescribed by Parliament.

From the preceding paragraphs, four important issues should be noted. Firstly, the *South Africa Act*, 1909 provided for the details regarding the remuneration of public office-bearers and judges, whereas the *Constitution of the Republic of South Africa*, 1996 provides that an Act of Parliament should regulate this matter. Secondly, a hierarchy appeared to be evolving, which established that the Governor-General should receive a greater salary than the Speaker of the House of Assembly, who in turn should receive a greater salary than the President of the Senate. Also, it is noted that the position of the Leader of the Opposition was greater than the position of a member of a House, by virtue of the higher allowance received by the former position. Thirdly, and without any notable elaboration and justification, the *South Africa Act*, 1909 stipulated that the Governor-General, the Speaker of the House of Assembly and the President of the Senate should receive salaries, and that members of the different Houses should receive allowances. This was further entrenched by providing for salaries for provincial administrators, and for allowances for provincial councillors. Fourthly, the salaries of provincial office-bearers were determined by the national government.

The above principles as enshrined in the *South Africa Act*, 1909 were carried forward as the State developed and are contained, albeit in an adapted manner, in the *Provincial Government Act*, 1961 (Act No. 32 of 1961).

5.4 THE PROVINCIAL GOVERNMENT ACT, 1961 (ACT NO. 32 OF 1961)

The salaries and allowances of a provincial administrator, who was the chief executive officer appointed by the State President and who was known as the administrator of the province, were provided for in section 67 of the *Provincial Government Act*, 1961. Provincial councillors were entitled to such allowances as determined by the State President.

From the above, it is noteworthy that the remuneration of public office-bearers at the national and provincial levels of government continued to be centrally determined by the State President. The remuneration paid to councillors was provided for in the relevant ordinances of the erstwhile provinces. The relevant provisions of the different ordinances that dealt with the remuneration of councillors are discussed hereunder.

5.4.1 The Natal Province

Section 36 of the *Local Authorities Ordinance*, 1974 (Ordinance No. 25 of 1974) provided for allowances to be paid to councillors, which could be reviewed annually.

The allowance, which was paid out of the municipality's budget, was meant to reimburse councillors for the expenses incurred by them during the performance of their duties as councillors, and to compensate them for the time which they ordinarily spent in the performance of such duties.

5.4.2 The Transvaal Province

Section 19 of the *Transvaal Local Government Ordinance*, 1939 (Ordinance No. 17 of 1939) provided for allowances that could be payable to the mayor, deputy-mayor and other councillors. Section 19(1) stipulated that the council could make an allowance available to the mayor for general purposes, as the council deemed sufficient. The allowance was traditionally referred to as a "mayoral fund" / allowance. The Ordinance further stated that the allowance should be deposited in a special banking account, and that the mayor and the finance officer should account to the finance committee or to the relevant management committee. The allowance was not subject to audit.

The fact that the mayoral fund was not subject to audit, provided the mayor with discretionary power to spend funds in this account at will, without having to account for expenditure thus incurred. This left the fund open to abuse in the form of mayors supplementing their personal allowances with these funds.

The *Transvaal Local Government Ordinance*, 1939 (Ordinance No. 17 of 1939) further provided that allowances to the mayor, deputy-mayor and councillors should be determined before the commencement of the mayor's term of office, and should not be varied during the term of office. It further provided that whenever the deputy mayor performed the duties of the mayor for 14 days or more, the allowance applicable to the mayor was also extended to the deputy mayor.

5.4.3 The Orange Free State Province

The *Local Government Ordinance*, 1962 (Ordinance No. 8 of 1962) provided in section 57 that, in addition to an allowance that may have been payable to a mayor or chairman, such councillor could also receive travelling and subsistence allowances, as determined by the Responsible Member. An entertainment

allowance, as determined by the council, was also payable. The Responsible Member, as defined in the *Local Government Ordinance*, 1962 (Ordinance No. 8 of 1962), meant the member of the Executive Council of the Province responsible for the administration of the ordinance.

Section 66K of the *Local Government Ordinance*, 1962 (Ordinance No. 8 of 1962) further provided for the payment of allowances to members of executive committees, and stated that such councillors could also receive travelling and subsistence allowances. It should be noted that this section also provided that where the Responsible Member had made a determination with regard to allowances, the Member could determine that such allowances be paid with effect from a date not more than 6 months prior to the date on which such determination was made.

5.4.4 The Cape Province

Prior to the promulgation of Proclamation No. 82 of 1995 in the Cape Province, section 56 of the *Cape Municipal Ordinance*, 1974 (Ordinance No. 20 of 1974) provided that a council could pay to a councillor any necessary expenses incurred during the performance of functions as a councillor within the municipal area, or a fixed monthly allowance not exceeding such amount as determined by the Administrator.

The *Cape Municipal Ordinance*, 1974 (Ordinance No. 20 of 1974) also provided that a council could grant leave to any councillor to be absent from not more than six ordinary meetings during any period of twelve consecutive months. The first such period was calculated from the date on which the councillor assumed office.

In comparison with the other provinces, it would appear that the Cape Province had progressed the furthest in terms of developing a remuneration system for their councillors during the interim phase of local government. On 9 May 1995,

the MEC for local government, in terms of section 10(1) of the *Local Government Transition Act*, 1993 (Act No. 209 of 1993), with the concurrence of the Provincial Committee for Local Government for the Western Cape Province as required in terms of section 4(1) of that Act, proclaimed a remuneration system for councillors in that province in Proclamation No. 82 of 1995.

In terms of section 8 of Proclamation No. 82 of 1995, a grading system was introduced which was based on the actual income collected from property rates and the number of registered voters in the municipality. Sixteen grades were provided for, and points were allocated for property rates income and the number of registered voters, as shown in Tables 4 and 5 respectively. The resulting remuneration levels for councillors are presented in Table 6.

TABLE 4: THE ALLOCATION OF POINTS FOR PROPERTY RATES INCOME

NO.	PROPERTY RATES INCOME			POINTS
1.	R250 000	and	less	3.125
2.	R250 001	to	R423 454	6.250
3.	R423 455	to	R717 251	9.275
4.	R717 252	to	R1 214 891	12.500
5.	R1 214 892	to	R2 057 799	15.625
6.	R2 057 800	to	R3 485 528	18.750
7.	R3 485 529	to	R5 903 836	21.875
8.	R5 903 837	to	R10 000 001	25.000
9.	R10 000 002	to	R16 938 141	28.125
10.	R16 938 142	to	R28 690 061	31.250
11.	R28 690 062	to	R48 595 627	34.375
12.	R48 595 628	to	R82 311 953	37.500
13.	R82 311 954	to	R139 421 139	40.625
14.	R139 421 140	to	R236 453 477	43.750
15.	R236 453 478	to	R400 000 000	46.875
16.	Greater than R400 000 000			50.000

TABLE 5: THE ALLOCATION OF POINTS FOR THE NUMBER OF REGISTERED VOTERS

NO.	REGISTERED VOTERS			POINTS
1.	700	and	less	3.125
2.	701	to	1 119	6.250
3.	1 120	to	1 790	9.275
4.	1 791	to	2 862	12.500
5.	2 863	to	4 576	15.625
6.	4 577	to	7 317	18.750
7.	7 318	to	11 700	21.875
8.	11 701	to	18 708	25.000
9.	18 709	to	29 915	28.125
10.	29 916	to	47 833	31.250
11.	47 834	to	76 485	34.375
12.	76 486	to	122 300	37.500
13.	122 301	to	195 557	40.625
14.	195 558	to	312 696	43.750
15.	312 697	to	500 000	46.875
16.	Greater than 500 000			50.000

TABLE 6: REMUNERATION LEVELS FOR COUNCILLORS IN THE FORMER CAPE PROVINCE

CATEGORY	POINTS	LEVEL 1	LEVEL 2	LEVEL 3
		MAYOR / CHAIRPERSON / CHAIRPERSON OF EXCO	DEPUTY MAYOR / MEMBER OF EXCO	ORDINARY COUNCILLORS
1.	0.00 to 6.25	R24 000	R6 000	R6 000
2.	6.26 to 12.50	R29 460	R7 368	R7 368
3.	12.51 to 18.75	R33 312	R8 328	R8 328
4.	18.76 to 25.00	R37 669	R9 420	R9 420
5.	25.01 to 31.25	R42 588	R10 644	R10 644
6.	31.26 to 37.50	R48 156	R36 120	R12 036

CATEGORY	POINTS	LEVEL 1	LEVEL 2	LEVEL 3
		MAYOR / CHAIRPERSON / CHAIRPERSON OF EXCO	DEPUTY MAYOR / MEMBER OF EXCO	ORDINARY COUNCILLORS
7.	37.51 to 43.75	R54 456	R40 836	R13 608
8.	43.76 to 50.00	R61 572	R46 176	R15 396
9.	50.01 to 56.25	R69 612	R52 212	R17 400
10.	56.26 to 62.50	R78 708	R59 028	R19 680
11.	62.51 to 68.75	R88 992	R66 744	R22 248
12.	68.76 to 75.00	R100 632	R75 468	R25 152
13.	75.01 to 81.25	R113 784	R85 331	R28 440
14.	81.26 to 87.50	R128 652	R96 492	R32 160
15.	87.51 to 93.75	R145 464	R109 092	R36 360
16.	93.76 and above	R162 000	R121 500	R40 500

From the above grading system, and other provisions contained in the proclamation, it is important to note the following salient features of this system of remuneration that was applicable in the erstwhile Cape Metropolitan Council:

- (i) The criteria of actual property rates collected and the number of registered voters per municipality formed the basis of grading municipal councils, with more affluent municipalities obtaining more points for each of the criteria;
- (ii) The greater the sum total of the two criteria, the higher the grade of the municipal council – for example, the Cape Metropolitan Council would, by virtue of its affluency, be a grade 16 municipal council;
- (iii) A system of hierarchy was developed, where the mayor / chairperson and chairperson of the executive committee were ranked highest (level 1); the deputy mayor / member of the executive committee were ranked second (level 2); and ordinary councillors were ranked third (level 3);
- (iv) For categories one to five, councillors were remunerated in the ratio of level 1:level 2: level 3 as 4:1:1, respectively;

- (v) For categories six to 16, councillors were remunerated in the ratio of level 1:level 2: level 3 as 4:3:1, respectively;
- (vi) Councillors that served on district councils received an allowance for attendance of meetings, which was limited to ten meetings per year;
- (vii) A councillor who resided more than 30 kilometres from where council meetings were held, was entitled to be compensated for expenses relating to transport to and from such meetings;
- (viii) Councillors who travelled outside the jurisdiction of the municipality received reasonable compensation for out of pocket expenses;
- (ix) Any overpayment could be condoned by the MEC, if such overpayment had occurred prior to the proclamation coming into operation; and
- (x) By resolution, a council could institute fines payable by councillors for failure to attend a meeting without prior approval of the council for leave of absence.

Many of the above provisions and policy positions remained in force until the commencement of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), and were incorporated into the remuneration system that came into effect when that Act was implemented. This matter is discussed in greater detail *infra* (paragraph 6.3).

From the above discussion, it is clear that the different provinces implemented different legislative provisions to remunerate councillors in their municipalities. This skewed manner of compensating councillors caused huge problems, because councillors essentially had similar roles and responsibilities to perform, but by virtue of them being resident in a particular area, this resulted in them receiving different remuneration.

5.5 THE *REPUBLIC OF SOUTH AFRICA CONSTITUTION ACT, 1983* (ACT NO. 110 OF 1983)

Section 12 of the *Republic of South Africa Constitution, 1983* provided that the State President should be paid, out of and as a charge on the State Revenue Fund, a salary and allowances as may have been determined by resolution of Parliament. While the salary and allowances of the State President were previously paid out of the national fiscus, the *Republic of South Africa Constitution, 1983* was explicit in this regard, as section 81 provided for the establishment of the State Revenue Fund.

Section 70 of the *Republic of South Africa Constitution, 1983* provided for the establishment of a President's Council which was constituted by members from the House of Assembly, the House of Representatives, the House of Delegates, and members appointed by the State President. Section 73 provided for the State President to determine the remuneration, allowances and benefits of members, by proclamation in the *Government Gazette*. In terms of the relevant provisions in the *Republic of South Africa Constitution, 1983*, remuneration, allowances and benefits could differ in respect of full-time or part-time members.

As the *Republic of South Africa Constitution, 1983* did not provide for the remuneration of other public office-bearers, the relevant provisions as contained in the *Provincial Government Act, 1961* were still applicable.

5.5.1 The *Remuneration of Town Clerks Act, 1984* (Act No. 115 of 1984)

De Beer and Lourens (1995:59) state that the *Remuneration of Town Clerks Act, 1984* (Act No. 115 of 1984), provided for the:

- Establishment of a Board on the Remuneration and Service Benefits of Town Clerks;

- Determination of the remuneration and certain other service benefits of the chief executive officers of local authorities; and
- Maximum limits of the remuneration and certain other service benefits of other employees of local authorities.

The *Remuneration of Town Clerks Act*, 1984 (Act No. 115 of 1984), read together with the *Promotion of Local Government Affairs Act*, 1983 (Act No. 91 of 1983) discussed *supra* (paragraph 3.5.1), obligated the Board on the Remuneration and Service Benefits of Town Clerks to classify local authorities according to grades. Use was made of the so-called 13-factor formula, of which income was the most important factor.

This system led to dissatisfaction due to among others, its inhibiting effect on the determination of service benefits of other local government employees, its effect on the Municipal Councillors Pension Fund, the remuneration of chief executive officers of regional services councils and its inhibiting influence on privatization at local level. It also had an effect on the allowances of councillors on the one hand, and on the remuneration of members of Parliament on the other.

According to De Beer and Lourens (*ibid.*) the status with regard to the grading of local authorities, regional services councils and joint services boards (Natal) was as follows on 12 November 1993, as proclaimed in Board Notice No. 127 of *Government Gazette* No. 15250:

TABLE 7: GRADING OF MUNICIPALITIES AS AT 12 NOVEMBER 1993

GRADE	CAPE	NATAL	ORANGE FREE STATE	TRANSVAAL
1	50 e.g. Loxton	25 e.g. Kranskop	21 e.g. Rosendale	13 e.g. Devon
2	43 e.g. Garies	8 e.g. Bergville	27 e.g. Clarens	12 e.g. Dullstroom
3	41 e.g. Bedford	10 e.g. Hibberdene	22 e.g. Boshof	16 e.g. Rayton
4	42 e.g. Hopetown	14 e.g. Hilton	19 e.g. Brandfort	21 e.g. Ottosdal
5	35 e.g. Kakamas	9 e.g. Glencoe	10 e.g. Bothaville	19 e.g. Sabie

GRADE	CAPE	NATAL	ORANGE FREE STATE	TRANSVAAL
6	19 e.g. Port Alfred	11 e.g. Kokstad	6 e.g. Bloemspruit	22 e.g. Delmas
7	17 e.g. Hermanus	15 e.g. Dundee	8 e.g. Parys	15 e.g. Bethal
8	7 e.g. Durbanville	7 e.g. Vryheid	2 e.g. Virginia	13 e.g. Brits
9	13 e.g. Strand	3 e.g. Ladysmith	3 e.g. Sasolburg	14 e.g. Acasia
10	5 e.g. Paarl	1 Pinetown	1 Mangaung	16 e.g. Alberton
11	3 e.g. Belville	-	-	7 e.g. Benoni
12	-	1 Pietermaritzburg	1 Bloemfontein	2 e.g. Germiston
13	1 Port Elizabeth	-	-	1 Soweto
14	-	-	-	1 Pretoria
15	1 Cape Town	1 Durban	-	1 Johannesburg

TABLE 8: GRADING OF REGIONAL SERVICES COUNCILS AND JOINT SERVICES BOARDS

GRADE	CAPE	NATAL	ORANGE FREE STATE	TRANSVAAL
7	1 Walvis Bay	1 Griqualand East	-	-
8	8 e.g. Upper-Karoo	-	2 e.g. Eastern Free State	3 e.g. Bushveld
9	10 e.g. Amatola	4 e.g. Zululand	2 e.g. Goldfield	3 e.g. Eastern Vaal
10	-	-	-	1 Western Vaal
12	1 Algoa	-	-	2 e.g. Pretoria
13	-	1 Port Natal - Ebodwe	-	-
14	1 Western Cape	-	-	2 e.g. Central Witwatersrand

The system of grading municipalities was abolished with the repeal of the *Remuneration of Town Clerks Act, 1984* (Act No. 115 of 1984). However, the Commission recommended that municipalities be graded according to a system based on the number of inhabitants in a local authority, whereafter the councillors would have to share in a “salary pool” set aside for them. This pool was determined by multiplying the number of inhabitants in a municipality by a factor

of 6 (which represents a cost of R6.00 per inhabitant, per year) to maintain a body of councillors in each area. The Commission further recommended that a meeting allowance of R200.00 per day be paid to councillors with dual membership, and that district council members should receive a meeting allowance in addition to their council salary (*Independent Commission for the Remuneration of Public Representatives*, 1996).

5.5.2 The *Pension Benefits for Councillors of Local Authorities Act*, 1987 (Act No. 105 of 1987)

The *Pension Benefits for Councillors of Local Authorities Act*, 1987 (Act No. 105 of 1987) authorized municipalities to establish a pension fund or a pension scheme for councillors, and empowered the national Minister responsible for local government to determine the rates and conditions in respect of the different categories or grades of local authorities.

According to De Beer and Lourens (1995:67) the establishment of the fund in terms of the *Pension Benefits for Councillors of Local Authorities Act*, 1987 (Act No. 105 of 1987) was not supported by all councils in the country, and during the 1988 general municipal elections, the fund was politicized to a large extent.

5.6 THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA ACT, 1993 (ACT NO. 200 OF 1993)

As indicated earlier, the *Constitution of the Republic of South Africa*, 1993 ushered in a fundamental change to the country's constitutional development. Chapter 10 radically changed the constitutional status of local government. According to Craythorne (2002:4), "for the first time in the history of the country, the right of local government to exist was constitutionally entrenched, as were its powers and functions".

Section 79 of the *Constitution of the Republic of South Africa, 1993* provided that the State President should be paid, out of and as a charge on the National Revenue Fund, such remuneration, allowances and pension benefits, as may have been determined from time to time by resolution of Parliament. The remuneration of judges was provided for in section 104 of the *Constitution of the Republic of South Africa, 1993*, which stated that their remuneration should not be reduced during their continuation in office. The remuneration and allowances that were paid to the Commission on Provincial Government was determined by the Minister of Finance, in terms of section 171 of the *Constitution of the Republic of South Africa, 1993*.

Section 207 of the *Constitution of the Republic of South Africa, 1993* provided that an Act of Parliament should establish a Commission on the Remuneration of Representatives, and that the Commission should “make recommendations to Parliament, the provincial legislatures and local governments regarding the nature, extent and conditions of the remuneration and allowances of the members of all elected legislative bodies of the national government and of provincial and local governments, including members of the Provincial Houses of Traditional Leaders and the Council of Traditional Leaders”. Section 208 of the *Constitution of the Republic of South Africa, 1993* provided for the composition and functioning of the Commission, and stated that reports of the Commission should be tabled in Parliament at least once a year.

Although the above sections were repealed by section 242 of the *Constitution of the Republic of South Africa, 1996*, the inclusion of the above provisions in the *Constitution of the Republic of South Africa, 1993* was the first intervention made by the State in attempting to centralize the determination of the remuneration to be paid to all councillors.

5.6.1 The *Commission on the Remuneration of Representatives Act, 1994* (Act No. 37 of 1994)

On 23 November 1994 the President assented to the *Commission on the Remuneration of Representatives Act, 1994* (Act No. 37 of 1994), which came into operation on 13 April 1995. Section 5(2) provided for the functions of the Commission, and stipulated that the Commission should annually publish recommendations in the *Government Gazette* on:

- The remuneration, allowances and other benefits, including pension and medical aid benefits of all representatives; and
- The resources necessary to enable a representative to perform his or her functions effectively.

The Commission was also obliged to compile a report on its activities, and submit copies of such report to the Speaker of the National Assembly, to the President of the Senate and to the Speaker of each provincial legislature, for tabling in the House or provincial legislature concerned. The Commission could also request from the Secretary to Parliament or the secretary to any provincial legislature, or from any representative, any information which it would require in order to exercise its powers or perform its functions, and it could conduct such research to achieve its objectives.

The Commission was assisted in the performance of its functions by a secretariat provided, after consultation with the Commission, by the Public Service Commission.

The mandate of the Commission included an obligation to report on the remuneration and allowances of those representatives elected at local government level. When developing its recommendations during 1996, the Commission emphasized its independence, objectivity and representivity. It

referred to the need to be conscious of the transformation process that the country was going through, and emphasized the need for simplicity.

The Commission also proposed that remuneration packages be structured in such a way that any constituent should be readily able to determine at any given time what their local government representative earns. For example, the “total package approach” adopted at the national and provincial levels was, in their view, equally appropriate as a concept in respect of local government remuneration (*Commission on the Remuneration of Representatives*, 1996).

The Commission further stated that national and provincial governments were looking to local government structures as one of the most important institutions through which reconstruction and development projects could be identified and effectively implemented.

During 1996, the Commission declared that municipalities were designated to perform functions of a much greater ambit and significance than their predecessors, and that it could not determine with any degree of certainty the extent to which that principle would impose full-time obligations on councillors. As the Commission was a permanent review body created by the *Constitution of the Republic of South Africa*, 1993, it decided to reserve judgement in that regard (*Independent Commission for the Remuneration of Public Representatives*, 1996).

In accordance with the *Local Government Transition Act*, 1993 (Act No. 209 of 1993), the following local government structures were applicable during that time:

- Transitional Metropolitan Councils and Transitional Metropolitan Substructure Councils;
- Transitional Local Councils; and
- Regional District Councils.

In essence, the following categories of councillors and concomitant responsibilities were in effect at that time:

TABLE 9: ROLES AND RESPONSIBILITIES OF THE DIFFERENT CATEGORIES OF COUNCILLORS IN TERMS OF THE *CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1993*

CATEGORY OF COUNCILLOR	RESPONSIBILITIES	DISTINGUISHING RESPONSIBILITIES
Mayor	Ceremonial representative of the Council, and chairs council meetings. Ex-officio member of all committees.	Significant time spent on ceremonial responsibilities. Typically, a politically influential person.
Deputy Mayor	Deputises for Mayor.	As for Mayor, but to a lesser extent.
Chairperson of the Executive Committee	Chairs the executive Committee. This is an influential committee that deals with important Council matters	Does not entail significantly higher responsibilities than other Executive Committee members. This position is usually recognition of status and political leadership.
Executive Committee Members	Influential committee of council.	Meets often, as much as once a week in larger local authorities.
Committee Chairperson	Chairs sub-committee of Council.	This position is recognition of status. Typically, committee chairpersons sit on the Executive Committee.
Committee Members	Typically, are advisory committees to the Executive Committee and the Council	These committees usually met once a month.
Ordinary Councillors	Executive and legislative body of the municipality.	Statutory requirement to meet once a month. Regional Councils meet 3 or 4 times a year.

The Commission, having regard to the above, recommended a three-tier hierarchy of councillors to function as follows:

TABLE 10: HIERARCHY OF COUNCILLORS IN TERMS OF THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1993

TIER	POSITION OF COUNCILLOR
ONE	Mayor and Chairperson of the Executive Committee
TWO	Members of the Executive Committee
THREE	Ordinary Councillors

The Commission further recommended that a ratio of 5:3:2 be used to differentiate between each tier. By proposing the above, the Commission recognised a difference between the responsibilities and time demands for each position, whilst acknowledging the component of joint accountability for council decisions.

The Commission further recommended that the maximum remuneration of any councillor be the equivalent of a Member of a Provincial Legislature, and that the minimum remuneration of any councillor be set at R1 500.00 per month, subject to inflationary increases (*Independent Commission for the Remuneration of Public Representatives, 1996*).

5.7 THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996

Chapter 7 of the *Constitution of the Republic of South Africa, 1996* is applicable to local government. Section 219(1) provides that an Act of Parliament must establish a framework for determining the salaries, allowances and benefits of members of the National Assembly, the upper limit of salaries, allowances or benefits of members of provincial legislatures, members of Executive Councils and members of Municipal Councils in the different categories.

Section 219(2) stipulates that national legislation must establish an independent Commission to make recommendations concerning the salaries, allowances and benefits referred to above, and that the national executive, a provincial executive, a municipality or any other relevant authority may implement the legislation referred to above, only after considering any recommendations of the Commission.

The *Independent Commission for the Remuneration of Public Office-bearers Act, 1997* (Act No. 92 of 1997), enacted in terms of section 219(2) of the *Constitution of the Republic of South Africa, 1996*, was assented to on 26 November 1997 by the President, and came into operation on 29 June 1998. In terms of Proclamation No. 26 of 26 April 2001, the administration of the Act was assigned to the Deputy President.

In terms of section 219(1) of the *Constitution of the Republic of South Africa, 1996*, the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) was assented to on 15 September 1998 by the then Acting President, and came into operation on 23 September 1998.

The above-mentioned legislation is discussed in greater detail hereunder.

5.7.1 The *Independent Commission for the Remuneration of Public Office-bearers Act, 1997* (Act No. 92 of 1997)

The *Independent Commission for the Remuneration of Public Office-bearers Act, 1997* (Act No. 92 of 1997) provides for the establishment of the Independent Commission for the Remuneration of Public Office-bearers to make recommendations concerning the salaries, allowances and benefits of all office-bearers. Section 2 establishes the Commission, and section 3 stipulates that it shall consist of eight members appointed by the President. In terms of section 5, members are appointed for a non-renewable term of office of five years.

Section 7 of the *Independent Commission for the Remuneration of Public Office-bearers Act*, 1997 (Act No. 92 of 1997) stipulates that the Commission shall meet at least once a year, and five members shall form the quorum for the meeting. In the event of an equality of votes on any matter, the person presiding at the meeting concerned shall have a casting vote in addition to that person's deliberative vote.

The functions of the Commission are prescribed in section 8 of the *Independent Commission for the Remuneration of Public Office-bearers Act*, 1997 (Act No. 92 of 1997). The Commission may exercise the powers and shall perform the duties entrusted to it, and also conduct an enquiry into any matter as provided for by the Act, section 219 of the *Constitution of the Republic of South Africa*, 1996, or any other law.

In addition, the Commission may conduct or cause to be conducted such research or obtain such information from the Secretary to Parliament, the secretary to any provincial legislature, the secretary to the National House of Traditional Leaders, the secretary to any provincial house of traditional leaders, the chief executive officer of any municipality, the Chief Justice or any person designated for that purpose by the Chief Justice, or any functionary or body as may be necessary for the performance of the functions of the Commission under the Act, section 219 of the *Constitution of the Republic of South Africa*, 1996 or any other law.

In terms of section 8(4) of the *Independent Commission for the Remuneration of Public Office-bearers Act*, 1997 (Act No. 92 of 1997), the Commission must publish recommendations in the *Government Gazette* concerning the salary, allowances and benefits of all office-bearers, after taking into consideration the following factors:

- (i) The role, status, duties, functions and responsibilities of office-bearers;

- (ii) The affordability of different levels of remuneration of public office-bearers;
- (iii) Current principles and levels of remuneration, particularly in respect of organs of state, and in society generally;
- (iv) Inflationary increases;
- (v) The available resources of the state; and
- (vi) Any other factor which, in the opinion of the Commission, is relevant.

In terms of section 8(5) of the *Independent Commission for the Remuneration of Public Office-bearers Act, 1997* (Act No. 92 of 1997), the Commission must annually publish in the *Government Gazette* the recommendations referred to above in respect of each category of office-bearer, and this must be submitted to Parliament before publication. In terms of section 9, the Commission shall, at the request of the President, investigate and consider any matter relating to the salary, allowances and benefits of office-bearers, and shall make recommendations to the President in regard thereto.

With regard to the administration of the Commission, section 11 of the *Commission for the Remuneration of Public Office-bearers Act, 1997* (Act No. 92 of 1997) provides that the Director-General in the Office of the President shall, after consultation with the Commission, designate such officers in the Office of the President as may be necessary to perform the work incidental to the exercise or performance of the powers and duties of the Commission. This is in contrast to the *Commission on the Remuneration of Representatives Act, 1994* (Act No. 37 of 1994) where the Public Service Commission was obligated to provide secretariat services to the then Commission.

Since its inauguration in 1998, the Commission annually published its recommendations in the *Government Gazette* as presented in Table 11:

TABLE 11: ANNUAL RECOMMENDATIONS BY THE COMMISSION

FINANCIAL YEAR	GOVERNMENT GAZETTE NO.	GENERAL NOTICE NO.	DATE PUBLISHED
1998 / 1999	18776	479 of 1998	3 April 1998
1999 / 2000	19872	457 of 1999	26 March 1999
2000 / 2001	21242	574 of 2000	9 June 2000
2001 / 2002	22321	1403 of 2001	1 June 2001
2002 / 2003	24214	3463 of 2002	27 December 2002
2003 / 2004	23717	22 of 2003	17 January 2003
2004 / 2005	26868	2173 of 2004	5 October 2004
2005 / 2006	27770	1108 of 2005	8 July 2005

From the above table, it is noted that the publication of the recommendations of the Commission was not done during any specific period, or on any common specific date. In some instances, it was published well into the financial year of the public service (which commences on 1 April and ends on 31 March of a calendar year), and of municipalities (which commences on 1 July and ends on 30 June of a calendar year). This had a negative impact on budgeting processes, and resulted in the retrospective implementation of recommendations being made by the Commission, and the concomitant retrospective payment of remuneration to public office-bearers.

For ease of reference, General Notice No. 1108 of 8 July 2005 as contained in *Government Gazette* No. 27770 which provides the Commission's recommendations for the remuneration of all public office-bearers for the 2005 / 2006 financial year, is attached as Annexure A.

It is noted from the contents of the above-mentioned *Government Gazette*, that a specific hierarchy of national and provincial representatives has been provided, which has become entrenched over the years as the Commission made its recommendations.

The table below provides the upper limits of the remuneration of public office-bearers in a provincial legislature, as published in General Notice No. 1108 of 8 July 2005.

TABLE 12: UPPER LIMITS OF THE REMUNERATION OF PUBLIC OFFICE-BEARERS IN A PROVINCIAL LEGISLATURE

GRADE	OFFICE	BASIC SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION
F	Premier	R669 463	R159 322	R828 785
E1	Member of the Executive Council Speaker	R544 122	R136 030	R680 152
D	Deputy Speaker	R425 884	R106 471	R532 355
C1	Chief Whip: Majority Party	R412 675	R103 168	R515 843
C2	Leader of Opposition i.t.o. section 116(2)(d) of <i>Constitution</i> , 1996 Chairperson of a Committee of a Legislature Chairperson of Committees	R399 950	R99 987	R499 937
B	Chief Whip: Official Opposition / Largest Minority Party Deputy Chief Whip: Majority Party Deputy Chairperson of Committees	R383 862	R95 966	R479 828
A1	Parliamentary Counsellor to the King Whip Leader of a Minority Party in a Legislature other than the Official Opposition	R341 449	R85 362	R426 811
A2	Member of a Legislature	R328 846	R82 211	R411 057
All amounts reflected under the "TOTAL REMUNERATION" column include an amount of R40 000 per annum in this Proclamation as the amount to which section 8(1)(d) of the <i>Income Tax Act</i> , 1962 (Act No. 58 of 1962) applies.				

5.7.2 The *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998)

It has been indicated *supra* (paragraph 5.4) that the determination of the remuneration of councillors was previously conducted at provincial level. In order to centralize and standardize their remuneration across the country, the *Constitution of the Republic of South Africa, 1996* required national legislation to regulate this matter. This resulted in the enactment of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998).

The *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) provides a framework for determining the following:

- Salaries and allowances of the President, members of the National Assembly, permanent delegates to the National Council of Provinces, the Deputy President, Ministers, Deputy Ministers, traditional leaders, members of provincial Houses of Traditional Leaders and members of the National House of Traditional Leaders;
- The upper limit of salaries and allowances of Premiers, members of Executive Councils, members of provincial legislatures and members of Municipal Councils; and
- Pension and medical aid benefits of office-bearers.

Section 7 of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) provides that “the upper limits of salaries and allowances of members of municipal councils shall from time to time be determined by the Minister for Provincial and Local Government, after consultation with the MEC for local government in each province, by notice in the *Government Gazette* after taking into consideration:

- (i) The recommendations of the Commission;

- (ii) The respective role, status, duties, functions and responsibilities of the different members of municipal councils;
- (iii) The different categories or types of municipalities, having regard to their respective powers, duties and functions;
- (iv) The gross income, the area of jurisdiction and the nature of settlement of each municipality;
- (v) The affordability of different levels of remuneration of public office bearers;
- (vi) The current principles and levels of remuneration in society generally;
- (vii) The need for the promotion of equality and uniformity of salaries, allowances and benefits for equal work performed;
- (viii) The provision of uniform norms and standards nationally to address disparities; and
- (ix) Inflationary increases”.

The above section is not intended to constrain the Minister for Provincial and Local Government, but is intended to capture all possible relevant determinants of remuneration. It is also noteworthy that it does not apply to pension and medical aid benefits, which are dealt with in sections 8 and 9 respectively, of the *Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)*.

Sections 8 and 9 provide that the upper limits of the contribution to be made to the pension fund and/or the medical aid scheme on behalf of a member of a municipal council, shall be determined by the Minister after taking into consideration the recommendations of the Commission.

It will also be noted from the provisions in the *Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)* that, apart from councillors and traditional leaders, all other office-bearers have a portion of their remuneration, determined by the President in the *Government Gazette* on 13 September 1999 as

R40 000.00, exempt from tax in terms of section 8(1)(d) of the *Income Tax Act*, 1962 (Act No. 58 of 1962) – this provision is discussed in greater detail *infra* (paragraph 8.2.7).

5.8 CONCLUSION

It has been shown in this chapter that the remuneration of members of municipal councils did not explicitly feature in law initially, until the 1960's, when various Ordinances dealt with this matter, albeit in a disjointed manner. The introduction of the *Republic of South Africa Constitution*, 1993 entrenched the constitutional status of local government, and specifically provided for the remuneration of councillors, through the Independent Commission on the Remuneration of Public Representatives.

The *Constitution of the Republic of South Africa*, 1996 established local government as a sphere of government, and provided for the establishment of the Independent Commission for the Remuneration of Public Office-bearers. The *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998) specifically provides that the Minister for Provincial and Local Government must determine the upper limit of councillor remuneration, thereby entrenching the “centralization” of the system at the national sphere of government.

This chapter concluded appropriately with an exposé of the framework and dispensation that is presently applicable with regard to determining remuneration for councillors. It is important to note that while the provisions relating to the remuneration of councillors may still be contained in certain ordinances, the provisions, if they conflict with the present legal framework, are invalid. This is because they are superseded by the provisions contained in the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998), and the annual determinations made by the Minister for Provincial and Local Government. Provinces have embarked on a process to repeal all old order local government

legislation, a process which was initiated by the Department of Provincial and Local Government during 2001.

In pursuing further understanding of the roles and responsibilities of councillors, the following chapter describes the present institutional, political and administrative systems that are applicable in local government, as a precursor to the manner in which the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) was applied in developing and implementing a remuneration system for councillors.

CHAPTER 6

PRINCIPLES OF A REMUNERATION SYSTEM FOR MEMBERS OF MUNICIPAL COUNCILS

6.1 INTRODUCTION

As local government began to transform and consolidate in South Africa, the remuneration system for councillors also began to grow in importance and priority. The fact that the *Constitution of the Republic of South Africa, 1996* makes specific provision for an Act of Parliament to regulate this matter, indicates its magnitude, and the significance that government placed thereon.

However, the enactment of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) merely provided the Minister for Provincial and Local Government with a framework to determine the upper limits of salary, allowances and benefits for councillors. Policy still had to be formulated on a wide range of issues such as the grading of municipal councils; identifying a hierarchy of councillors; pronouncing on allowances (travelling, housing, cell phones); providing for benefits (medical aid, pension); and providing details on reimbursive expenditure.

Barron, Crawley and Wood (1991:8) suggest that the councillor as policymaker is the most powerful justification of democratically elected municipalities. The same authors report that more than 20 years ago, an influential report spelt out the duties of councillors as policymakers, and indicated that it is the members who should take and be responsible for the key decisions on objectives, and on the means and plans to attain them. They further state that councillors must periodically review the position as part of their function of directing and controlling, while the context within which they presently formulate policy is one of heightened ideological conflict and personal rancour. There can be no doubt

that local government is increasingly seen today as an arena in which to pursue ideological values and objectives and to seek to bring about radical change. Broad policy statements are thus transferred from manifestos to become the overall policy of the authority.

The following sections therefore describe the principles that underpin the present remuneration system applicable to councillors. The various Government Notices that were published annually by the Minister for Provincial and Local Government in the *Government Gazette* in terms of the relevant provisions in the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) are discussed, reflecting on how the remuneration system for councillors evolved since the inception of the Act.

6.2 IMPLEMENTATION OF THE *REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998* (ACT NO. 20 OF 1998)

With the operationalization of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) on 23 September 1998, the Minister was obliged to annually determine the upper limits of salaries, allowances and benefits of councillors in terms of sections 7(1), 8(5)(a) and 9(5)(a) respectively, of the Act.

Noting the fact that the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) commenced on 23 September 1998, the first two notices that were published in this regard were based on the interim phase of local government, and provided for institutional and political arrangements that were present at the time. The Local Government MINMEC then undertook a study to develop recommendations for a system of remunerating councillors.

For the first term of municipal councils commencing 5 December 2000, the upper limits of councillor remuneration were based on specific recommendations made by the Commission.

6.3 REMUNERATION SYSTEM FOR COUNCILLORS PRIOR TO THE FIRST TERM OF MUNICIPAL COUNCILS (UNTIL 4 DECEMBER 2000)

The system of councillor remuneration that was applicable between 1 July 1999 and 5 December 2000 can broadly be summarized as follows:

- (i) There were 16 size classifications for the purposes of ranking municipalities. The size classifications were based on the following two factors, each accounting for 50 per cent of the size classification:
 - The preceding year's actual property rates income; and
 - The number of registered voters in each municipality;
- (ii) Weightings were attached to each of the criteria to determine the points required for each size classification, and the weightings were used to determine the maximum remuneration that could be payable;
- (iii) There were three categories of councillor as set out in the table below, with the percentage of the maximum remuneration payable to each level;
- (iv) The upper limit of remuneration was benchmarked against that of a Member of the Provincial Legislature, excluding motor vehicle and pension benefits; and
- (v) A minimum limit of remuneration was also determined.

TABLE 13: HIERARCHY OF COUNCILLORS AND APPLICABLE REMUNERATION PRIOR TO THE FIRST TERM OF MUNICIPAL COUNCILS

LEVEL 1	100% of Benchmark	Mayor and Chairperson of the Executive Committee
LEVEL 2	75% OF LEVEL 1	Deputy Mayor and Members of the Executive Committee
LEVEL 3	25% OF LEVEL 2	Ordinary Councillors

It should be noted that the above recommendations were an almost exact duplication of the system of remuneration that was proclaimed by the erstwhile MEC of Local Government in the Western Cape on 9 May 1995; the system of

remuneration which was applicable to transitional municipal structures in that province, as discussed *supra* (paragraph 5.4.4).

6.3.1 From 1 July 1999 to 30 June 2000

Based on the above-mentioned recommendations, on 19 July 1999 the Minister for Provincial and Local Government published Government Notice No. R. 903 in *Government Gazette* No. 20306, after consultation with the MECs responsible for local government in the provinces. This notice set out the upper limits of councillor remuneration in terms of section 7(1) of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998). A copy of this notice is attached as Annexure B.

The notice provided the upper limits for annual salaries payable to councillors in the differently graded municipal councils. In addition to the determined salary, councillors were also able to claim for travelling to and from meetings of the council, provided that the councillor resided more than 30 kilometres from the place where council meetings were held. This reimbursement was in accordance with the tariffs prescribed by the Department of Transport for the use of privately owned vehicles. Also, a councillor who was required to travel outside the area of jurisdiction of the municipality, was entitled to be compensated for out of pocket expenses directly related to such business. There were no provisions made for the payment of benefits.

Since a nationally determined system of remuneration was being implemented for the first time in the country, and noting that there could have been cases where remuneration may have exceeded the upper limits as determined by the Minister for Provincial and Local Government, the notice also provided for transitional arrangements. In this regard, it was stated that “where the salaries and allowances as at 1 July 1999 exceed the salaries and allowances determined by this notice the relevant councillors retain such higher level of

payment, but on condition that no further upward adjustments be made in respect of such level of payment until the upper levels determined under section 7 of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) equal such present higher levels, whereafter further adjustments will again apply to the councillors in question.”.

6.3.2 From 1 July 2000 to 4 December 2000

On 11 August 2000 the Minister for Provincial and Local Government published Government Notice No. R. 803 in *Government Gazette* No. 21474, after consultation with the MECs responsible for local government in the provinces. This notice set out the upper limits of councillor remuneration in terms of sections 7(1), 7(2), 8(5)(a) and 9(5)(a) of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998). A copy of this notice is attached as Annexure C, and was applicable until the eve of the municipal elections held on 5 December 2000.

Additional provisions were included in the notice, and the Minister for Provincial and Local Government also indicated that a sitting allowance would be paid to appointed councillors. Upper limits were also provided for pension and medical aid benefits, respectively, as follows:

- The upper limit of the contribution to be made by a municipal council to the pension fund of which a member of that municipal council is a member, is 33.25 per cent of the remuneration; and
- The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a member of that municipal council is a member, shall be twice the amount of that which the member is obliged to pay in respect of membership fees.

It is noted from the above that the Minister for Provincial and Local Government continued to allow municipalities and councillors to contribute to the pension fund (Municipal Councillors Pension Fund) at the rate that was determined by the

erstwhile Minister of Provincial Affairs and Constitutional Development on 13 September 1988. Having regard to the fact that all councillors were appointed on a part-time basis, no exceptions were made, even if the councillor received a pension benefit by virtue of his/her employment in a capacity other than as a councillor.

Similarly, with regard to the medical aid benefit that was extended, there was no restriction applicable to councillors if a councillor was a member of another medical aid scheme by virtue of his/her employment in a capacity other than as a councillor. Also, there was no ceiling as to the amount that a councillor could receive in this regard.

The notice also provided for reimbursive allowances, in the form of actual amounts that could be claimed in respect of actual out of pocket expenditure that was incurred in the course of performing official functions on behalf of the municipality. The notice again provided for transitional arrangements and allowed councillors to remain on “personal” notches until such time as their remuneration equalled the remuneration as determined by the Minister for Provincial and Local Government, whereafter further adjustments would once again apply to such councillors.

6.4 REMUNERATION SYSTEM FOR COUNCILLORS FROM THE COMMENCEMENT OF THE FIRST TERM OF MUNICIPAL COUNCILS (FROM 5 DECEMBER 2000)

In essence, the Minister for Provincial and Local Government was required to, after consultation with the MEC responsible for local government in each province, and after considering the various factors listed in section 7(1) of the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998), publish a notice in the *Government Gazette* that would set out the upper limits of councillor

remuneration. Amongst other things, the notice would have to provide for the following:

- (i) Definitions;
- (ii) Grading the different categories of municipal councils;
- (iii) Determining a hierarchy of councillors;
- (iv) Determining benchmarks for the various councillors;
- (v) Specifying salary, allowances and benefits;
- (vi) Distinguishing between proportionally represented, appointed and ward councillors; and
- (vii) Distinguishing between full-time and part-time councillors.

The Commission had undertaken a comprehensive study in this regard, and subsequently made recommendations to the Minister for Provincial and Local Government. This section examines the recommendations made by the Commission, and concludes by discussing in chronological order the various notices that were published in terms of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998). Relevant issues raised by the Commission are included in the discussion hereunder.

6.4.1 Definitions

The definitions section in any law is meant to provide legal certainty as to the interpretation and meaning of certain terms that may be included in legislation. As the system of remuneration evolved from the publication of the first notice in terms of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), to the notice that is presently applicable, definitions were provided for the following terms:

- (i) Category of municipal council;
- (ii) Rates income of a municipality;
- (iii) Number of registered voters in a municipality; and
- (iv) Full-time and part-time councillors.

Although there was a change over the years in replacing the term “official function” with “ceremonial function”, no definitions in this regard were provided in the notices that were published in terms of the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998) by the Minister for Provincial and Local Government. Chapter seven elaborates further in this regard, in which recommendations are proposed for a new remuneration system for councillors.

6.4.2 Grading of Municipal Councils

Prior to 1997, the *Remuneration of Town Clerks Act*, 1984 (Act No. 115 of 1984) was used as a basis to determine the remuneration of town clerks / chief executive officers of all local authorities. In 2000 a formula was used to design a grading system between the smallest (grade 1) and the largest (grade 15) municipality. Remuneration levels were also assigned to each grade. To determine the grade of municipality, the following factors were taken into account:

- (i) The income of the local authority;
- (ii) The numbers of ratepayers, levy payers, service users and tenants;
- (iii) The number of staff in the local authority;
- (iv) The number of proclaimed erven;
- (v) The number of residential units, both situated within and administered by the local authority;
- (vi) The number of water meters;
- (vii) The number of electricity meters;
- (viii) The number of sewerage points;
- (ix) The total length in kilometres of roads and streets;
- (x) The number of library books;
- (xi) The number of trading licenses issued;
- (xii) The kilolitres of water purified for human consumption;
- (xiii) The kilolitres of sewage purified;

- (xiv) The number of self propelled fire engines; and
- (xv) The number of self propelled ambulances.

The advantage of using these factors was that they could be easily verified. However, stakeholders indicated that the above grading system was subject to much criticism, mainly because of the duplication in the factors and the adverse behavioural implications on policy decisions in order to increase the grading of the local authority.

In the final analysis, it was recommended that the system of grading municipal councils should be based on the following criteria:

- The number of registered voters; and
- The actual property rates income of the municipality.

The **number of registered voters** takes into account the size of the community to which the municipality is responsible, having regard to the fact that the number of councillors in each municipality will be based on this factor. The number of registered voters per ward councillor (in the same municipality) must not differ by more (or less) than 15 per cent, as provided for in the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998). This factor could also be used as an indicator of the development challenge facing the municipality, although this could vary from municipality to municipality.

With regard to the **actual property rates income**, each municipality is required to have a valuation roll prepared which sets out the description of each property, together with the valuation thereof. The valuation roll is prepared by a qualified valuator and is considered to be an independent and reliable database of properties.

Having regard to the fact that there were, at that time, 16 size classifications, the Commission recommended six broad banding classifications, with an emphasis

on distinguishing between the smaller to medium-sized municipalities, rather than the larger-sized municipalities.

6.4.3 Determining a Hierarchy of Councillors

Bearing in mind the hierarchy that was applicable to the previous dispensation, the following responsibilities were identified for the different types of councillors for the new term of municipal councils:

TABLE 14: ROLES AND RESPONSIBILITIES OF THE DIFFERENT CATEGORIES OF COUNCILLORS IN TERMS OF THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996

CATEGORY OF COUNCILLOR	ROLE / RESPONSIBILITIES	DISTINGUISHING RESPONSIBILITIES
Speaker	Chairperson of the Municipal Council.	There are no added responsibilities.
Acting Speaker (This is not a permanent position)	When the Speaker is absent or the position is vacant, or when the Speaker is unable to perform a function (temporarily excused from a meeting where there is a conflict of interest).	No extra remuneration should be paid due to temporary acting position.
Mayor	Chairs the Executive Committee, performs ceremonial functions and exercises delegated powers.	There are added responsibilities that are significant. These should be recognised in remuneration.
Deputy Mayor (Position must be approved by the MEC)	Performs duties of Mayor when Mayor is absent, or unavailable to undertake functions, or if the position of Mayor is vacant.	There are added responsibilities that are significant, and should be recognised in remuneration.

CATEGORY OF COUNCILLOR	ROLE / RESPONSIBILITIES	DISTINGUISHING RESPONSIBILITIES
Executive Committee Member	Undertakes executive authority in accordance with delegated powers of the municipal council.	There are added responsibilities that are significant, and should be recognised in remuneration. In addition, the Executive Committee would be expected to meet more often than the municipal council.
Executive Mayor	Undertakes executive authority in terms of delegated powers of the municipal council.	Recognition of the significant role and responsibilities attached to this position should be reflected in remuneration.
Executive Deputy Mayor	Performs the duties of the Executive Mayor when the Executive Mayor is absent, or when unable to undertake functions, or when that position is vacant.	There are added responsibilities that are significant, and should be recognised in remuneration.
Mayoral Committee Member	Advisor to the Executive Mayor.	There are added responsibilities that are significant, and should be recognised in remuneration.
Subcouncil member	Undertakes powers and duties in local areas, and advises the metropolitan council on local concerns.	There are added responsibilities that are significant, and should be recognised in remuneration.
Ward councillor	Chairs the ward committee, and communicates between the ward committee and the municipality on ward issues and concerns.	There is no added responsibility, when compared to other “ordinary” councillors.
Appointed councillor	Serves as an elected councillor on a local council, and represents the local council on the district council.	There is no added responsibility, when compared to other “ordinary” councillors. However, in terms of section

CATEGORY OF COUNCILLOR	ROLE / RESPONSIBILITIES	DISTINGUISHING RESPONSIBILITIES
		7(2) of the <i>Remuneration of Public Office Bearers Act, 1998</i> (Act No. 20 of 1998) such a councillor may receive an additional allowance.
Other committee member	Committees could include: <ul style="list-style-type: none"> ▪ Committees to advise the council, and may take decisions in terms of delegated powers and duties; and ▪ Committees to advise the Executive Committee or Executive Mayor – do not divest responsibility from Executive Committee or Executive Mayor. 	There are no added responsibilities as their responsibilities are derived from either the Executive Committee or the municipal council.

The following hierarchy of councillors (which was subsequently adopted by the Minister for Provincial and Local Government) was recommended in the light of the new legislative provisions regulating local government:

TABLE 15: HIERARCHY OF COUNCILLORS IN TERMS OF THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996

LEVEL	POSITION OF COUNCILLOR
LEVEL 1	Mayor, and Executive Mayor
LEVEL 2	Speaker, Deputy Mayor, and Executive Deputy Mayor
LEVEL 3	Members of the Executive or Mayoral Committees, and Chairperson of a Subcouncil
LEVEL 4	Ordinary Councillors (including ward and appointed councillors)

6.4.4 Determining Benchmarks

Benchmarking is an important aspect of determining remuneration, particularly in the private sector. Remuneration specialists conduct surveys for different levels within an organization and for different industries. The benchmarks are adjusted for organizational size and roles and responsibilities. Typically, the roles and responsibilities will be adjusted on a scientific work-study review basis. This remuneration setting process also recognizes the impact of market forces on attracting skilled and experienced personnel.

The Commission indicated that there was no independent benchmark that could be used as a starting basis for determining the remuneration of councillors. No similar positions exist in the private sector, so there are no market benchmarks that can be used. Whilst it was traditional to compare councillors to members of the provincial legislature, there are differences that need to be taken into account, particularly when comparing the different roles and responsibilities between members of these two spheres of government.

The Commission suggested that the following principles of remuneration should be used to determine the remuneration of both full-time and part-time councillors:

- (i) Remuneration should compensate councillors for the time spent on council related activities;
- (ii) Remuneration should compensate councillors for the roles and responsibilities that make demands on councillors;
- (iii) There are community leadership roles and responsibilities implicit in being a councillor that should be reflected in remuneration; and
- (iv) The basis of remuneration should be transparent, equitable and all-inclusive to the greatest possible extent.

With regard to the above, the Commission recommended that the upper limit of the remuneration of a mayor / executive mayor (level 1) of the highest graded

municipal council be benchmarked at 75 per cent of the remuneration of an MEC, after having estimated that an MEC would spend 25 per cent of his/her time and responsibility of dealing with provincial council related activities on a collective basis, as well as providing executive support to the Premier.

A gap of 20 per cent was proposed between level 1 and level 2, and a gap of 10 per cent was proposed between level 2 and level 3. For ordinary councillors, varying hourly rates were proposed in the different grades of municipal councils (Independent Commission for the Remuneration of Public Office-Bearers, 2000).

6.4.5 Allowances and Benefits

The Commission recommended that councillors receive allowances for the following:

- Cell phones and telephones;
- Travelling; and
- Use of personal facilities.

The Commission further recommended that, with respect to pension benefits, the maximum contribution rates should be limited to the following:

- Council contribution - 15 per cent of remuneration (excluding benefits); and
- Councillor contribution - 7.5 per cent of remuneration (excluding benefits).

With regard to medical aid benefits, the Commission recommended that councillors contribute 33.3 per cent, while councils would contribute the balance to such funds.

It was further proposed that part-time councillors would receive neither the pension nor the medical aid benefits.

6.4.6 Proportionally Represented, Appointed and Ward Councillors

The recommendations of the Commission grouped proportionally represented, appointed and ward councillors as “ordinary councillors”, unless such councillors were elected into “office-bearer” positions.

Ordinary councillors formed the lowest level in the hierarchy, could only serve on a part-time basis, and each such councillor was remunerated at the same level in a municipal council of the same grade. Appointed councillors, however, were entitled to a sitting allowance, namely the difference between the remuneration that such a councillor received at a local council and the higher remuneration that was payable at the district council.

6.4.7 Full-time and Part-time Councillors

The *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998) provides that a municipality has the power to designate councillors determined by the MEC for local government, as full-time. However, an MEC’s determination must be in accordance with a policy framework as may be determined by the Minister for Provincial and Local Government after consulting the MECs for local government.

Barron, Crawley and Wood (1991:150) suggest that a rough definition of a full-time councillor would be a member who spends 35 to 40 hours a week on council work. The proportion of members who may be classed as full-time is difficult to determine. The authors found that in 50 per cent of the municipalities that they visited in England there were no full-time members; in 20 per cent there were “one or two” and in the remaining 30 per cent there were more than “one or two”.

As part of the preparations for the introduction of the first term of municipal councils, it was necessary for the policy framework for full-time councillors to be determined well in advance by the Minister for Provincial and Local Government. This was to enable MECs to designate full-time councillors in their different municipalities and to include such designations when they were publishing establishment notices (section 12 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998)). Subsequently, on 5 April 2000 the Minister for Provincial and Local Government published a policy framework for the designation of full-time councillors in the *Government Gazette*. Formulae to determine the number of councillors in a municipality, in terms of section 20 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), were also published in the *Government Gazette* on the same day.

The policy framework for the designation of full-time councillors also evolved over the years, as indicated in the table below:

TABLE 16: POLICY FRAMEWORK FOR THE DESIGNATION OF FULL-TIME COUNCILLORS

GENERAL NOTICE NO. 1515 OF 5 APRIL 2000	GENERAL NOTICE NO. 2073 OF 18 OCTOBER 2002	GENERAL NOTICE NO. 2056 OF 28 JULY 2003
CATEGORY A MUNICIPALITIES		
<ul style="list-style-type: none"> ▪ Speaker; ▪ Members of an Executive Committee; ▪ Executive Mayors; ▪ Member of a Mayoral Committee; ▪ Chairperson of a subcouncil. 	<ul style="list-style-type: none"> ▪ Speaker; ▪ Members of an Executive Committee; ▪ Executive Mayor; ▪ Member of a Mayoral Committee; ▪ Chairperson of a subcouncil; ▪ A single whip appointed for council. 	<ul style="list-style-type: none"> ▪ Speaker; ▪ Executive Mayor; ▪ Mayor; ▪ Deputy Executive Mayor; ▪ Deputy Mayor; ▪ A member of an Executive Committee, other than the Mayor and Deputy Mayor; ▪ A member of a Mayoral Committee;

GENERAL NOTICE NO. 1515 OF 5 APRIL 2000	GENERAL NOTICE NO. 2073 OF 18 OCTOBER 2002	GENERAL NOTICE NO. 2056 OF 28 JULY 2003
		<ul style="list-style-type: none"> ▪ Chairperson of a subcouncil; ▪ A single whip appointed for council.
CATEGORY B MUNICIPALITIES		
<ul style="list-style-type: none"> ▪ Speakers of municipalities with 30 councillors or more; ▪ Members of an Executive Committee of municipalities with 40 councillors or more; ▪ Executive Mayors; ▪ Members of Mayoral Committees. 	<ul style="list-style-type: none"> ▪ Speaker; ▪ Members of an Executive Committee; ▪ Executive Mayor; ▪ Members of Mayoral Committees. 	<ul style="list-style-type: none"> ▪ Speaker; ▪ Executive Mayor; ▪ Mayor; ▪ Deputy Executive Mayor; ▪ Deputy Mayor; ▪ A member of an Executive Committee, other than the Mayor and Deputy Mayor; ▪ A member of a Mayoral Committee; ▪ A single whip appointed for council in municipalities with 40 or more councillors.
CATEGORY C MUNICIPALITIES		
<ul style="list-style-type: none"> ▪ Speaker; ▪ Members of an Executive Committee; ▪ Executive Mayor; ▪ Members of Mayoral Committees. 	<ul style="list-style-type: none"> ▪ Speaker; ▪ Members of an Executive Committee; ▪ Executive Mayor; ▪ Members of Mayoral Committees. 	<ul style="list-style-type: none"> ▪ Speaker; ▪ Executive Mayor; ▪ Mayor; ▪ Deputy Executive Mayor; ▪ Deputy Mayor; ▪ A member of an Executive Committee, other than the Mayor and Deputy Mayor; ▪ A member of a Mayoral Committee; ▪ A single whip appointed for council in municipalities with 40 or more councillors.

As is evidenced above, the state of South Africa's local government system is still in a state of flux, with amendments being effected to policy due to presumed omissions and errors, or the need to provide for the demands being made by the local government sector on the national sphere of government.

6.5 REVIEW OF THE UPPER LIMITS OF REMUNERATION PUBLISHED IN THE VARIOUS GOVERNMENT GAZETTES

As indicated above, the Commission makes annual recommendations on each category of office-bearer in the different spheres of government. With regard to councillors, the Commission proposed an inflation related percentage increase for all councillors.

6.5.1 From 5 December 2000 to 30 June 2001

On 4 December 2000, the Minister for Provincial and Local Government published the upper limits of councillor remuneration in Government Notice No. R. 1326 in *Government Gazette* No. 21853, in terms of sections 7(1), 7(2) 8(5)(a) and 9(5)(a) of the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998). A copy of this notice is attached as Annexure D.

This notice provided for the recommendations made by the Commission, and can be summarized as follows:

- (i) A grading system was provided, based on the property rates income and number of registered voters in a municipality;
- (ii) The grading system provided for six grades of municipal council;
- (iii) The remuneration of a mayor or executive mayor was benchmarked against the remuneration of a MEC;
- (iv) Upper limits for salaries of full-time and part-time councillors were proposed;

- (v) Upper limits were proposed for the following allowances for full-time and part-time councillors:
 - Cell phones and telephones;
 - Travelling;
 - Housing (for full-time councillors); and
 - Use of personal facilities;
- (vi) Upper limits for pension and medical aid benefits were unconditionally proposed for full-time councillors; and
- (vii) Upper limits for pension and medical aid benefits were proposed for part-time councillors, on condition that such a councillor was not a member of a pension fund or medical aid scheme by virtue of his or her employment in a capacity other than as a councillor.

Bearing in mind that a new remuneration system would be implemented with effect from the start of the first term of municipal councils, the DPLG approached Cabinet during November 2000 to provide financial assistance to municipalities for the purposes of financing councillor remuneration. Consequently, the Minister for Provincial and Local Government and the Minister of Finance agreed that financial assistance from national government be provided to category B and C municipalities for the 2001 / 2002 financial year as follows:

- **Category B municipalities:** all local municipalities where the total cost of councillor remuneration exceeded 35 per cent of its property rates income, qualified for financial assistance. The assistance consisted of national government funding a maximum of 56 per cent of the total councillor remuneration expenditure of the municipality, or the difference between the total councillor remuneration and the 35 per cent funding from its property rates income, whichever was the lower.

- **Category C municipalities:** all district municipalities where the total cost of councillor remuneration exceeded 15 per cent of its regional services council levy income, qualified for financial assistance. The assistance consisted of national government funding a maximum of 50 per cent of the total councillor remuneration package, or the difference between the total councillor remuneration and the 15 per cent funding from its regional services council levy income, whichever was the lower.

The financial assistance referred to above amounted to approximately R108 million and was funded from the Adjustment Estimates for the 2001 / 2002 financial year. The Ministers also agreed that the institutional component of the equitable share be adjusted so as to enable municipalities to fulfil their responsibilities in respect of councillor remuneration from the 2002 / 2003 financial year. Further, if individual MECs decided that the financial assistance be backdated to 5 December 2000, the additional costs were to be borne by provincial budgets.

6.5.2 From 1 July 2001 to 30 June 2002

On 20 September 2001, the Minister for Provincial and Local Government published the upper limits of councillor remuneration in Government Notice No. R. 910 in *Government Gazette* No. 22696, in terms of sections 7(1), 7(2) 8(5)(a) and 9(5)(a) of the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998), for the 2001 / 2002 financial year of municipalities.

In addition to maintaining the status quo adopted in the previous notice, the following was provided for:

- (i) For the purposes of grading district municipal councils, such councils were allocated the same grade as the highest grade local municipal council in their area of jurisdiction, provided that no district council was graded lower than grade 4; and

- (ii) The remuneration of part-time councillors was increased, and such councillors received the following benchmarked remuneration:

TABLE 17: REMUNERATION FOR PART-TIME COUNCILLORS FOR THE 2001 / 2002 FINANCIAL YEAR

GRADE	EXEC. MAYOR / MAYOR	DEP. EXEC. MAYOR / DEP. MAYOR / SPEAKER	EXCO	ORDINARY MEMBERS	of R62000
6	R155 000	R124 000	R116 250	R62 000	100%
5	R139 500	R111 600	R104 625	R55 800	90%
4	R100 750	R80 600	R75 563	R40 300	65%
3	R77 500	R62 000	R58 125	R31 000	50%
2	R54 250	R43 400	R40 688	R21 700	35%
1	R31 000	R24 800	R23 250	R12 400	20%
	↑	↑	↑	↑	
	100%	80%	75%	40%	
(of Executive Mayor / Mayor salary)					

Note: To provide a “meaningful” increase to part-time councillors in the metropolitan municipalities, the remuneration of a part-time ordinary member in a grade 6 municipal council (R62 000) was subsequently increased to R109 830, while the remuneration of part-time councillors in other grades of municipality remained the same.”

Government Notice No. R. 910 also provided for the following:

- (i) Travelling allowances, which consisted of an allowance of 25% of the salary of a councillor, were amended to give a councillor the option of either the 25% allowance, or an allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality, at tariffs prescribed by the Department of Transport for use of privately owned vehicles;
- (ii) The sitting allowance of indirectly elected district council members was increased from R350 to R400 per day;

- (iii) Pension benefits were also extended to part-time councillors; and
- (vi) The remuneration of full-time councillors was increased, and such councillors received the following benchmarked remuneration;

TABLE 18: REMUNERATION FOR FULL-TIME COUNCILLORS FOR THE 2001 / 2002 FINANCIAL YEAR

% of R274494	GRADE	EXEC. MAYOR / MAYOR	↑	DEP. EXEC. MAYOR / DEP. MAYOR / SPEAKER	↑	EXCO / CHAIR OF SUBCOUNCIL	↑
100%	6	R274 494	0%	R247 045	0%	R219 595	0%
80%	5	R219 595	25.3%	R175 676	16.5%	R164 696	30.5%
65%	4	R178 421	23.4%	R142 737	14.8%	R133 816	28.5%
50%	3	R137 247	20.4%	R109 798	12%	R102 935	25.5%
35%	2	R96 073	15.3%	R76 858	7.28%	R72 055	20.1%
20%	1	R54 899	23.2%	R43 919	14.6%	R41 174	28.4%
		↑		↑		↑	
		100%		80%		75%	
		(of Executive Mayor / Mayor salary)					

- As the salary of an Executive Mayor / Mayor in a grade 6 municipal council is benchmarked against that of an MEC, the former was not increased.
- Salaries of 80%, 65%, 50%, 35% and 20% of the Executive Mayor / Mayor in a grade 6 municipal council were then allocated to the Executive Mayor / Mayor of a grade 5, grade 4, grade 3, grade 2 and grade 1 municipal council respectively. In essence, the salaries of all Executive Mayors / Mayors were indirectly benchmarked against that of an MEC – this clarifies the vertical downward movement in the table (far left).
- Moving horizontally, from left to right on the table, 80% and 75% of the salary of the Executive Mayor / Mayor in the respective graded municipal council were allocated to the Deputy Executive Mayor / Deputy Mayor /

Speaker and member of the executive committee / mayoral committee /
Chairperson of Subcouncil, respectively.

Government Notice No. R. 910 was repealed by the publication on 2 October 2001 of Government Notice No. R. 999 published in *Government Gazette* No. 22726 in terms of sections 7, 8 and 9 of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) by the Minister for Provincial and Local Government. The only difference between the two notices was that the latter notice did not provide an upper limit for cell phone / telephone allowances, and it was therefore implied that individual municipalities could develop their own policy in this regard, or rely on policy / guidelines that were issued by SALGA.

Copies of these notices are attached as Annexures E and F respectively.

6.5.3 From 1 July 2002 to 30 June 2003

On 18 October 2002, the Minister for Provincial and Local Government published the upper limits of councillor remuneration in Government Notice No. R. 1319, in terms of sections 7(1), 8(5)(a) and 9(5)(a) of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998). A copy of this notice is attached as Annexure G.

This notice differed from the previous one in respect of travelling and housing allowances. The following changes were effected to travelling allowances:

- (i) Councillors would be reimbursed for travelling during the performance of official functions outside the jurisdiction of the municipality;
 - (ii) A councillor would be disqualified from receiving a travelling allowance where the municipal council made a vehicle available to him/her;
 - (iii) A councillor could utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned;
- and

- (iv) A district council would be responsible for the reimbursement of travel expenditure incurred by a councillor during the performance of official functions on behalf of the district municipality.

With regard to housing allowances, a provision was added that disqualified a councillor from receiving a housing allowance where the municipal council made housing available to a councillor. In essence, the R. 1319 Notice provided that councillors would not be paid these allowances if they made use of a council owned house or vehicle.

However, Government Notice No. R. 1319 was amended on 28 November 2002 by the publication of Government Notice No. R. 1504 by the Minister for Provincial and Local Government. The amendment reverted to the status quo regarding travelling and housing allowances, and allowed councillors to receive these allowances even if the council made available a council owned house or vehicle to a councillor.

On 3 February 2003, Government Notice No. R. 1319 was further amended by the publication of Government Notice No. R. 190 by the Minister for Provincial and Local Government. This notice reversed the decision again and disqualified all councillors, except mayors and executive mayors, from receiving a housing or travelling allowance if the councillors utilized a council owned house or vehicle.

6.5.4 From 1 July 2003 to 30 June 2004

Government Notice No. R. 1097 of 28 July 2003 was published in the *Government Gazette* No. 252654 by the Minister for Provincial and Local Government in terms of sections 7(1), 8(5)(a) and 9(5)(a) of the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998). A copy of this notice is attached as Annexure H.

No changes in policy were effected to the previous notice, and a general increase of 9% was extended to all councillors, as recommended by the Commission.

6.5.5 From 1 July 2004 to 30 June 2005

Government Notice No. R. 1477 of 21 December 2004 was published in *Government Gazette* No. 27138 by the Minister for Provincial and Local Government in terms of sections 7(1), 8(5)(a) and 9(5)(a) of the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998). A copy of this notice is attached as Annexure I.

No changes in policy were effected to the previous notice, and a general increase of 6% was extended to all councillors, as recommended by the Commission.

6.5.6 From 1 July 2005 to the End of the First Term of Municipal Councils

On 14 November 2005 the Minister for Provincial and Local Government published the upper limits of councillor remuneration in Government Notice No. R. 1125 as published in *Government Gazette* No. 28231, in terms of sections 7(1), 8(5)(a) and 9(5)(a) of the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998). A copy of this notice is attached as Annexure J.

No changes in policy was effected to the previous notice, and a general increase of 5.75% was extended to all councillors, as recommended by the Commission.

The term of municipal councils is five years calculated from the day following the date of the previous election (5 December 2000) of all municipal councils. In effect, this meant that the next general municipal elections had to be held before

6 March 2006, which would be before the end of the 2005 / 2006 financial year of municipalities.

6.6 RECOMMENDATIONS FOR AN IDEAL REMUNERATION SYSTEM FOR MEMBERS OF MUNICIPAL COUNCILS

The development of a legislative framework to regulate the remuneration system for councillors was discussed in Chapter 4. The promulgation of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) culminated with the publication of a General Notice by the Minister for Provincial and Local Government in the *Government Gazette* in terms of the relevant provisions in the Act. This ushered in a centralized dispensation which provided for a uniform system of determining the remuneration for members of municipal councils.

According to Van der Molen, Van Rooyen and Van Wyk (2002:176), one of the basic tenets of representative democracy is that public policy is subject to continual and multiple reviews. Time and expertise do not drive the decision process. It is the outcome (what is decided), and not the process that is valued, and breadth of knowledge is more highly valued than depth of knowledge. This does not imply that depth of knowledge is ignored, but it is viewed as less relevant to decision making than breadth of knowledge. This attitude is linked to the view of time. Depth of knowledge is the most ephemeral of all knowledge. The expert with a deep knowledge of a subject is recognized as such only within the context of the present. The future represents a decrease of the value of that knowledge. The information being sought often consists of precisely those issues that the expert finds extraneous.

Van der Molen, Van Rooyen and Van Wyk (*ibid.*) further state that a broader perspective provides the opportunity to appreciate the complexity of problems and, therefore, a better sense of the many different courses the future may represent. It is the expert's certainty of today that makes an understanding of the

future questionable. This need to think broadly has the advantage of being able to address more complicated decision processes. The straight, linear thinking of the expert fails because it is too simple. The decision maker with broad knowledge may not know as much about part of the problem as an expert, but that decision maker knows more about the entire problem than any individual expert. Sensitivity to the very things that the expert must ignore (opinion, feelings, values, bias and ideology, along with a range of emotions) is necessary for a generalist perspective.

Roux and Van Rooyen cited in Van der Molen, Van Rooyen and Van Wyk (2002:232) further state that when formulating policy options, one should ensure that alternatives are mutually exclusive. In this regard, it is stated that although it is to be expected that different sets of alternatives might display some overlap in terms of their features, it should be kept in mind that if the features of one alternative almost correspond in total with those of another alternative, it should be avoided. In such circumstances, the two alternatives relate too closely or are too narrow and should then rather be combined into a single, new alternative. They further suggest that one should avoid formulating too many alternatives, and indicate that using imagination and being creative in the design of multiple sets of policy alternatives might result in an almost uncontrollable number of alternatives. They state that the multiplicity of alternatives should be reduced to those that appear to be absolutely essential, and support the view that there should be between three and seven policy alternatives, and that eventually, only one alternative should reflect current policy.

Bearing in mind the above arguments, the following recommendations are based on the best possible alternatives available for an improved remuneration system for councillors.

6.6.1 Grading of Municipal Councils

As indicated *supra* (paragraph 6.3.1), from 1 July 1999 until the end of the first term of municipal councils, category A and B municipalities were allocated a grade by awarding points for actual property rates income collected by a municipality, and the number of registered voters in a municipality, at the end of the previous financial year. The total of these points then determined the grade of the municipal council, with the lowest grade being one (1) and the highest grade being six (6). Category C municipal councils were allocated the same grade as the highest grade of local councils within their area of jurisdiction: Provided that where the highest graded local council within the area of jurisdiction of a district council is lower than grade 4, such district council must be regarded as a grade 4 municipal council. In effect, this translates to all district municipalities being graded as either 4 or 5.

While the position with regard to the determination of the grades of metropolitan and local municipal councils has been constant over the years, the position with regard to the grading of district councils changed in September 2001. Prior to this date, district councils were allocated the same grade as the highest grade of local councils within their area of jurisdiction.

In the search for appropriate and more acceptable criteria to be used to determine the grade of a municipal council, the following factors are considered:

- (a) Registered voters;
- (b) The operating budget;
- (c) Property rates;
- (d) Capital budget;
- (e) Salaries and wages;
- (f) Size of the municipal area;
- (g) Number of councillors on the executive committee;
- (h) Number of houses;

- (i) Total population;
- (j) Poverty;
- (k) Powers and functions; and
- (l) Total municipal income (minus grants).

(i) Consideration of Various Criteria for Grading of Municipal Councils

Discussed hereunder are the abovementioned criteria, with arguments for and against using them for the purposes of grading a municipal council.

(a) Registered Voters

Item 2 of Schedule 2 of the *Constitution of the Republic of South Africa, 1993* provided that the Independent Electoral Commission must take into account available scientifically based data in respect of voters, representations by interested parties, and the number of proposed seats for the various provinces (Independent Commission for the Remuneration of Public Office-bearers, 2000:26).

The number of registered voters in a municipality was used to grade municipal councils because it was verifiable and could be audited. It should also be noted that the number of registered voters in a municipality is used to determine the number of councillors in a municipality. The use of the number of registered voters is based on current data, and takes into account the migration of people. This criterion may therefore be accepted as a fair sample of the population in a municipality.

The effect of this criterion is evidenced in the Eastern Cape Province where the number of registered voters in the O.R. Tambo District Municipality increased from 500 056 (in 2000) to 639 144 (in 2004) – this resulted in an increase of 6

councillors (from 53 to 59) in the district municipality alone. (Refer to the Schedule for details of similar changes in other municipalities.)

The number of registered voters could be an important indicator of the development challenge facing the municipality concerned, but this could vary from municipality to municipality, and would certainly not result in an equitable or consistent application. Furthermore, the demand for and delivery of municipal services will likely be significantly less in a rural or district area in relation to an urban area. This will have an impact on the overall responsibilities of councillors in both types of municipalities, even though the size of the electorate may be similar.

In conclusion, while there may be inconsistencies in its application, the number of registered voters in a municipality can be used to gauge overall municipality size. Due to the fact that this data may be audited and verified at any given time, the use of this criterion to grade municipal councils is recommended.

(b) The Operating Budget

According to the Independent Commission for the Remuneration of Public Office-bearers (2000:28) the operating budget is an excellent indicator of the relative size of municipalities. The same source further states that whilst it could be argued that there could be adverse behavioural consequences, as municipalities may focus on increasing the size of the operating budget to increase remuneration, the Commission believed that there were sufficient checks and balances to prevent this from happening. These are summarized as follows:

- (i) The operating budget of all municipalities is, and will continue to be, monitored by the National Treasury. The National Treasury also sets a limit on the growth in operating expenditure, excluding bulk purchases of electricity and water, which has to be adhered to unless there is growth in the municipality;

- (ii) Municipalities are not permitted to budget for an operating deficit. Therefore, increases in operating expenditure have to be financed by revenue, in the form of rates, service charges, regional levies, tariffs and government grants and subsidies. Communities will be unlikely to entertain significant increases in rates and service charges on a consistent basis thereby effectively capping the growth in the operating budget; and
- (iii) Those municipalities that encourage growth in their municipal areas will grow their revenue base. Assuming that the grading of municipal councils is reviewed on a regular basis, the councillors of such municipalities will be compensated for the higher responsibilities attached to a municipality that has grown. This, the Commission believed, would support the developmental obligation of municipalities as specified in the *Constitution of the Republic of South Africa, 1996*.

The Commission also highlighted the following disadvantages of using the operating budget as an indicator of the relative size of municipalities:

- (i) Municipal service partnerships and other forms of outsourcing service delivery could result in a reduction in the operating budget. Should a municipality enter into a municipal service partnership in respect of a major service undertaking such as water supply and reticulation, there could be a significant reduction in operating expenditure. In effect, this could result in councillors being financially penalised in their individual capacities for improving or expanding the delivery of services;
- (ii) District municipalities may provide certain bulk services on a regional basis to maximize economies of scale. This could deprive local municipalities within the district, of the revenue arising from the provision of these services, although from a district perspective it could result in an improved and cost effective service. As a result, there could be resistance from affected local municipalities to the regionalization of bulk service provision; and

- (iii) Certain grants and subsidies are included in the operating budget, in particular the equitable share of national revenue. It has been argued that these grants are constitutionally entrenched and will be received by qualifying municipalities due to environmental and socio-economic factors rather than good governance or efforts by councillors.

For the reasons outlined above, this criterion is considered inappropriate to be used as a factor to grade municipal councils.

(c) Property Rates Income

As many municipalities have not valued all properties within their area of jurisdiction, such municipalities will be prejudiced until the valuation is complete. However, this is an important revenue source to municipalities and the use of this factor may encourage municipalities to undertake outstanding valuations. The Commission indicated that this was a suitable factor as:

- It is fairly static, in that the valuation roll only needs to be reviewed every five to seven years;
- It is subject to independent review; and
- It will encourage municipalities to grow their rates base by promoting economic development.

However, there are also a number of disadvantages of using this factor, such as the following:

- (i) A municipality in an urban area will automatically receive a higher ranking due to the higher population densities in relation to a municipality in a rural area;
- (ii) There are external factors that influence the valuation of a property, which may have no direct bearing on the roles and responsibilities of councillors;
- (iii) A municipality that has a significant number of low-valued properties may receive a lower rating in relation to a municipality that has fewer but higher

- valued properties in its area of jurisdiction. However, the backlog of infrastructure and service delivery in areas with low-valued properties, in relation to areas with high valued properties, could be far greater; and
- (iv) The roles and responsibilities of councillors in these two types of areas may be vastly different.

For the reasons outlined above, this criterion is considered inappropriate to be used as a factor to grade municipal councils.

(d) Capital Budget

About two-thirds of municipal activity is self-funded, as municipalities generate revenue through user charges for the consumption of services such as electricity and water. The remaining third is for public goods and services like suburban and municipal infrastructure. These do not raise significant revenue, but are normally funded from rates and regional services council levies. This is in contrast to provinces, which have little revenue-raising capacity and are totally dependent on national grants; 95 per cent of their activities are the provision of public goods such as school education, health, social grants and welfare services, housing and provincial roads. (National Treasury, 2003:28).

The Independent Commission for the Remuneration of Public Office-bearers (2000:31) firmly believed that this factor could not serve as a criterion to grade municipal councils because:

- (i) Whilst there is an annual recurring base capital expenditure amount, the nature of capital expenditure is that certain amounts are of an ad-hoc nature. For example, a developing municipality may have to expand its sewage purification and treatment works to cater for additional bulk sewage. Significant expenditure would be incurred in a relatively short period, say over one to two years, but thereafter, it may be many years before the need for similar expenditure. It would therefore be extremely

- difficult to differentiate between annual recurring basic expenditure and once-off, ad-hoc expenditure;
- (ii) The implications of the capital budget on future operating expenditure may be significant or not sustainable in the longer term. These issues may not be fully considered if there is an incentive to maximize capital expenditure;
 - (iii) The monitoring of capital expenditure by the National Treasury in terms of macro-control is difficult. Possible overstatement of the capital budget can be done easily, which may not be identifiable. This is partly due to the contingent nature of external financing, as the local authority may not qualify for, or be able to raise the external finance it initially intended when preparing the capital budget. Furthermore, the timing of capital expenditure is difficult to predict, and it is common for rollovers of components of the capital budget from one year to the next; and
 - (iv) Significant capital expenditure may be financed on a grant or subsidized basis by external bodies. These bodies will approve the subject, assess or prepare associated business plans and may even take project management responsibility. The municipality may therefore not have any direct responsibilities or accountability obligations in respect of some of these projects.

For the reasons outlined above, this criterion is considered inappropriate to grade municipal councils.

(e) Salaries and Wages

In the private sector, the number of staff and the expenditure for salaries and wages is one of the traditional factors used for determining the remuneration of senior executives. This factor recognizes the additional responsibilities that emanate from managing either a large work force, or the management of highly skilled personnel who earn significant remuneration. There is no doubt that the

size of a municipality's work force has an impact on the role and responsibilities of councillors.

However, there are the following disadvantages in using this factor to grade municipal councils:

- (i) Municipalities that enter into municipal service partnerships or outsource municipal functions will be penalised;
- (ii) It may encourage inappropriate staffing / labour practices; and
- (iii) The South African Local Government Association, as a body representing municipalities as employers, undertakes functions such as wage negotiations on behalf of municipalities, which relieves municipalities of these responsibilities (Independent Commission for the Remuneration of Public Office-bearers, 2000:32).

For the reasons outlined above, this criterion is considered inappropriate to grade municipal councils.

(f) Size of the Municipal Area

The geographical area of a municipality is an independent and static factor that could be considered as a criterion for grading municipal councils. However, the Independent Commission for the Remuneration of Public Office-bearers (2000:32) lists the following disadvantages of using this criterion to rank municipalities:

- (i) The extent of the area of the municipality could be distorted by vacant or agricultural land, areas which do not impact on the roles and responsibilities of councillors;
- (ii) The area of jurisdiction may be vast, but there may be sparse population densities; and
- (iii) Municipal areas are not easily identifiable.

For the reasons outlined above, this criterion is considered inappropriate to grade municipal councils.

(g) Number of Councillors in the Executive Committee

In terms of section 43 of the *Local Government: Municipal Structures Act, 1998* (Act No. 117 of 1998), the number of councillors in an executive committee may not exceed 20 per cent of the number of councillors in the municipality or 10 councillors, whichever is the least, and an executive committee may not have less than 3 members. Therefore, there may not be a fair distinction between a medium and large sized municipal council, as both may have only 10 councillors in the executive committee. A further factor is that a municipality may not have an executive committee if there are less than 9 councillors in the municipality.

It is therefore considered inappropriate to use this factor to grade municipal councils.

(h) Number of Houses

This criterion is, by implication, contained in the factor of “property rates”, as the more the number of houses, the greater the rates income will be. The number of houses in a municipality also does not take into account the value of houses, as it is simply a number. Municipalities with a similar number of houses may have vastly different income levels as the one municipality may have a more affluent population and higher property values than the other.

For the reasons outlined above, this criterion is considered inappropriate to grade municipal councils.

(i) Total Population

Meyer (1997:73) states that one basis for development plans and studies is population figures – that is, the growth (which could be positive or negative) and shift of population in the municipal area, and from and to the municipal area. It is further indicated under section 131(6) of the *Local Authorities Ordinance*, 1974 (Ordinance No. 25 of 1974) and under section 132(7) of the *Transvaal Local Government Ordinance*, 1939 (Ordinance No. 17 of 1939), that municipalities under the area of jurisdiction of these two ordinances were authorized to undertake censuses of the local population.

According to Mohr, Fourie and Associates (2000:373) “population figures in South Africa are still compiled and presented separately for the four major population race groups. The main reason is that the different population groups have different demographic characteristics. Like most macroeconomic magnitudes, the total population and labour force are difficult to measure. The problems encountered in this regard include definition problems, undercounting and changing geographical demarcations, as discussed below:

- (i) **Definition problems.** It is difficult, for example, to determine whether or not a person is willing to work, or whether a seasonal or part-time worker should be defined as employed or unemployed.
- (ii) **Undercounting.** This arises from the physical problems that are experienced when counting the population, as well as from deliberate attempts by individuals to avoid being counted (or registered) when population censuses are undertaken.
- (iii) **Changing geographical demarcations.** This problem was illustrated quite clearly in South Africa in the 1970s and 1980s. In 1976 Transkei became an independent state, followed by Bophuthatswana (1977), Venda (1979) and Ciskei (1981). Their populations were excluded from the South African population. In 1994, however, these states were reincorporated into South Africa. At the same time the new, enlarged

South Africa (the same as the pre-1976 South Africa) was divided into nine provinces. Such changes present many problems to demographers”.

Mohr, Fourie and Associates (*ibid.*) provide some estimates of the South African population, for the total geographic area of the country, in the table below.

- The first part of the table shows the estimated number of people per major population group and for the country as a whole; and
- The second part shows the percentage distribution between the different population groups. The first four years (1980, 1985, 1991 and 1996) were census years. The figures for 2001 and 2011 were projections.

TABLE 19: ESTIMATES OF THE SOUTH AFRICAN POPULATION FOR SELECTED YEARS

YEAR	POPULATION (MILLIONS)				
	ASIANS	BLACKS	COLOUREDS	WHITES	TOTAL
1980	0.818	21.079	2.687	4.526	29.110
1985	0.898	24.462	2.958	4.853	33.171
1991	0.987	28.397	3.286	5.068	37.738
1996	1.046	31.503	3.600	4.435	40.586
2001	1.160	35.220	3.760	5.240	45.380
2011	1.210	40.940	4.120	5.230	51.500
	POPULATION (PER CENTAGE OF TOTAL)				
1980	2.8	72.4	9.3	15.5	100.0
1985	2.7	73.7	8.9	14.7	100.0
1991	2.6	75.3	8.7	13.4	100.0
1996	2.6	77.6	8.9	10.9	100.0
2001	2.6	77.6	8.3	11.5	100.0
2011	2.3	79.5	8.0	10.2	100.0

Between 1980 and 1996 the South African population increased at an average of 2.1 per cent. The corresponding rates for the different population groups were:

Asians 1.5 per cent; blacks 2.5 per cent; coloureds 1.8 per cent; and whites 0.1 per cent.

Mohr, Fourie and Associates (*ibid.*) further state that demographers have identified a demographic cycle through which any given population tends to move. This cycle is divided into four stages, as follows:

- **Stage I** is characterized by high birth rates and high death rates. Population growth is low during this stage.
- During **Stage II**, as modernization occurs and health services improve, death rates fall. With continued high birth rates, population growth increases quite rapidly. Life expectancy also increases.
- During **Stage III**, birth rates start to fall as a result of the forces and influences of modernization. Although the death rate also falls further, the fall in the birth rate is much greater. The result is a fall in the rate of population growth (accompanied by a further increase in life expectancy).
- **Stage IV** is reached when birth rates fall so low that the size of the population starts to decline. Life expectancy, however, is very high. Most western European countries have undergone the full process of demographic transition. Population growth in these countries is approaching zero while life expectancy is close to 80 years.

Mohr, Fourie and Associates (*ibid.*) further state that “in South Africa, Asians, coloureds and whites are already in Stage III of the cycle, but blacks were generally still in Stage II until fairly recently. However, the birth rate for the black population has levelled off significantly and is expected to fall as urbanization continues and living standards improve. South African blacks therefore probably entered Stage III towards the end of the 1990s. It is important to note, however, that the demographic cycle pertains to natural population growth only. The overall growth of the population consists of natural growth plus net migration. If large numbers of foreigners enter the country, legally or illegally, in pursuit of employment and income, natural population growth can be overshadowed by the

growth in the number of immigrants. If immigration reaches large proportions, as happened in South Africa in the 1990s, natural demographic trends may become relatively unimportant”.

Mohr, Fourie and Associates (*ibid.*) further state that “the greatest uncertainty regarding the future size and growth of the South African population is the impact of HIV / AIDS. Southern Africa, including South Africa, has the highest incidence of HIV / AIDS in the world and some observers and agencies, such as UNAIDS, anticipate a disaster scenario with large increases in death rates and sharp declines in life expectancy. Other observers are less pessimistic but nevertheless anticipate a significant impact and estimate that the population growth rate will be much lower during the first half of the 21st century than during the second half of the 20th century”. Demographic changes have a variety of important consequences, and the size and growth of the South African population (and therefore also of the labour force) are dominated by the demographic trends of the black population group, which constitutes the majority of the population.

Barron, Crawley and Wood (1991:192) state that the size of councils in Britain is another distinctive feature of British local government. The typical British municipality has 50 elected members, and as indicated in the table below, municipalities in England and Wales serve very much larger populations than in most other western democracies.

TABLE 20: AVERAGE POPULATION SIZE OF MUNICIPALITIES IN OTHER COUNTRIES

COUNTRY	POPULATION
England and Wales	122 740
Sweden	29 527
Denmark	17 963
Australia	14 125
USA	12 000

COUNTRY	POPULATION
Norway	8 891
New Zealand	7 980
Italy	6 717
Canada	5 011
West Germany	2 694
France	1 320

The issues raised above and the outdated data as provided by Stats SA every five years following a census (in the future, it is believed that Stats SA will conduct a census only every 10 years) would not assist in improving the system of grading municipal councils, as the grade of a municipal council would be based on outdated data, and would not take into account the migration of people.

For the reasons outlined above, this criterion is considered inappropriate to grade municipal councils.

(j) Poverty

Consideration was also given to the use of this indicator to grade municipal councils. The poverty factor is based on the number of households in a municipality with income of up to R800.00 per month. Such a survey is undertaken by Stats SA every five years following a census. In the future, it is believed that Stats SA will conduct a census only every 10 years. If this is the case, then the grade of a municipal council would again be based on outdated data. Although this criterion is used to determine the equitable share allocations to municipalities, it does not justify the use thereof to determine the grade of a municipal council, and in so doing, perpetuate the use of obsolete data.

It is therefore considered inappropriate to use this criterion to grade municipal councils.

(k) Powers and Functions

The allocation of the powers and functions of municipal health services, water, sanitation and electricity, which are assigned by the Minister for Provincial and Local Government on a “permanent” basis, was tested as a criterion to grade municipal councils.

The use of this criterion was considered impractical, because where a municipality is authorized to perform more functions, it is awarded more points. The Kannaland Local Municipality was analysed in this regard, and where it is presently graded 2, the inclusion of this criterion elevated the municipality to a grade 4. The Kannaland Local Municipality is significantly different when compared with other grade 4 local municipal councils, such as George, Stellenbosch, Potchefstroom, Mafikeng, Rustenburg, KwaDukuza, and Merafong City.

Parts A and B of Schedule 4 to the *Constitution of the Republic of South Africa*, 1996 deal with the functional areas of concurrent national and provincial legislative competence. Due to the number and extent of the various functions performed by municipalities, they cannot be presented here. (See compact disc enclosed in the inside of the back cover of this dissertation, that provides a detailed report of powers and functions for each local and district municipality for the period 2005 / 2006.

In the light of the above inconsistencies, it is concluded that this criterion would not assist in improving the present system of grading municipal councils.

(l) Total Municipal Income

Municipalities that maximize their revenue generating opportunities, as represented by cash collected, should be awarded a higher ranking. Taking into

account the current adverse financial position of municipalities, this criterion could certainly result in the behaviour required to stabilize the system of local government. (Independent Commission for the Remuneration of Public Office-bearers, 2000:28).

The level of rates income gives an indication as to the level of economic activity in a municipality, and it is also a useful indicator of the strategic importance of a municipality in the economy of a province, and the country as a whole. However, it has been stated that its use is limited if it is employed exclusive of other important data, and that although it is a significant source of revenue to municipalities (at about 19.6 per cent of total municipal revenue in 2003 / 2004) it can by no means be used as a true reflection of a municipality's service responsibilities or its affordability to generate own revenue.

The total municipal income of a municipality, which indicates all own revenue collected by the municipality, minus the grants that it would receive, was tested as a criterion to be used in this regard.

An advantage of using this criterion is that it incorporates an element of performance into the basis of remuneration. If there is no political will to collect the income actually due to the municipality, then there will be an adverse impact on the remuneration of councillors. A further advantage is that the ranking will require that the actual income collected must be determined by the municipality, and this will encourage municipalities to ensure that the accounting records are kept up to date to enable the criterion to be reviewed. Further, those municipalities that do not maintain current records will risk unauthorized expenditure due to possible overpayment of remuneration to councillors.

This indicator already plays a role, in that, in terms of section 7(1)(d) of the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998), the Minister for Provincial and Local Government must determine the upper limits of

salaries and allowances after considering, amongst other factors, “the gross income” of the municipality.

Due to the fact that this data may be audited and verified, and for the reasons outlined above, the use of this criterion to grade municipal councils is recommended. Furthermore, it is considered appropriate to replace the criterion of actual property rates income with total municipal income.

(ii) Selection of Criteria for Grading of Municipal Councils

Having regard to the merits (or otherwise) of the various criteria discussed above, it would appear that there are no factors that fit all proposed municipal structures, or that will appropriately recognize the different roles and responsibilities of all municipal councillors. The study therefore recommends that the criteria of the “number of registered voters”, and the “total municipal income” (actual) of a municipality are the most appropriate, and that they should be used to determine the grade of a municipal council.

Maintaining the status quo, six broad banding classifications, with an emphasis of distinguishing between smaller and larger municipalities, should be used. The tables below reflect the different bands that are recommended for each of the criteria, and the points applicable in each case. The aggregation of the points indicates the overall size of the municipality for the purpose of remunerating councillors.

TABLE 21: ALLOCATION OF POINTS FOR THE NUMBER OF REGISTERED VOTERS

TOTAL NUMBER OF REGISTERED VOTERS	NUMBER OF POINTS
Less than 10 000	8.33
10 001 - 30 000	16.67
30 001 - 60 000	25.00
60 001 - 120 000	33.33
120 001 - 450 000	41.67
More than 450 000	50.00

TABLE 22: ALLOCATION OF POINTS FOR THE TOTAL MUNICIPAL INCOME

TOTAL MUNICIPAL INCOME	NUMBER OF POINTS
Less than 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 R 2 000 000 000	50.00

TABLE 23: TOTAL POINTS FOR DETERMINING THE GRADE OF MUNICIPAL COUNCILS

GRADE OF MUNICIPAL COUNCIL	POINTS
1	Less than 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	More than 83.36

The attached Schedule indicates the grade of each municipal council in the dispensation that was applicable in terms of Government Notice No. R. 1125 that was published on 14 November 2005 in the *Government Gazette* by the Minister for Provincial and Local Government, in terms of the relevant provisions in the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), and the grade of municipal council when using the above-mentioned criteria and the bands that have been recommended.

It is further recommended that district municipal councils be independently and objectively graded on the above-mentioned criteria, and the attached Schedule indicates this position.

6.6.2 Total Remuneration Package

In terms of sections 7, 8 and 9 of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) the Minister for Provincial and Local Government must determine respectively the upper limit of the salaries and allowances, pension and medical aid contributions of councillors. In implementing the above provisions, the Minister for Provincial and Local Government provided separately for salaries, allowances and benefits.

Section 7(1) of the same Act requires the Minister for Provincial and Local Government to determine the upper limits of salaries and allowances after considering, inter alia:

- (i) the current principles and levels of remuneration in society generally;
- (ii) the need for the promotion of equality and uniformity of salaries, allowances and benefits for equal work performed; and
- (iii) the provision of uniform norms and standards nationally to address disparities.

In addition to the above-mentioned framework, the following must also be considered when developing a remuneration system for councillors:

- (i) Remuneration should compensate councillors for time spent on council activities;
- (ii) Remuneration should compensate councillors for the roles and responsibilities demanded of a councillor, in terms of the legislative framework applicable to local government and the corresponding transformation imperatives;
- (iii) There are community leadership roles and responsibilities implicit in being a councillor that should be reflected in remuneration; and
- (iv) Remuneration should be transparent and equitable.

Armstrong and Murlis (1994:367) state that the application of the total remuneration or “remuneration package” concept involves treating all aspects of pay and benefits as a whole. This approach gives valuable discipline and perspective to the overall process of salary and benefits planning and creates a framework within which the different elements of remuneration can be adjusted according to the needs of the organization and the individual. The cost to the company and the value to the individual of each element are assessed, with the aim of achieving an appropriate balance between the various components of remuneration for each employee grade or category. The concept applies to all levels of staff, but it is usually of more importance at senior levels because competitive practice and tax considerations have led to the development of a much wider range of benefits, in addition to salary, for senior executives.

According to Brivik (2005) "remuneration" is broadly and differently defined in the *Income Tax Act, 1962* (Act No. 58 of 1962), *Basic Conditions of Employment Act, 1997* (Act No. 75 of 1997), *Labour Relations Act, 1996* (Act No. 66 of 1995) and the *Compensation for Occupational Injuries and Diseases Act, 1993* (Act No. 130 of 1993). The definitions include payment in cash or in kind in respect of services rendered, that must be negotiated between two parties – the employer and the

employee. It is assumed that the employee will negotiate and settle for payment which is commensurate with the services rendered, and that the employer will make payment that it believes is suitable and adequate for the service it receives. An employee who is unhappy about the level of pay or remuneration can declare a contractual dispute, which can be resolved through bargaining or, in the case of last resort, industrial action. It cannot be resolved at the Council for Conciliation Mediation and Arbitration, or through the courts.

It is therefore recommended that, salary and certain allowances be consolidated. Such allowances must include the following:

- (a) Motor vehicle allowance;
- (b) Housing allowance;
- (c) Holding of Municipal Public Office Allowance.

Benefits (pension and medical aid), the cell phone and telephone allowance, and the out of pocket allowance must be paid in addition to the total remuneration package.

(i) Salary

The Commission presently recommends that the total remuneration package for public office-bearers in the national and provincial spheres of government be broken down into a basic salary component and a motor vehicle allowance component, constituting 80 per cent and 20 per cent of the total remuneration package, respectively.

It is therefore recommended that the total remuneration package to be extended to councillors must be in accordance with the above-mentioned dispensation, as well as with the components extended to public office-bearers in other spheres of government.

(ii) Allowances

In keeping with the need to promote equality and uniformity of remuneration generally, it is recommended that as far as possible, the similar allowances that are offered to other public representatives be offered to councillors. It is therefore proposed that councillors receive the following allowances, each of which is described further below:

- (a) Motor vehicle allowance;
- (b) Housing allowance;
- (c) Cell phone and telephone allowance;
- (d) Out of pocket expenses allowance; and
- (e) Holding of Municipal Public Office Allowance.

(a) Motor Vehicle Allowance

In keeping with generally accepted norms and standards, it is recommended that a component of not more than 20 per cent of the total remuneration package constitute a travel allowance. However, the position of councillor in the local sphere of government differs vastly from being a public representative in other spheres of government. Being at the heart of service delivery, a councillor needs to attend regular meetings, which could be convened by the municipal council, or by community based organizations. In terms of this dispensation, the 20 per cent allowance will include running and maintenance costs up to 500 kilometres per month.

In addition to the 20 per cent allowance referred to above, and only due to the unique nature of the work of the councillor, official distances travelled in excess of 500 kilometres in a particular month should be claimed in accordance with the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles. For the purposes of claiming running and maintenance

allowances, a logbook reflecting the official and private kilometres travelled per month must be kept.

It is also recommended that should a councillor opt not to receive a travelling allowance as part of the total remuneration package, then such a councillor may only be entitled to receive the 80 per cent basic salary component of the total remuneration package. The municipality would, in this instance, then be obliged to provide transport for the councillor when the councillor performs work of an official nature for the municipality.

(b) Housing Allowance

Although councillors would derive no tax benefit from structuring their basic salary component of 80 per cent to provide for a housing allowance, flexibility should be extended to councillors to allow them to structure their salary to do so. This position is recommended because in terms of section 167 of the *Local Government: Municipal Finance Management Act, 2003* (Act No. 56 of 2003), a municipality may remunerate its councillors only within the framework of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998).

Financial institutions, as a rule, require that when a person receives a mortgage bond from such an institution, then that person must make repayments for the mortgage bond as a direct stop order from their salary. If the housing allowance is not stipulated in the framework determined by the Minister for Provincial and Local Government, then such an allowance could be considered unauthorized expenditure.

(c) Cell phone and Telephone Allowance

In keeping with the dispensation extended to other public representatives, it is recommended that, in addition to the total remuneration package, a councillor should obtain a fixed allowance for the use of cell phones and telephones.

It should be noted that this recommendation deviates from the status quo, and reverts to the original position adopted by the Minister for Provincial and Local Government in this regard, in that the allowance is “broader” and includes the use of landline telephones. This position is recommended because in areas where there is no cell phone network coverage, such as the rural areas of the northern part of the KwaZulu-Natal Province and the Kalahari in the Northern Cape Province, councillors that relied solely on the use of fixed land lines did not receive the cell phone allowance, and were therefore discriminated against.

(d) Out of pocket Expenses

In terms of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), a councillor must be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official duties. The Minister for Provincial and Local Government must therefore provide for this allowance to also cater for section 167 of the *Local Government: Municipal Finance Management Act, 2003* (Act No. 56 of 2003) in order that such expenditure incurred by a councillor is not considered unauthorized expenditure.

Reimbursement for this expenditure should be based on reasonable tariffs, within guidelines developed by the municipality, and based on the production of original receipts by the councillor.

(e) Holding of Municipal Public Office Allowance

On 28 September 2000, by proclamation in *Government Gazettes* No. 21602, 21603 and 21604, the President declared that the total remuneration package of public representatives in the national and provincial spheres of government shall include an amount of R40 000 per annum as the amount declared in terms of section 8(1)(d) of the *Income Tax Act, 1962* (Act No. 58 of 1962).

While this provision was originally not extended to councillors, the *Revenue Laws Amendment Act, 1999* (Act No. 53 of 1999) amended section 8 of the *Income Tax Act, 1962* (Act No. 58 of 1962), to provide that a certain part of the salary of members of municipal councils be deemed to be an allowance. This provision was deemed to have come into operation on 1 March 2000.

In order to promote uniform norms and standards, as espoused in section 7 of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), it is recommended that such a dispensation also be extended to councillors. The benefit of this allowance is that a lesser portion of a councillor's basic salary will be subjected to taxation, which would mean that councillors will have greater disposable income. In terms of section 8(1)(d) of the *Income Tax Act, 1962* (Act No. 58 of 1962) this allowance is meant to enable a councillor to defray expenditure deemed to have been so expended by the councillor, to the extent that expenditure relevant to this allowance is not otherwise recoverable by the councillor. The councillor could incur expenditure in respect of secretarial services, duplicating services, stationery, postage, telephone calls, the hire of office accommodation and the maintenance of such accommodation, or hospitality extended at any official or civic function which the councillor is expected to arrange.

The extension of this allowance to councillors will require an amendment to the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), which is discussed in the next chapter.

(iii) Benefits

Traditionally, benefits have been described as “something other than remuneration”. The courts are reluctant to give benefits a wider interpretation to prevent remuneration disputes being referred to them – it is not their duty to negotiate a better salary for employees. A dispute over benefits falls under the jurisdiction of the Commission for Conciliation, Mediation and Arbitration or the Labour Court, which will consider whether it is an unfair labour practice. Recently, the Labour Court found that a “benefit” does not have to be recorded in the contract for it to fall under the Labour Relations Act, 1995 (Act No. 66 of 1995) which regulates the conduct of the employer and imposes a duty of fairness (Brivik, 2005).

Kanungo and Mendonca (1992:9) state that the multitude of employee benefit programmes can be grouped into three categories, as follows:

- Income protection programmes;
- Reimbursed time off; and
- Services and perquisites (“perks”).

These programmes, most of which were started during World War II, have increased both in variety and cost. For example, in 1950 such programmes cost organizations an average of \$515 per year – less than 15 per cent of gross payroll costs. In 1986, they cost about \$9 000 per year, or about 36.3 per cent of gross payroll costs. These costs continue to climb. Tax considerations have often influenced the introduction of these programmes.

Armstrong and Murlis (1994:367) state that employee benefits are elements of remuneration given in addition to the various forms of cash pay. They provide quantifiable value for individual employees, and may be deferred or contingent (such as a pension scheme, insurance cover or sick pay), or immediate (such as a company car). Employee benefits also include elements which are not strictly remuneration, such as annual holidays.

The terms “fringe benefits” and “perks” are sometimes used derogatively, but should be reserved for those employee benefits that do not fundamentally cater for personal security and personal needs.

The objectives of the employee benefits policies and practices of an organization should be:

- (i) To increase the commitment of employees to the organization;
- (ii) To provide for the actual or perceived personal needs of employees, including those concerning security, financial assistance and the provision of assets in addition to pay, such as company cars and petrol;
- (iii) To demonstrate that the company cares for the needs of its employees;
- (iv) To ensure that an attractive and competitive total remuneration package is provided which both attracts and retains high-quality staff; and
- (v) To provide a tax-efficient method of remuneration which reduces tax liabilities compared with those related to equivalent cash payments.

Benefits can be divided into the following categories:

- (i) **Pension schemes:** these are generally regarded as the most important employee benefit. In the UK they are typically financed during the employee’s working lifetime to provide a guaranteed income for employees or their dependants on retirement or death;
- (ii) **Personal security:** these are benefits which enhance the individual’s personal and family security with regard to illness, health, accident, redundancy or life assurance;

- (iii) **Financial assistance:** loans, house purchase assistance, relocation assistance, discounts, etc;
- (iv) **Personal needs:** entitlements which recognize the interface between work and domestic needs or responsibilities, e.g. holidays and other forms of leave, child care, career breaks, retirement, counselling, financial counselling, fitness and recreational facilities;
- (v) **Company cars and petrol;**
- (vi) **Other benefits** which improve the standard of living of employees, such as subsidized meals, clothing allowances, refund of telephone costs and credit card facilities; and
- (vii) **Intangible benefits:** characteristics of the organization which make it an attractive and worthwhile place in which to work.

Armstrong and Murlis (1994:383) further state that the key criteria to be taken into account in developing employee benefit strategies are that they should:

- (i) Be an integral part of the total reward management strategy of the organization, which in turn should specifically support the achievement of its business objectives;
- (ii) Add value to basic remuneration by extending the purely financial provisions of these policies into areas where the company will benefit from providing additional rewards and which will support the satisfaction of employees' specific needs;
- (iii) Be in line with and supportive of the culture of the organization and its value system;
- (iv) Meet the needs of the organization to increase the commitment of its members, to develop their identification with its objectives and to increase unity of purpose;
- (v) Meet the real needs of individual employees, rather than those needs which management believes they have;
- (vi) Help the organization to recruit and retain high-quality and well-motivated staff by being competitive in the market place;

- (vii) Provide a measure of individual choice to employees; and
- (viii) Be creative – not simply offering what competitors offer, but devising new approaches to structuring the package and to providing individual benefits which are tailored to the strategic needs of the organization.

The most common benefits are pension and medical aid benefits, which are discussed in turn hereunder.

(a) Pension Benefits

Armstrong and Murlis (1994:386) suggest that pensions are generally regarded as the most important employee benefit. They are typically financed from contributions which build up rights to a guaranteed income for employees or their dependants on retirement or death. Companies frequently aim to provide adequate or generous pension arrangements because:

- (i) There is often a perceived moral obligation to provide a reasonable level of security for employees, especially those with long service;
- (ii) A good pension scheme demonstrates that the company has the long term interests of employees at heart;
- (iii) A good scheme helps attract and retain high quality staff; and
- (iv) Pensions can be a tax efficient form of remuneration.

Andrews (1997:328) defines a pension as a fixed sum of money which is paid at regular intervals to a former employee by an employer or his representatives. The same author remarks that pension schemes make it possible to eliminate from service those employees who are no longer in a condition to perform effective work.

According to the Independent Commission for the Remuneration of Public Office-bearers (2000:33), the municipality's contribution to the pension fund, of which a councillor is a member, should be 15 per cent. This position was adopted by the

Minister for Provincial and Local Government and has been extended to councillors since 2000. It is recommended that it be maintained in the future, and that this benefit be extended to both part-time and full-time councillors.

However, such contribution should be made on the pensionable salary of the councillor, and in addition to the total remuneration package applicable to a councillor.

(b) Medical Aid Benefits

With regard to contributions towards a medical aid scheme, it is also recommended that the status quo be maintained and that a municipality contributes no more than two-thirds of the total contribution, up to a maximum of R1 014.00 per month, and in addition to the total remuneration package applicable to a councillor.

In terms of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) no other benefits are extended to councillors, and the extension of any further benefits would be considered unauthorized expenditure, in terms of section 167 of the *Local Government: Municipal Finance Management Act, 2003* (Act No. 56 of 2003).

An individual's total remuneration package, by virtue of a position possibly occupied in another sphere of government, could prove to be above the upper limit as determined by the Minister for Provincial and Local Government. In this instance, the relevant politician retains such higher remuneration as he or she receives, until upward revisions in the pay structure bring the total remuneration package into the regular pay range, whereafter such councillor would receive further increases as determined by the Minister for Provincial and Local Government from time to time.

6.6.3 Hierarchy of Councillors

As discussed *supra* (paragraph 6.3), the following hierarchy of councillors was recommended by the Commission:

- Level 1: Mayor and Executive Mayor;
- Level 2: Speaker, Deputy Mayor and Executive Deputy Mayor;
- Level 3: Members of the Executive or Mayoral Committees and Chairperson of a subcouncil; and
- Level 4: Ordinary Councillors (including ward and appointed councillors).

It is recommended that the above hierarchy be maintained, but to include the position of whip, equated to level 3, as indicated above, and in terms of the similar responsibilities entrusted to such a public office-bearer in other spheres of government.

6.6.4 Benchmarks

Armstrong and Murlis (1994:122) state that benchmark jobs are key jobs selected to cover each level and major function in the organization, because they are well structured and representative of those levels and functions. Benchmark jobs should have the following characteristics: they are well known, clearly defined and, ideally, the relativities between them will be well established. They should also be jobs which, as far as possible, can be matched with jobs outside the organization for purposes of market rate surveys.

The initial evaluation of these jobs provides, as the term implies, reference points or signposts for evaluators when they are evaluating the other jobs in the organization, often the difficult and contentious ones.

The first step in evaluating jobs is to select benchmark jobs by:

- (i) Listing all the discrete jobs covered by function or department;

- (ii) Identifying from this list a sample of well known and easily recognized jobs, which reflect the range of responsibilities in the organization, both vertically and horizontally across functions;
- (iii) Ensuring that a sufficient proportion of benchmark jobs is identified which can be matched to jobs in other organizations to establish external relativities; and
- (iv) Ensuring that equal value considerations are taken into account.

As indicated *supra* (paragraph 2.4.6), “ranking” and the “factor comparison method” are techniques of job evaluation. With regard to the fact that no market benchmarks are applicable in the public service; the requirement to align remuneration between office-bearers in the different spheres of government; and the need to provide for the deployment of office-bearers between the spheres of government, it is recommended that appropriate grades / offices are identified in the provincial legislature, and to then equate offices in the local sphere of government against such identified offices. The advantage of this position would be that whenever revisions are made to the remuneration of public office-bearers in other spheres of government, such revisions could also be taken into consideration by the Minister for Provincial and Local Government for extension to members of municipal councils.

(i) Full-time Councillors

Based on recommendations made by the Commission on 8 July 2005 in *Government Gazette* No. 27770 in terms of section 8(4) of the *Commission for the Remuneration of Public Office-bearers Act, 1997* (Act No. 92 of 1997), the following total remuneration packages and benchmarks are recommended for full-time mayors / executive mayors of the differently graded municipal councils:

- (i) The remuneration of a mayor / executive mayor of a grade 6 municipal council is set against that of an MEC (i.e. R680 152 – Grade E1, Notch 3);

- (ii) The remuneration of a mayor / executive mayor of a grade 5 municipal council is set against that of a deputy speaker (i.e. R517 845 – Grade D, Notch 2);
- (iii) The remuneration of a mayor / executive mayor of a grade 4 municipal council is set against that of a chairperson of a committee / chairperson of committees (i.e. R486 301 – Grade C2, Notch 2);
- (iv) The remuneration of a mayor / executive mayor of a grade 3 municipal council is set against that of a deputy chairperson of committees (i.e. R436 211 – Grade B1, Notch 1);
- (v) The remuneration of a mayor / executive mayor of a grade 2 municipal council is set against that of a whip / leader of a minority party in a legislature (i.e. R388 005 – Grade A1, Notch 1); and
- (vi) The remuneration of a mayor / executive mayor of a grade 1 municipal council is set against that of a member of a legislature (i.e. R373 678 – Grade A2, Notch 1).

The above benchmarks proposed for full-time mayors / executive mayors of municipal councils are summarized in the table below:

TABLE 24: BENCHMARKED REMUNERATION FOR FULL-TIME MAYORS / EXECUTIVE MAYORS

GRADE	OFFICE IN THE PROVINCIAL LEGISLATURE	FULL-TIME OFFICE IN A MUNICIPAL COUNCIL	BASIC SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION
E1	Member of the Executive Council; Speaker (Notch 3)	Mayor / executive mayor of a grade 6 municipal council	R544 122	R136 030	R680 152
D	Deputy Speaker (Notch 2)	Mayor / executive mayor of a grade 5 municipal council	R414 276	R103 569	R517 845
C2	Chairperson of a Committee of a Legislature; Chairperson of Committees (Notch 2)	Mayor / executive mayor of a grade 4 municipal council	R389 041	R97 260	R486 301

GRADE	OFFICE IN THE PROVINCIAL LEGISLATURE	FULL-TIME OFFICE IN A MUNICIPAL COUNCIL	BASIC SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION
B	Deputy Chairperson of Committees (Notch 1)	Mayor / executive mayor of a grade 3 municipal council	R348 969	R87 242	R436 211
A1	Whip; Leader of a Minority Party in a Legislature other than the Official Opposition (Notch 1)	Mayor / executive mayor of a grade 2 municipal council	R310 404	R77 601	R388 005
A2	Member of a Legislature (Notch 1)	Mayor / executive mayor of a grade 1 municipal council	R298 943	R74 735	R373 678
All amounts reflected under the "TOTAL REMUNERATION" column include an amount of R40 000 per annum as per section 8(1)(d) of the <i>Income Tax Act</i> , 1962 (Act No. 58 of 1962).					

From the above benchmarked remuneration structure, it is apparent that the lower graded municipal councils are most advantaged, while councillors in metropolitan councils receive the smallest increases, as reflected in Table 29. The intention thereof is deliberate, in order to promote the attraction of higher calibre persons to assume public office, and to encourage meaningful input in furthering the interests of all people.

Public office-bearers in a provincial legislature receive benefits (medical aid and pension) in addition to the above total remuneration packages, and it is therefore recommended that councillors should receive the above total cost to "employer" remuneration, plus pension and medical aid benefits in addition thereto.

Cell phone / telephone allowances and reimbursement for out of pocket expenses will also be in addition to the total remuneration package. This dispensation would, while being benchmarked against the remuneration of provincial public office-bearers, extend to councillors the system that is applicable to senior managers in the public service. This is intended to limit municipal expenditure in this regard, so as not to provide any "shocks" to the system.

As indicated *supra* (paragraph 6.4.7), a MEC for local government in a province may designate councillors as full-time, in accordance with a policy framework as determined by the Minister for Provincial and Local Government. By implication, all other councillors that are not provided for in terms of the policy framework would therefore be part-time councillors, including those not designated as full-time by the MEC.

In terms of the policy framework determined by the Minister for Provincial and Local Government, the following councillors may be designated as full-time by the MEC for local government:

- Speaker;
- Executive Mayor;
- Mayor;
- Deputy Executive Mayor;
- Deputy Mayor;
- A member of an Executive Committee, other than the Mayor and Deputy Mayor;
- A member of a Mayoral Committee;
- Chairperson of a subcouncil; and
- A single whip appointed for council.

In terms of the above framework, all ordinary councillors (ward and appointed) must be appointed on a part-time basis.

For other full-time councillors (besides mayors / executive mayors), it is therefore recommended that:

- (i) Speakers and deputy mayors/ executive deputy mayors receive 80 per cent of the benchmarked remuneration of the mayor / executive mayor of the respective municipality;

- (ii) Members of the executive committee or mayoral committee, whips, and chairpersons of subcouncils receive 75 per cent of the benchmarked remuneration of the mayor / executive mayor of the respective municipality; and
- (iii) Ordinary councillors, for remuneration and benchmarking purposes, receive 50 per cent of the benchmarked remuneration of the mayor / executive mayor of the respective municipality, if they were designated as full-time within the municipal council.

With regard to the total remuneration package received by councillors (obtained by adding the components of salary; travelling, cell phone, housing, and office-bearer [where applicable] allowances; and the municipality's contributions to medical aid and pension), the table below sets out the proposed remuneration (excluding the cell phone and telephone allowance, out of pocket allowance, and benefits) and its relation to the remuneration paid in terms of Government Notice No. R. 1125 of 14 November 2005.

TABLE 25: PROPOSED REMUNERATION FOR FULL-TIME COUNCILLORS

FULL-TIME COUNCILLORS									
GRADE	BENCHMARK	MAYOR / EXECUTIVE MAYOR		SPEAKER / DEPUTY MAYOR / DEPUTY EXECUTIVE MAYOR		MEMBER OF EXCO / MAYCO / WHIP / CHAIRPERSON OF SUBCOUNCIL		ORDINARY COUNCILLOR (NOTE: NO FULL-TIME ORDINARY COUNCILLOR)	
		PROPOSED	STATUS QUO	PROPOSED	STATUS QUO	PROPOSED	STATUS QUO	PROPOSED	STATUS QUO
6	Member of the Executive Council; Speaker (Notch 3)	680,152	672,340	544,121	565,586	510,114	510,101	340,076	224,234
5	Deputy Speaker (Notch 2)	517,845	468,146	414,276	387,762	388,383	367,666	258,922	125,343
4	Chairperson of a Committee of a Legislature; Chairperson of Committees (Notch 2)	486,301	392,784	389,040	327,473	364,725	311,145	243,150	96,972
3	Deputy Chairperson of Committees (Notch 1)	436,211	317,423	348,968	267,182	327,158	254,621	218,105	79,950
2	Whip; Leader of a Minority	388,005	242,060	310,404	206,892	291,003	198,100	194,002	62,925

FULL-TIME COUNCILLORS									
GRADE		MAYOR / EXECUTIVE MAYOR		SPEAKER / DEPUTY MAYOR / DEPUTY EXECUTIVE MAYOR		MEMBER OF EXCO / MAYCO / WHIP / CHAIRPERSON OF SUBCOUNCIL		ORDINARY COUNCILLOR (NOTE: NO FULL-TIME ORDINARY COUNCILLOR)	
		PROPOSED	STATUS QUO	PROPOSED	STATUS QUO	PROPOSED	STATUS QUO	PROPOSED	STATUS QUO
	BENCHMARK								
	Party in a Legislature other than the Official Opposition (Notch 1)								
1	Member of a Legislature (Notch 1)	373,678	166,697	298,942	146,602	280,258	141,579	186,839	45,903
		100% OF BENCHMARK		80% OF BENCHMARK		75% OF BENCHMARK		50% OF BENCHMARK	

From the above table, it can be seen that the remuneration of all councillors is increased, except for the speaker in a grade 6 municipal council, where the remuneration is decreased by approximately R20 000.00 per annum. This matter is discussed in greater detail *infra* (paragraph 6.6.5).

The benchmarked remuneration for part-time councillors is dealt with in the next section.

(ii) Part-time Councillors

Stoker and Wilson (2004:66) state that councillors spend too much time in meetings, which is an inefficient use of their time, and discourages people from becoming councillors. Research showed that although 70 per cent of councillors rate their representative role as their top priority, they spend on average only 30 per cent of their time on it.

Mombaur (1994:213) states that in some of the Länder of the Federal Republic of Germany, burghers are entitled to elect full-time mayors. The citizens of these Länder enjoy the crucial advantage of being able to decide who should occupy the most prominent post in their community, or even to stand for election themselves. This was seen as a response to the frequently-heard demand that the democratic involvement of citizens should be strengthened and their rights to

participate extended. Burghers are therefore given the opportunity to directly elect the person in whom they have confidence, and whom they expect to best protect the interests of their communities.

According to the Independent Commission for the Remuneration of Public Representatives (1996), the only level of government in South Africa that has constituency representatives, is municipalities, albeit in the form of ward councillors. Therefore, with no identifiable members of parliament or members of provincial legislatures, the only true public representatives are ward councillors. This means that councillors are faced with all the problems that should be going to members of parliament and members of provincial legislatures – but they may not have the authority to deal with them. The part-time nature of councillors' service has been raised as a contentious issue by many councillors. Whilst some of them are unemployed and rely wholly on council work for income, those who are employed elsewhere are reportedly finding it difficult to strike a happy medium between their full-time employment and council work. Many of these councillors have entered into “no work, no pay” agreements with their employers, yet the salaries they receive from the council are not sufficient to compensate for loss of income. Mayors and executive committee members, on the other hand, do not believe that ordinary councillors should be engaged on a full-time basis. If that were the case, they argue, there would not be enough work in the day to occupy all council members.

The Independent Commission for the remuneration of Public Office-bearers (1996) states further that councillors have expressed dissatisfaction with the level of their pay and the attendant benefits. Complaints about salaries are closely linked to the part-time / full-time debate. The intensity of these complaints varies according to the grade of municipal council. Smaller local councils tend to feel underpaid when compared to their larger counterparts. This is caused by the differences in salaries between different sized councils.

In order to determine the remuneration that should be extended to part-time councillors, the “five-eighths” rule was applied. This rule represents a standard rule of thumb in converting full-time remuneration to part-time (mornings only) remuneration, based on the assumption of work being five hours per day out of eight normal hours. Using this formula (that is, 62.5 per cent of the corresponding full-time position), the remuneration that should be extended to part-time councillors is indicated in the following table:

TABLE 26: PROPOSED REMUNERATION FOR PART-TIME COUNCILLORS

PART-TIME COUNCILLORS								
GRADE	MAYOR / EXECUTIVE MAYOR		SPEAKER / DEPUTY MAYOR / DEPUTY EXECUTIVE MAYOR		MEMBER OF EXCO / MAYCO / WHIP / CHAIRPERSON OF SUBCOUNCIL		ORDINARY COUNCILLORS	
	PROPOSED	OLD	PROPOSED	OLD	PROPOSED	OLD	PROPOSED	OLD
6	425,095	306,910	340,075	250,172	318,821	235,984	212,547	224,234
5	323,653	278,538	258,922	227,474	242,739	214,706	161,826	125,343
4	303,938	207,614	243,150	170,732	227,953	161,512	151,968	96,972
3	272,631	165,059	218,105	136,688	204,473	129,595	136,315	79,950
2	242,503	122,502	194,002	102,644	181,876	97,680	121,251	62,925
1	233,548	79,948	186,838	68,599	175,161	65,760	116,774	45,903
	62.5% OF FULL-TIME POSITION		62.5% OF FULL-TIME POSITION		62.5% OF FULL-TIME POSITION		62.5% OF FULL-TIME POSITION	

From the above table, it is noticed that the remuneration of all councillors is increased, except for an ordinary councillor in a grade 6 municipal council, where the remuneration is decreased by approximately R12 000 per annum. This matter is discussed in greater detail in the next section.

6.6.5 Personal Remuneration Notches

As indicated *supra* (paragraph 2.4.5), an individual’s remuneration could be above the maximum of a pay grade or scale due to such an individual receiving “seniority increases”, or individuals being demoted but retaining their levels of remuneration.

With regard to councillors, such a situation could arise from, amongst others, the following reasons:

- (i) When a councillor who had previously held a position of office-bearer in a municipal council, is deployed to a position of “ordinary councillor”;
- (ii) When the grade of municipal council is downgraded as a result of a decrease in the number of registered voters in the municipality, or a decrease in the total municipal income of the municipality;
- (iii) When a councillor crosses the floor from one political party to another; or
- (iv) When revisions are made to the remuneration system.

With regard to changes in remuneration arising as a result of points (i) to (iii) above, it is recommended that such councillor should receive the remuneration which is associated with the position that he or she moves to, even though this may be lower than the remuneration of the previous office. However, where the remuneration is decreased as a result of an intentional intervention by the government, then such a councillor should retain the higher remuneration that was paid to him or her, until further upward revisions in the remuneration structure (such as annual cost of living increases) bring the remuneration into the regular pay range.

6.6.6 Indirectly Elected Councillors / Appointed Councillors

An appointed councillor is a councillor in a local municipality who is indirectly elected to represent the local municipality at the district level. Appointed councillors constitute 60 per cent of the number of councillors at the district municipality, and the remaining 40 per cent of the councillors are directly elected to that municipality.

It is recommended that the system of fixing a fee for attendance by councillors of a local municipality at district council meetings should be continued.

It is therefore recommended that:

- (i) If a councillor is appointed as an office-bearer of a district council, then such a councillor receives the difference between the salary, allowances and benefits received as a member of the local council; or
- (ii) If the salary, allowances and benefits of such a councillor at the local municipality is equal to or higher than the salary, allowances and benefits to which the councillor is entitled to as an appointed councillor, then such a councillor is entitled to a sitting allowance of not more than R500.00 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.

6.7 CONCLUSION

This chapter has dealt in detail with the underlying principles regarding the system of remuneration extended to councillors. The institutional, political and administrative systems were discussed in detail to offer a better understanding of the environment in which a councillor works, and the concomitant roles and responsibilities attached to the various office-bearer positions.

It has been shown that as the country approached the first term of municipal councils, a distinct hierarchy of councillors had become entrenched and legislation was developed to remunerate councillors prior to the commencement of the final phase of local government. While minor amendments and modifications were effected to the system of remuneration that was applicable in the interim phase, that system laid the foundation on which councillors were remunerated.

The publication of Government Notices in the *Government Gazette* annually by the Minister for Provincial and Local Government in terms of the relevant provisions of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998) must be seen as government's attempt to centralize the remuneration of councillors, to implement uniform levels of remuneration, and to promote good governance. Clear efforts are evident to alleviate the notion of "double-dipping", and to have due regard to the recommendations made by the Commission when effecting any review to the remuneration of councillors.

The system of remuneration that is presently being implemented would appear to be sound, and can be viewed as being broadly based on the following key principles:

- Affordability was considered important;
- Municipal councils were placed into one of six grades;
- The grades were allocated according to the number of registered voters in the municipality and the actual property rates collected in the previous year;
- A differentiation was made between full-time and part-time councillors; and
- A basic salary, allowances and benefits were payable to all councillors:
 - contribution to the pension fund was limited to 15 per cent;
 - contribution to a medical scheme limited to two-thirds of the membership fee, to a maximum of R1 014.00;
 - travel allowance equal to 25 per cent of salary (alternatively, equal to actual kilometres travelled at a tariff rate per kilometre if the councillor so elected at the commencement of the financial year); and
 - allowance for the use of personal facilities.

This chapter also made specific recommendations for an ideal remuneration system for members of municipal councils, which is broadly based on the following principles:

- The total cost to employer / package approach is extended to councillors (composed of a basic salary, allowances [travelling and housing], and benefits [medical aid and pension]) ;
- Municipal councils are graded on the criteria of total number of registered voters, and the total municipal income of a municipality;
- Office-bearers may be appointed on either a full-time or part-time basis (Except for ordinary councillors, all other councillors may be appointed on a full-time or part-time basis in terms of the above, and in terms of the policy framework for the designation of full-time councillors, as published in the Government Gazette by the Minister on 18 July 2003);
- The benchmarks (upper and lower limits) have been set against identified positions of public office-bearers in the provincial sphere of government (which in turn is aligned to the remuneration of public office-bearers in the national sphere of government);
- The hierarchy of office-bearers that has been identified is in accordance with accepted norms and practice, as follows:
 - Level 1: Mayor / Executive Mayor;
 - Level 2: Speaker; Deputy Mayor / Deputy Executive Mayor;
 - Level 3: Members of the EXCO or MAYCO; Whip; Chairperson of a subcouncil; and
 - Level 4: Ordinary councillors (part-time only);
- Appointed councillors will receive a sitting allowance, or the difference in remuneration that the councillor receives between the local and district council; and
- Deviations from the framework are provided for when a councillor has a “personal remuneration notch”.

The following chapter provides an overview of remuneration systems for municipal councillors in certain other countries.

CHAPTER 7

AN INTERNATIONAL PERSPECTIVE ON REMUNERATION SYSTEMS FOR MUNICIPAL COUNCILLORS

7.1 INTRODUCTION

The system of government in South Africa is largely based on the Westminster model, which is discussed in the following section. The remuneration systems that are applicable in the United Kingdom, Scotland, Wales, Australia and New Zealand are also discussed in this chapter, with the view to identifying principles that could inform a remuneration system for South Africa.

The present system of local government in South Africa is relatively new when compared with other countries. The roles and responsibilities of the different categories of councillors are clearly provided for in a whole suite of newly developed legislation, while this may not be the case in other countries. Also, the obligations imposed on councillors in South Africa are far-reaching, especially since they must orientate municipalities towards a developmental system of local government, within the broader ambit of national priorities.

Public administration is, broadly speaking, the study and implementation of policy. As a moral endeavour, public administration is linked to pursuing the public good through the creation of civil society and social justice. The adjective “public” often denotes “government”, though it increasingly encompasses non-profit organizations, such as those of civil society or any entity and its management not specifically acting in self-interest (Wikipedia online dictionary (a)).

With regard to the above definition, it is important to develop policy that is within the broader framework of international best practice, but adapted to suit local conditions.

7.2 THE WESTMINSTER SYSTEM OF GOVERNMENT

The Westminster system is a democratic system of government modelled after that of the United Kingdom, as used in the Palace of Westminster, the location of the Parliament of the United Kingdom. The system is a series of procedures for operating a legislature. It is used, or was once also used, in most Commonwealth and ex-Commonwealth nations, beginning with the Canadian provinces in the mid-19th century. It is also used in Australia, India, Ireland, Jamaica, Malaysia, New Zealand, Singapore and Malta. There are other parliamentary systems, for example those of Germany and Italy, whose procedures differ considerably from the Westminster system.

Important features of the Westminster system include:

- An executive branch usually made up of members of the legislature with the senior members of the executive in a Cabinet;
- The presence of opposition parties;
- An elected legislature, or a system in which one of two houses is elected and the other appointed;
- A ceremonial head of state, who is different from the head of government, and who may possess reserve powers that are not normally exercised; and
- The possibility of parliament being dissolved and elections called at any time.

Most of the procedures of the Westminster system originated with the conventions, practices and precedents of the United Kingdom parliament, which are a part of what is known as the British Constitution. Unlike the United Kingdom, most countries that use the Westminster system have codified the system in a written constitution. However convention, practices and precedents

continue to play a significant role in these countries, as many constitutions do not specify important elements of procedure: for example, older constitutions using the Westminster system, such as the Canadian and Australian constitutions, may not even mention the existence of the Cabinet and the title of the head of the government (Prime Minister), because the existence and role of these offices evolved outside the primary constitutional text.

In a Westminster system, the members of parliament are elected by popular vote. The head of government is usually chosen by being invited to form a government (that is, an administration), by the head of state or the representative of the head of state (that is, the governor-general), not by parliamentary vote.

The head of government, usually called the Prime Minister, must be able to control a majority of seats within the lower house, or to ensure the existence of no absolute majority against them. If the parliament passes a resolution of no confidence or if the government fails to pass a major bill such as the budget, then the government must either resign so that a different government can be appointed, or seek a parliamentary dissolution so that new public elections may be held in order to re-confirm or deny their mandate. Although the dissolution of the legislature and the call for new elections is formally done by the head of state, by convention the head of state acts according to the wishes of the head of government.

Members of the Cabinet are collectively seen as responsible for government policy. All Cabinet decisions are made by consensus; a vote is never taken in a Cabinet meeting. All ministers, whether senior and in the Cabinet, or junior ministers, must support the policy of the government publicly regardless of any private reservations. When a Cabinet reshuffle is imminent, a lot of time is taken up in the conversations of politicians and in the news media, speculating on who will, or will not, be moved in and out of the Cabinet by the Prime Minister, because the appointment of ministers to the Cabinet and threat of dismissal from

the Cabinet, is the single most powerful constitutional power which a Prime Minister has in the political control of the government in the Westminster system.

Linked to Cabinet government is the idea that ministers are responsible for the actions of their departments. However, it is no longer considered to be an issue of resignation if the actions of members of their department, over whom the minister has no direct control, make mistakes or formulate procedures which are not in accordance with agreed policy decisions. One of the major powers of the Prime Minister under the Westminster system is to be the arbitrator when a fellow minister is accountable for the actions of his or her department.

The Westminster system tends to have extremely well-disciplined legislative parties in which it is highly unusual for a legislator to vote against their party, and in which no-confidence votes are very rare. Also, Westminster systems tend to have strong cabinets in which cabinet members are politicians with independent bases of support. Conversely, legislative committees in Westminster systems tend to be weak, though they often have the ability to force a government to reveal certain pieces of information.

The Westminster system has a very distinct appearance when functioning, with many British customs incorporated into day-to-day government functions. A Westminster-style parliament is usually a long, rectangular room, with two rows of seats and desks which are positioned so that the rows are facing each other. The intended purpose of this arrangement is to create a visual representation of the conflict-filled nature of parliamentary government. Traditionally, the opposition parties will sit in one row of seats, and the government party will sit in the other.

Sometimes a majority government is so large that it must use the "opposition" seats as well. In the lower house at Westminster (the House of Commons) there are lines on the floor in front of the government and opposition benches that

members may cross only when exiting the chamber. The distance between the lines is the length of two swords. At one end of the room sits a large chair, for the Speaker of the House. The speaker usually wears a black robe, and in many countries, a wig. Robed parliamentary clerks often sit at narrow tables between the two rows of seats.

Other ceremonies sometimes associated with the Westminster system include an annual Speech from the Throne (or equivalent) in which the Head of State gives a special address (written by the government) to parliament about what kind of policies to expect in the coming year, and lengthy State Opening of Parliament ceremonies that often involve the presentation of a large ceremonial mace (Wikipedia online dictionary (b)).

7.3 UNITED KINGDOM

There is no single system of local government in the United Kingdom, which is made up of constituent countries, England, Scotland, Wales and Northern Ireland. Each has a different system of local government.

The three parts of the United Kingdom (besides England) each have devolved legislature and government - the Scottish Parliament and Scottish Executive, the National Assembly for Wales and Welsh Assembly Government, and the Northern Ireland Assembly and Northern Ireland Executive (both suspended) respectively. These bodies are part of the national, rather than local, tier of government in the United Kingdom. They each use a pattern of unitary authorities, meaning that there is a single tier of local government. There are 32 council areas in Scotland, 22 counties and county boroughs in Wales and 26 districts in Northern Ireland.

Barron, Crawley and Wood (1991:133) state that the regulations governing the existing system of attendance allowances for local government councillors were

laid down in legislation developed in the 1970's and the 1980's. Attendance allowances could be claimed by council members whenever they undertook "approved duties", which included attendance at council meetings, committee and sub-committee meetings, and other associated duties at the discretion of the local authority. There were variations between authorities as to what constituted "approved duties". Scottish authorities tended to adopt the most liberal interpretation of these duties, which could explain why members in Scotland received more than twice the average United Kingdom allowance. The maximum rates of attendance allowance were prescribed by law and revised annually. Not all councillors took up the attendance allowance. A significant minority (12 per cent) made no claim at all, while those who claimed, claimed small amounts.

Barron, Crawley and Wood (*ibid.*) felt that the payment for attendance encouraged the proliferation of meetings (some of which might be unnecessary) and did not recognize the many aspects of the councillor's role. Instead, they recommended a system of flat-rate annual payments, topped up by a graduated system of special responsibility allowances for senior councillors, scaled to the size of their authorities. They did not, however, advocate full-time "salaries", even for selected senior councillors.

One change put into effect was the introduction of the "financial loss allowance". This could be chosen as an alternative (not an addition) to attendance allowances. It was not taxed, but acted as reimbursement for those members who could demonstrate actual loss of income as a result of their council work.

Certain leading councillors could have been eligible for "special responsibility allowances". These were not mandatory, and there was no prescribed list of positions which attracted such an allowance. When the special responsibilities allowances were originally introduced, local authorities exercised considerable discretion in making them available to members. Where a special responsibility allowance was paid, it was an annual sum (not related to attendance). It was

taxable, and was paid to such councillors as Chair and Vice-Chair of the Council, Chair of major committees, and occasionally to the leaders of the ruling party group and the main opposition parties.

In addition to attendance allowances, councillors could also claim travelling expenses from their home to their place of work, and subsistence allowances were paid if they were away from home for a period of (usually) four hours or more. No other expenses (for example, telephone or postage costs) could be claimed, as the attendance allowance was intended to cover these costs.

The pattern in England is more complex. Unlike the other three constituent countries, England has no separate governing body, other than that of the Government of the United Kingdom as a whole. England is subdivided into 9 regions. One of these, London, has an elected Assembly and Mayor, but the other regions have a relatively minor role, with unelected regional assemblies and Regional Development Agencies.

Excluding Greater London, England has two different patterns of local government in use. In some areas there is a county council responsible for some services within the county, with several district councils responsible for other services. These councils are elected in separate elections. Other areas have only one level of local government, and these are dubbed "unitary authorities".

Councils of counties are called "X County Council", whereas district councils can be "District Council", "Borough Council", or "City Council" depending upon the status of the district. Unitary authorities may be called County Councils, Metropolitan Borough Councils, Borough Councils, City Councils, District Councils, or sometimes just Councils. These names do not change the role or authority of a council.

Overall responsibility for issues such as transport in Greater London, is vested in the Greater London Authority. London is divided into 32 London boroughs and the City of London, which have powers between a normal district and a unitary authority (Wikipedia online dictionary (c)).

According to the Scottish Parliament (2002), the nature and level of allowances paid to members of local authorities in England is governed by the *Local Government Act, 2000*, which amended the *Local Government and Housing Act, 1989*. The allowances payable to councillors in English local authorities are as follows:

- (i) Basic allowance: a basic, flat rate allowance payable to all members. The allowance must be the same for each councillor, and may be paid in a lump sum, or in instalments throughout the year.
- (ii) Special responsibility allowance: Each local authority may make provision in its allowance scheme for the payment of a special responsibility allowance for those councillors who have significant responsibilities. The authority, or the panel, has to identify the special responsibilities for which the allowance is to be paid, and the amounts of allowance to be paid for each such responsibility. Where one political group is in control, and where an authority has decided to pay the special responsibility allowance, the authority must make provision for the payment of this allowance to at least one member of a minority group
- (iii) Childcare and dependent carers' allowance: Each local authority may introduce a scheme of allowances for the payment of a childcare and dependent carers' allowance to those councillors who incur expenditure for the care of children or dependent relatives whilst undertaking particular duties.
- (iv) Travel and subsistence allowances: Each local authority may introduce a scheme of allowances for the payment of travel and subsistence allowances to those councillors who incur expenditure in carrying out

duties associated with the membership of the authority, committee or sub-committee.

- (v) Conference and meetings allowance: Each local authority may introduce a scheme of allowances for the payment of expenses incurred by those councillors who incur expenditure in attending conferences and meetings as official representatives of that authority or any committee or sub-committee.

The above framework allows councils to take full account of their particular circumstances, and be directly accountable to their electorate. This accountability is sharpened through each council being advised on its own allowances scheme by a local panel whose members are required to be independent.

According to the Scottish Parliament (2002), each English local authority must establish and have regard for the recommendations of an independent remuneration panel when determining its members' allowances scheme. The purpose of a remuneration panel is to:

- Make recommendations to the authority as to the amount of basic allowances payable to its elected members;
- Make recommendations to the authority about the categories of members who should receive a special responsibility allowance and the amount of any such allowance; and
- Make recommendations as to whether the authority's allowances scheme should include a childcare and dependants allowance and, where appropriate, the amount of this allowance and the means by which it is determined.

A remuneration panel must consist of at least three members, who should be independent, well qualified to discharge the functions of the panel and representative of the communities in the local authority's area.

The following factors must be considered when determining recommendations for allowances:

- (i) It is important that some element of the work of members continues to be voluntary, and that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained.
- (ii) The local authority may wish to agree to an index for remuneration. They may choose to be guided by the municipal associations' daily rate which is based on the national (male) median white-collar wage. Alternatively, they may wish to consider the local and regional wage rates, as these may seem more appropriate as measures for the allowances paid to members of their community.
- (iii) Local authorities may also wish to consider the allowances and remuneration which are paid to other members of the voluntary sector, for example, members of local health trusts.

When determining the special responsibility allowance, the panel must have regard to:

- (i) Having determined which duties should be acknowledged as significant additional responsibilities, the local authority must consider the levels of special responsibility allowance which are attached to each post.
- (ii) A good starting point in determining special responsibility allowances may be to agree on the allowance attached to the most time consuming post on the council (this may be the elected mayor or the leader) and pro rata downwards for the other roles which have been agreed eligible to receive an extra allowance.
- (iii) One way of calculating special responsibility allowances may be to take the agreed level of basic allowance and recommend a multiple of this

allowance as an appropriate special responsibility allowance for either the elected mayor or the leader.

According to the Scottish Parliament (2002) the mayoral elections held in some councils on 2 May 2002 illustrate the levels of remuneration that directly elected mayors can receive. For example, remuneration for mayors in Watford, Newham and Hartlepool is £50 000, £65 000 and £53 000 respectively.

7.3.1 Scotland

Local government in Scotland is organized into 32 unitary authorities covering the mainland and islands of Scotland, the largest being the City of Glasgow with more than 600 000 inhabitants, the smallest, Orkney, with less than 20 000 people. Each local authority is governed by a council consisting of elected councillors, who are elected every four years by registered voters in each of the council areas. Scottish councils co-operate through and are represented collectively by the Convention of Scottish Local Authorities.

Between 1890 and 1975 local government in Scotland was organized into county councils (including four counties of cities) and various lower-level units. Between 1890 and 1929, there were parish councils and town councils. The functions of parish councils were passed to larger district councils and a distinction was made between large burghs (i.e. those with a population of 20 000 or more) and small burghs.

In 1975, a two-tier system of local government was introduced, divided between large regional councils and smaller district councils. The only exceptions to this were the three Island Councils (Western Isles, Shetland and Orkney) which had the combined powers of regions and districts. This system was consequently abolished, and the powers of regional and district councils were merged into new unitary authorities. The new councils vary widely in size — some are the same as

counties, such as Clackmannanshire, some are the same as former districts, such as Inverclyde and some are the same as the former regions, such as Highland. The changes took effect in 1996.

The power invested in these authorities is administered by elected councillors. There are currently around 1 200 in total, each paid a part-time salary for the undertaking of their duties. Each authority elects a Provost or Convenor to chair meetings of the authority's council and act as a figurehead for the area. The office of Provost or Convenor is roughly equivalent to that of a Mayor, though they are elected for the duration of a council's term (four years).

The four main cities of Scotland (Glasgow, Edinburgh, Aberdeen and Dundee) have a Lord Provost rather than a Provost, who has the additional duty of being Lord Lieutenant for their respective city. The councillors are elected every four years. Each council has a chief executive who is similar in function to a city manager, though certain councillors have executive authority and there is no clear division of powers. The council is executive, deliberative and legislative in nature.

Community Councils represent the interests of local people. Local authorities have a statutory duty to consult Community Councils on planning, development and other issues directly affecting that local community. However, the Community Council has no direct say in the delivery of services. In many areas they do not function at all, but some work very effectively at improving their local area. Elections for Community Councils are determined by the Local Authority, but the law states that candidates cannot stand on a party-political ticket. (Wikipedia online dictionary (c)).

Ministers in the Scottish Parliament recognized that councillors were not motivated by the level and type of remuneration available to them, and that there was no real way of knowing whether the current system of remuneration

discouraged some people from standing for election. It was clear, however, that many councillors were finding it increasingly difficult to combine their role as a councillor with other activities, and this could have been a factor in some people's decision not to seek election. It is certainly a factor in some councillors' decision to stand down from office, and may prevent some from taking on more responsibility (Scottish Parliament, 2002).

Ministers valued the important role which councillors played in their local communities, and recognized that councillors often had to face difficult choices between their chosen career, their families, and their role as a councillor. They were also aware that an increasing number of councillors were spending a significant amount of their time on council business, and that this number had grown since the reorganization of local government in 1996.

The Ministers recognized that while some councillors needed to spend a significant amount of time on council business, the majority of council positions should be occupied by people who chose to undertake council work while having other responsibilities, and they encouraged councils to facilitate that approach. At the same time, Ministers wanted to make provision for people to be adequately compensated for the important responsibilities they undertook. They therefore ensured that the level and type of remuneration available did not actively discourage people from serving, that it recognized the responsibilities they carried, that it was sufficient to support councillors in their valuable role and that, when necessary, it was sufficient to enable councillors to take on additional responsibilities as elected members.

In developing a remuneration system for councillors, Ministers also considered a report that was developed in June 1990 by the McCintosh Commission, which recommended that:

- (i) All councils should produce a job description for members;

- (ii) Remuneration and conditions of service should be developed for the approval of the Parliament and be implemented on completion of councils' internal reviews;
- (iii) Remuneration for councillors should be subject to independent review;
- (iv) All councillors be paid the same remuneration (£12 000 per annum);
- (v) Council leaders and councillors with significant additional responsibilities should be paid larger salaries, based on the roles they carried out and on the size of their local authority. The largest salary would be paid to the leaders of the Glasgow and Edinburgh councils and would be equivalent to the salary of a Member of the Scottish Parliament; and
- (vi) All these salaries would include an element for pension provision and for personal expenses, such as childcare.

According to the Scottish Parliament (2002) the Ministers also considered the following factors in developing an appropriate remuneration system for councillors:

- (i) Encouraging the widest possible range of people to serve as councillors;
- (ii) Recognizing that people have diverse personal circumstances;
- (iii) Removing any inappropriate barriers to serving as a councillor;
- (iv) Ensuring that councils are representative of the communities they serve;
- (v) Allowing for progression to enable councillors to assume more responsibilities over time;
- (vi) Ensuring that any system of remuneration should be fair, transparent and applied consistently across Scotland;
- (vii) Ensuring that any system of remuneration should be sufficiently flexible to take account of the different roles councillors undertake, including the varying time commitments required of them; and
- (viii) Ensuring that the remuneration available should support councillors while carrying out the valuable role which they play in their communities, enable them to realize their full potential, and to progress through the ranks of council membership if they choose to do so.

As in England, councillors in Scotland are currently remunerated by a system of allowances (Scottish Parliament, 2002). The key elements are a basic allowance which is paid to all councillors, and additional allowances, particularly a special responsibility allowance, which are paid to many, but not all, councillors. The level of basic allowance paid varies according to the size of the council, and the level of the special responsibility allowance varies according to the detail of councils' own allowance schemes. This system has been in place for a considerable period of time, and councillors and local authority staff are familiar with the way in which it operates.

The system of allowances, and in particular, the level of allowances paid, does not encourage people to stand for election as a councillor. Nor does it appear to adequately recompense many councillors for the role which they play. Many councillors believe that the level of basic allowance paid is too low, and that those councillors who do not receive the special responsibility allowance are not paid enough for the activities they undertake. It emerged that about two-thirds of councillors receive the special responsibility allowance. This proportion seems very high, which could imply that some councils may have been using the special responsibility allowance to compensate councillors with limited additional responsibilities for the fact that the basic allowance is too low. It therefore seems that the allowance system is relatively unstructured, there is no clear progression, and the level and number of allowances paid varies from council to council. It is also far from ideal that it was left to individual councils to determine the levels of the special responsibility allowance which councillors should receive.

Councillors are paid travel and subsistence allowances for conducting official council business, and a local authority may determine the rates up to a maximum amount determined by the relevant Minister.

According to the Scottish Parliament (2002), the average time that is committed by councillors is as follows:

- Councillors spend around 36 hours per week undertaking council work. Leaders, provosts and convenors spend more time than other elected members, recording around 50 hours per week time commitment;
- Around 4 hours per week are spent attending council and committee meetings, 3 hours preparing for such meetings and 2 hours attending party and group meetings;
- Councillors spend an average of 5.5 hours per week holding ward surgeries and dealing with constituents' enquiries. A further 4 hours are spent on other constituency business such as attending school boards and community councils;
- Travelling related to council business accounts for an average of 5 hours per week. This figure is higher for councillors in rural authorities: 7 hours as compared with under 4 hours for respondents from urban and intermediate authorities;
- 66 per cent of council work is undertaken during the day, 22 per cent in the evenings and 12 per cent at weekends. Councillors in full-time employment undertake a higher proportion of their council work in the evenings and at weekends; and
- 55 per cent of council work takes place within council headquarters or other council buildings, 15 per cent in ward locations and 10 per cent outside the council area. On average 20 per cent of council activity is undertaken within councillors' own homes but this figure is higher for rural members (31 per cent).

7.3.2 Wales

As one of the constituent parts of the United Kingdom, the head of state in Wales is the British monarch. Executive power is derived by the Queen, and exercised by the Parliament of the United Kingdom at Westminster, with some powers

devolved to the National Assembly for Wales in Cardiff. The United Kingdom Parliament retains responsibility for passing primary legislation in Wales. The National Assembly has regulatory authority over laws passed that are applicable to Wales, and has limited power to vary these by secondary legislation. The National Assembly is not a sovereign authority, and the UK Parliament could, in theory, overrule or even abolish it at any time.

The National Assembly was first established in 1998 under the *Government of Wales Act*. There are 60 members of the Assembly, known as "Assembly Members". Forty of the Assembly Members are elected under the First-past-the-post system, with the other 20 elected under the Additional Member System via regional lists in five different regions. The largest party elects the First Minister of Wales, who acts as the head of government. The Welsh Assembly Government is the executive arm, to which the National Assembly has delegated most of its powers.

In the British House of Commons, Wales is represented by 40 members of parliament in the Welsh constituencies. A Secretary of State for Wales sits in the UK cabinet and is responsible for the representation of Welsh issues. English law is applicable in Wales, and is regarded as a common law system, with no major codification of the law, and legal precedents are binding as opposed to persuasive. The court system is headed by the House of Lords which is the highest court of appeal in the land for criminal and civil cases (although this is due to be replaced by a Supreme Court of the United Kingdom). The Supreme Court of Judicature of England and Wales is the highest court of first instance as well as an appellate court. The three divisions are the Court of Appeal; the High Court of Justice and the Crown Court. Minor cases are heard by the Magistrates' Courts or the County Court.

According to the Scottish Parliament (2002), the passage of the *Local Government Act, 2000* prompted a need to review allowances to take into

account councillors' changed roles under new political management structures. The Welsh Assembly commissioned the University of Birmingham to review councillor allowances in light of the new legislation, and to present ideas for broadening the range of people to become councillors. According to that team, one way of doing this was to pay councillors more.

Following the review, the Welsh Assembly issued draft guidelines on councillor allowances for consultation, and to promote local government to encourage candidates to stand for election to councils. The proposed system for councillor remuneration was based on:

- (i) **A basic allowance** - a maximum of **£9 900 per year** payable to all members of principal councils in Wales. The proposal was based on the principle that most councillors should not receive a full-time salary because of the perceived voluntary principle and concluded that an ethic of public service should be maintained. The actual amount was arrived at by considering three main variables:
- The hours needed to do the job effectively = 90 hours per month;
 - The public service discount = one third; and
 - The rate for the job (the Welsh average male non-manual salary) = £12.51 per hour.

In addition to this amount, support for councillors such as telephones, information technology equipment etc. was factored in, which amounted to approximately £800 per year.

- (ii) **Special responsibility allowances** - the special responsibility allowance system is based on a councillor's position within the council and the size of the council. Special responsibility allowances are payable in addition to the basic allowance, to councillors who hold an office in the council which is specified in the council's Constitution and is included in the descriptions

of councillors, as listed in Table 19. These reflect the new roles introduced into councils' political structures by prevailing legislation. No councillor is entitled to receive more than one special responsibility allowance within each authority, and no more than 50 per cent of all councillors may receive the allowance.

According to the Scottish Parliament (2002), the review team considered a number of approaches to determining special responsibility allowances. One approach, for example, is the time-based approach where the time needed to do the job is measured. While this model is simple, the team felt that it did not take into account the weighting of the roles, and also reinforced the long hours culture for leading members. The most common approach to arriving at special responsibility allowances was to equate leading positions with particular posts and positions in other walks of life.

In arriving at the proposed Welsh model, the team chose an analogue model as it was felt that this was a simpler and more transparent approach. The team worked on the principle that councillors should at least be compared to their peers in the wider community. The review team chose to compare the leaders of councils with the leaders of authorities and with Welsh Assembly Members. From this top point, the review team then assigned a sizing of the other bands compared to that of the Leader. The sizing was ultimately subjective and differed from authority to authority. However, when arriving at the sizing, a number of factors were taken into account:

- The role profiles;
- The practice elsewhere; and
- Interview evidence.

It was then concluded that there should be no more than six bands of responsibility to make the recommendations as transparent and simple as possible.

TABLE 27: BANDS OF HIERARCHY FOR COUNCILLORS IN WALES

BAND	OFFICE / RESPONSIBILITY IN COUNCIL
1	Directly elected mayors in a mayor and cabinet executive.
2	Leaders of councils in a leader and cabinet executive; Directly elected mayors in a mayor and manager executive.
3	Chairs of Boards in councils operating alternative arrangements; Members of cabinets in leader and cabinet executives.
4	Chairs of Overview and Scrutiny Committees; Leaders of the Principal Opposition Group; Members of boards (alternative arrangements).
5	Chairs of council committees not mentioned above; Vice-chairs of scrutiny committees; Members of cabinets in mayor and cabinet executives.
6	Vice chairs of council committees; Leaders of minor opposition groups.

The maximum rates of payment allowed to members described above varied according to the population size of the authority concerned, according to the most recent population census.

(iii) Dependents' allowance – it was also proposed to introduce regulations to allow municipalities to make payments for the care of children, or other dependents. Councillors could claim a dependent's allowance if they had dependent children under the age of 15 or if they could satisfy their municipality that they had a dependent aged 15 or over who required supervision. Councillors were not able to claim this allowance if they were in receipt of a special responsibility allowance.

7.4 AUSTRALIA

Australia is made up of the following areas:

- (i) New South Wales;
- (ii) Queensland;
- (iii) Victoria;

- (iv) Tasmania;
- (v) South Australia; and
- (vi) Western Australia.

The politics of Australia take place within the framework of parliamentary democracy. The government of Australia is a federation, and Australians elect state and territory legislatures as well as a bicameral Parliament of Australia based on the Westminster System. At the national level, elections are held at least once every three years. The Prime Minister can advise the Governor-General to call an election for the House of Representatives at any time, but Senate elections can only be held within certain periods prescribed in the Constitution. The last general election was in October 2004. The Parliament of the Commonwealth of Australia consists of two chambers:

- The House of Representatives has 150 members, elected for a three year term in single-seat constituencies with a system of alternative vote known as preferential voting; and
- The Senate has 76 members, elected through a preferential system in 12-seat state constituencies and two-seat territorial constituencies with a system of single non-transferable vote. Electors choose territorial senators for a three-year term. The state senators serve for a six-year term, with half of the seats renewed every three years.

Three political parties dominate Australian politics. Of these, two govern together in a coalition:

- The Liberal Party is a party of the centre-right which broadly represents business, the suburban middle classes and many rural people;
- Its junior coalition partner is the National Party of Australia, formerly the Country Party and now known for electoral purposes as "The Nationals", a conservative party which represents rural interests; and

- The Australian Labor Party (ALP) is a social democratic party founded by the trade union movement and broadly represents the urban working class, although it increasingly has a base of middle class support.

In the states and territories, elections are held at least once every four years (except in Queensland, which has three-year terms). In New South Wales, Victoria, South Australia and the Australian Capital Territory, election dates are fixed by legislation. However, the other state premiers and territory Chief Ministers have the same discretion in calling elections as the Prime Minister at the national level. Regional or local government within each state is handled by local government areas which, unlike other equivalent forms of local government such as those of the United States, have relatively little power compared to the state governments. (Wikipedia online dictionary (d)).

According to Hughes (2006), the following remuneration systems are applicable in each of the above-mentioned areas in Australia.

7.41 New South Wales

Under New South Wales legislation, the Local Government Remuneration Tribunal places each council in a remuneration category, with any necessary adjustments to categorization made on an annual basis. The tribunal categorizes councils according to factors such as:

- Population;
- Economic growth;
- Number of councillors;
- Regional significance; and
- Types and scale of infrastructure for which the council is responsible.

There are five categories of municipalities as indicated in the following table:

TABLE 28: CATEGORIES AND TYPE OF MUNICIPALITIES IN NEW SOUTH WALES

CATEGORY	TYPE OF MUNICIPALITY
5	Small rural council
4	Council with urban and rural qualities
3	Rural council with regional population centres
2	Suburban council
1	Urban council with regionally significant population centres

(Wikipedia online dictionary (d)).

There are three higher remuneration bands that are used to distinguish the state's largest councils, with Blacktown and Penrith sharing category 1A, Newcastle, Parramatta and Wollongong within category S2 and the City of Sydney within category S1.

Remuneration levels for councillors are benchmarked against the average weekly earnings for full-time adults in New South Wales, which equates to about \$655 per week or \$34 000 per annum.

Sixty one councils belong to category 5 whose councillors may receive an annual maximum fee of \$6 270 and its mayors an overall fee of up to \$16 575. Of 172 councils, 149 presently pay their councillors \$12 550 per annum or lower, while a select few of them can pay their mayors as much as \$39 945 per annum. The City of Sydney has been authorized to pay its councillors up to \$25 095 and its mayor earns \$162 860. The following table lists the determinations for the 2004 / 2005 financial year:

TABLE 29: REMUNERATION PAID TO COUNCILLORS IN NEW SOUTH WALES

Category	Annual Fee for Councillor / Member		Additional Fee for Mayor / Chairperson		Total Fee for Mayor / Chairperson	
	Min (\$)	Max (\$)	Min (\$)	Max (\$)	Min (\$)	Max (\$)
5	5 875	6 460	6 240	10 615	12 115	17 075
4	5 875	7 750	6 240	16 920	12 115	24 670
3	5 875	12 925	12 490	28 215	18 365	41 140
2	5 875	12 925	12 490	28 215	18 365	41 140
1	8 810	16 450	18 730	43 705	27 540	60 155
1A	11 745	19 385	24 970	56 505	36 715	75 890
S4	1 175	6 460	2 500	10 615	3 675	17 075
S3	1 175	3 875	2 500	7 055	3 675	10 930
S2	11 745	19 385	24 970	56 505	36 715	75 890
S1	17 625	25 850	107 840	141 900	125 465	167 750

(Wikipedia online dictionary (d)).

The following table provides examples of the different categories of councils in New South Wales:

TABLE 30: EXAMPLES OF CATEGORIES OF COUNCILS IN NEW SOUTH WALES

Category	Number of Councils for Category	Example of Councils			
5	61 councils	Bourke	Dungog	Crookwell	Uralla
4	35 councils	Bellingen	Forbes	Inverell	Tumut
3	32 councils	Ballina	Byron	Great Lakes	Orange
2	21 councils	Ashfield	Burwood	Kogarah	Manly
1	17 councils	Bankstown	Fairfield	Hornsby	Randwick
1A	2 councils	Blacktown	Penrith	-	-
S2	3 councils	Newcastle	Parramatta	Wollongong	-
S1	1 council	Sydney	-	-	-

(Wikipedia online dictionary (d)).

7.4.2 Queensland

Hughes (2006) states that each council in Queensland determines the amounts paid to councillors and mayors in accordance with the guidelines contained within the *Queensland Local Government Act, 1993*. Under these provisions, Queensland councils must specify the principles upon which councillor and mayoral remuneration levels are based.

Councils are required to detail the total remuneration paid to their councillors and mayor, including superannuation levels, in their annual report. The reports must also detail the number of meetings attended by each councillor during the year, and must contain copies of any resolutions made that authorized any payments or provision of remuneration to councillors.

Remuneration varies widely in terms of dollar amounts and principles for remuneration setting. A significant number of larger councils tend to base their remuneration payments on a set proportion of the annual wage of a member of the Queensland Parliament's Legislative Assembly. The amount can be anything from 35 per cent to 100 per cent, and may not be indicative of the size of the council.

Other Queensland councils, particularly smaller shires, tend to base their remuneration levels solely on the number of council meetings councillors and mayors have attended per annum, with a fixed payment made per meeting attended.

7.4.3 Victoria

According to Hughes (2006), in Victoria councils are sorted into three remuneration categories based upon their respective population and total

revenue. The three tiers essentially represent the smallest, medium-sized and largest councils.

Municipalities are allocated into one of the remuneration bands through the use of a rudimentary points system. Councils are attributed points according to the following process: figures representing the total revenue and population are added together, with the sum total rounded off to the nearest thousand before the total is divided by a thousand.

Under this framework, and based on a sliding scale, councils with less than 40 points can have a maximum annual councillor allowance of \$12 000 and a maximum mayoral allowance of \$36 000. Councils with between 40 and 190 points can have a maximum councillor allowance of \$15 000 and a maximum mayoral allowance of \$46 500. The largest councils, those with above 190 points, can pay their councillors at most \$18 000 and their mayors a maximum of \$57 500.

State government policy insists that all councillors within all municipalities have basic governance and civic responsibilities that need to be rewarded with at least \$5 000 a year. The City of Melbourne operates under a separate remuneration structure for its Lord Mayor and councillors.

Victorian councils are able to set councillor and mayoral allowances to a level within their respective remuneration bands at the time of the first budget of a newly elected council.

7.4.4 Tasmania

Hughes (2006) states that the Tasmanian government operates a multi-tiered system of councillor remuneration, that is based entirely upon the number of eligible voters within each municipality. In terms of the *Local Government Act*,

1993 the Governor issues regulations and publishes the maximum allowances that may be paid to councillors.

The structure consists of five remuneration levels, and unlike other states, councillors and mayors are automatically allocated a fixed allowance depending upon the tier that they are placed in. The lowest rung of the remuneration ladder sees municipalities with up to 5 000 voters required to pay their councillors \$4 700 per annum and their mayors \$16 500.

The highest remuneration level, for councils with more than 20 000 voters, requires councillors to be paid \$9 400 per annum and mayors \$59 000 per annum.

7.4.5 South Australia

Hughes (2006) states that in South Australia, there are state-wide remuneration bands for councillors, deputy mayors and mayors, a system which applies to all the state's councils, except for the City of Adelaide. Councillors can be paid between a minimum of \$1 670 and a maximum of \$6 680 per annum, while the allowance for mayors is four times the councillor remuneration band, that is, mayors earn between \$6 680 and \$26 720 per annum. Each council sets the specific annual allowance it will pay to its members within the legislated bands.

7.4.6 Western Australia

According to Hughes (2006), the Western Australian Government has established a system for councillor and mayoral remuneration that is based on sitting fees for council and committee meetings.

Fees are paid either on a per meeting basis, or as a single annual lump sum payment in lieu of individual sitting fees for meetings. The total sum of individual

meeting fees or the total lump-sum payment must not exceed \$6 000 and could be a minimum of \$2 000.

For mayors, annual fees are capped at \$12 000 per annum with a minimum of \$5 000 per annum. However, council mayors or presidents are also entitled to an annual allowance in addition to their meeting attendance fees. The minimum annual allowance is \$500 and the maximum limit is either \$10 000 or 0.002 of the respective local government's operating revenue (up to a maximum of \$60 000), whichever is the larger amount. Therefore, a council's operating revenue would only have to exceed \$5 million for its mayor to have the right to seek more than a \$10 000 annual allowance in addition to the annual sitting fee.

An important feature of the remuneration systems applicable in Australia is that the determination of the remuneration of councillors is not centrally determined, with councils in the respective states having unique policies and systems in this regard.

7.5 NEW ZEALAND

New Zealand functions as a constitutional monarchy with a parliamentary system of government. The basic system is closely patterned on that of the Westminster Parliament of the United Kingdom, although a number of significant modifications have been made. New Zealand has no formal, written constitution; the constitutional framework consists of a mixture of various documents (including certain acts of the United Kingdom and New Zealand Parliaments), the Treaty of Waitangi and constitutional conventions. Most constitutional provisions became consolidated into the *Constitution Act*, 1986. There have, at times, been proposals for a formal constitution, but there have not yet been any serious moves to adopt one.

New Zealand's head of state is the Queen, currently Elizabeth II of England, but actual government is conducted by a Prime Minister and Cabinet drawn from an elected Parliament. The New Zealand monarchy has been distinct from the British monarchy since the *New Zealand Royal Titles Act* of 1953, and all Elizabeth II's official business in New Zealand is conducted in the name of the Queen of New Zealand, not the Queen of the United Kingdom. In practice, the functions of the monarchy are conducted by a Governor-General, appointed on the recommendation of the Prime Minister. The Cabinet, which is responsible to Parliament, exercises executive authority. The Prime Minister, as the leader of the political party or coalition of parties holding the majority of seats in the House of Representatives, leads the Cabinet. All Cabinet Ministers must be Members of Parliament and are collectively responsible to it.

New Zealand's main legislative body is a unicameral parliament known as the House of Representatives. Since 1996, New Zealand has used the mixed member proportional voting system, under which each Member of Parliament is either elected by voters in a single-member constituency via first-past-the-post, or appointed from party lists. Normally, the parliament consists of 120 members, but this can sometimes differ to ensure proportionality. Several seats are currently reserved for members elected on a separate Māori roll. However, Māoris may choose to vote in and to run for the non-reserved seats, and several have entered Parliament in this way. Parliament has a maximum term of three years, although an election can be called earlier. In New Zealand, suffrage is extended to everyone over the age of 18 years, women having gained the vote in 1893.

New Zealand is a unitary state rather than a federation — regions are created by the authority of the central government, rather than the central government being created by the authority of the regions. Local government in New Zealand has only the powers conferred upon it by Parliament. These powers have traditionally been distinctly fewer than in some other countries. For example, police and

education are run by central government, while the provision of low-cost housing is optional for local councils. Many of them used to control gas and electricity supply, but nearly all of that was privatized in the 1990s. According to the Scottish Parliament (2002), there are 1152 elected councillors in New Zealand serving in 86 local authorities which are split into two tiers, namely regional councils; and city, district, rural and unitary councils.

7.5.1 Regional Councils

New Zealand is divided into 12 Regional Councils that have responsibility for management of the natural resources in their region. The activities of a Regional Council include:

- (i) Management of the use of freshwater, coastal waters, air and land;
- (ii) Biosecurity control of regional plant and animal pests;
- (iii) River management, flood control and mitigation of erosion;
- (iv) Regional land transport planning and contracting of passenger services;
- (v) Harbour navigation and safety, marine pollution and oil spills; and
- (vi) Regional civil defence preparedness.

Regional councils each generally have a ward or constituency system, and the elected members elect one among their number to be chairperson. They set their own levels of tax, though the mechanism for collecting it usually involves channelling through the territorial authority collection system. (Wikipedia online dictionary (e)).

7.5.2 City, District, Rural and Unitary Councils

New Zealand is also divided into 74 territorial authorities. Most territorial authorities are wholly within one region, but there are a few that cross regional boundaries. There are also four instances in which regional and territorial authorities are combined into a single unitary authority. The isolated Chatham

Islands have a body with its own special legislation, making it very much like a unitary authority.

In each territorial authority there are several community boards or area boards. These form the lowest and weakest arm of local government. Each of the regions and territorial authorities is governed by a council, which is directly elected by the residents of that region, district or city. Each council may use a system chosen by the outgoing council (after public consultation), either the bloc vote (or first-past-the-post in multi-member constituencies) or single transferable vote.

The 74 territorial authorities (16 city councils and 57 district councils in more rural areas), and one council for the Chatham Islands, each generally have a ward system, but an additional councillor is the mayor, who is elected at large and chairs the council. They too set their own levels of rates. The territorial authorities may delegate powers to local community boards. These boards, instituted at the behest of either local citizens or territorial authorities, advocate community views but cannot levy taxes, appoint staff, or own property.

The territorial authorities provide facilities and services on a local basis, such as:

- (i) Community well-being and development;
- (ii) Environmental health and safety (including building control, civil defence, and environmental health matters);
- (iii) Infrastructure (roads and transport, sewerage, water/storm water);
- (iv) Recreation and culture; and
- (v) Resource management, including land use planning and development control. (Wikipedia online dictionary (e)).

The Scottish Parliament (2002) states that local authority elected members, under the *Local Government Act, 1974*, had maximum annual salaries and meeting fees determined by the Minister of Local Government. Underpinning these determinations were bands based on the size of the population under an

authority's jurisdiction. Following the introduction of the *Local Government (Elected Member Remuneration and Trading Enterprises) Amendment Act, 2001* the Higher Salaries Commission, an organization responsible for the determination of salaries paid to Members of Parliament, the Judiciary and other senior public servants, assumed responsibility for determining remuneration for elected members of local government.

The Higher Salaries Commission determines remuneration, allowances and expenses payable to all elected members whilst having regard to:

- (i) The need to minimize potential for remuneration to distort the behaviour of members;
- (ii) The need to achieve and maintain fair relativity with the levels of remuneration received elsewhere;
- (iii) The need to be fair both to the person whose remuneration is being determined and ratepayers; and
- (iv) The need to recruit and retain competent persons.

The Higher Salaries Commission also proposes the preferred method of councillor remuneration, and advises councils annually of the total pool of remuneration available for all the elected members. The Higher Salaries Commission also determines the amount within this pool to be allocated to remuneration for the Mayor or Regional Council Chair, with the balance of the pool being distributed to the remaining elected members of a council.

Councils may adopt a given approach on how to allocate these funds or may design an approach that suits their own specific needs, within the following principles:

- (i) The remuneration pool determined by the Higher Salaries Commission formula covers both the maximum and minimum amount payable to council and elected members;

- (ii) All templates must be approved by the Higher Salaries Commission prior to implementation;
- (iii) The maximum number of hours any individual elected member may be paid for is 2 080 hours per annum or 40 hours per week;
- (iv) Weighting factors higher than standard weightings must be supported by clear role requirements and job size differentials between councillors and the other roles concerned;
- (v) Different salary and meeting fee weightings may be proposed;
- (vi) Any divergent views of councillors and community boards in respect of the council-designed scheme should accompany submission of the scheme to the Higher Salaries Commission for approval;
- (vii) The Higher Salaries Commission shall be under no obligation to approve any scheme and will consider each scheme on its merits;
- (viii) The Higher Salaries Commission will not approve any council-designed scheme that is likely to result in distortions in behaviour or lacks fairness in relativity; and
- (ix) It is totally outside the jurisdiction of the Higher Salaries Commission to determine how remuneration for elected members should be funded by individual councils.

7.6 CONCLUSION

The value and relevance of the experience of other countries is always open to dispute because the local government systems of other countries vary in many ways. Important differences exist in the range of functions and powers allocated to local councils, the discretion with which those functions are exercised and the degree of influence that local authorities can bring to bear on other levels of government. Whilst the systems of local government in the countries discussed in this chapter have evolved into a fairly advanced state of development, there are some similarities in the way in which members of municipal councils are remunerated.

The importance of such a comparison is that South Africa could “import” some of the key principles that inform the remuneration systems of other countries. An overview of such principles is provided below.

In the United Kingdom, a basic (flat rate) allowance is payable to all councillors, and each municipality must consider the recommendations of an independent remuneration panel when determining the remuneration of councillors. In Scotland, it was recommended that all councillors be paid the same basic salary, and that council leaders with additional responsibilities be paid larger salaries, based on the nature of the roles that they perform. More importantly, it was recommended that the salaries of councillors in the more affluent cities (such as Glasgow and Edinburgh) be equated to that of a Member of Parliament.

In Wales, the same basic allowance is payable to all members of principal councils, and a distinct hierarchy of councillors is provided for. In Australia, municipalities are categorized according to various criteria (population; economic growth; number of councillors; regional significance; and the type and scale of infrastructure), and placed into remuneration bands. In New Zealand, initially the Minister of Local Government determined the maximum annual salaries and meeting fees, based on the population of a municipality. Subsequently, a commission now determines the remuneration, allowances and expenses payable to all elected members, and proposes the preferred method of remunerating councillors, within a predetermined “pool” of remuneration.

While South Africa is unique in its current state of developmental local government, the abovementioned international practices are important and will inform the formulation of recommendations for an improved remuneration system for members of municipal councils, as discussed in the next chapter.

CHAPTER 8

IMPLEMENTATION OF AN IDEAL REMUNERATION SYSTEM FOR MEMBERS OF MUNICIPAL COUNCILS

8.1 INTRODUCTION

Plano, Riggs and Robin (1982:120) define public policy as “governmental rules and programs, considered individually or collectively, that is, the authoritative decisional output of a political system. Public policy may be expressed in a variety of forms, including laws, local ordinances, court decisions, executive orders, decisions of administrators, or even unwritten understandings of what is to be done. 'Policy' without the modifier 'public', is sometimes regarded as synonymous with 'governmental decision', but is often treated as embracing a set or sequence of decisions rather than a single decision about a particular governmental action. 'Policy' is also used by some to distinguish decisions relating to the means of achieving goals.”

As Cloete (1997:108) points out, policy implementation requires the performance of all the groups of activities which constitute public administration; namely the generic administrative, the auxiliary, the instrumental and the functional activities. The parts of the generic administrative functions to be performed for the purposes of policy implementation are ancillary to the conceptual (initiatory and innovative) and the directive parts of these functions described above.

While there is still some confusion about when implementation begins, when it ends, and how many types of implementation there are, Pressman and Wildavsky (1973:xv) state that “policies imply theories ... Policies become programs when, by authoritative action, the initial conditions are created ... Programs make the theories operational by forging the first links in the causal

chain connecting actions to objectives ... Implementation, then, is the ability to forge subsequent links in the causal chain so as to obtain the desired results.”

According to Brynard, in Cloete and Wissink (2000: 166), three generations of scholarly “thinking” on implementation questions can be identified. They are:

- The first (“classical”) generation of thinking, which assumed that implementation would happen automatically once the appropriate policies had been authoritatively proclaimed;
- The second generation, which set out to challenge this assumption, and demonstrated that implementation was a political process no less complex than policy formulation; and
- The third (“analytic”) generation, which focuses on understanding how implementation works in general and how its prospects might be improved.

In simple terms, the first generation was considered as being predictable and machine-like, the second generation as complex and “nothing works”, while the third generation is in search of a fully-fledged implementation theory.

There is also the ever prevailing possibility of multiple participants and perspectives that policy makers should always bear in mind when formulating policy. Genuine consideration thereof will ultimately determine the degree of success or failure of policy implementation. Brynard (*ibid.*) further points out that, “researchers working in a number of different areas ... have consistently identified the same or similar variables ... known as the 5-C protocol”. These are:

- The **content** of the policy itself – what it sets out to do;
- The nature of the institutional **context** – the standard operating procedures that the policy is subjected to;
- The **commitment** of those entrusted with carrying out the implementation of the policy;
- The administrative **capacity** of implementers; and

- The support of **clients and coalitions** whose interests are enhanced or threatened by the policy.

While the previous chapter dealt with the policy position adopted in relation to the various elements of the remuneration system to be extended to members of municipal councils, this chapter goes a step further and elaborates on the actual provisions that should be included in the Government Notice to be published by the Minister for Provincial and Local Government in setting out a framework to remunerate councillors.

8.2 THE DEVELOPMENT OF A REMUNERATION FRAMEWORK IN TERMS OF PREVAILING LEGISLATION

Section 7 of the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998) requires the Minister for Provincial and Local Government to, from time to time, determine the upper limit of salaries and allowances of the different members of municipal councils after consultation with MECs for local government by notice in the *Government Gazette*, and after taking into consideration the factors listed in subsection 7(1) – discussed *supra* (paragraph 5.7.2).

Section 167 of the *Local Government: Municipal Finance Management Act*, 2003 (Act No. 56 of 2003) also provides that a municipality may remunerate its councillors only within the framework of the *Remuneration of Public Office-Bearers Act*, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for councillors, only after considering any recommendations of the Commission.

The *Local Government: Municipal Finance Management Act*, 2003 (Act No. 56 of 2003) also provides that any remuneration paid or given in cash or in kind to a councillor that is not within the framework of the *Remuneration of Public Office-Bearers Act*, 1998 (Act No. 20 of 1998), including any bonus, bursary, loan,

advance or other benefit, is an irregular expenditure, and the municipality must, and has the right to, recover that remuneration from the councillor; and may not write off any expenditure incurred by the municipality in paying or giving that remuneration. An onus is also placed on the MEC for local government to report to the provincial legislature any transgressions of the framework.

The framework above refers to the Government Notice that is published annually by the Minister for Provincial and Local Government in the *Government Gazette* in terms of section 7 of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998). The framework must therefore provide for all forms of remuneration (salary, allowances and benefits [pension and medical aid only]) that may be extended to a councillor, but the framework must not provide for any bonus, bursary, loan, advance or other benefit.

This section elaborates on all possible provisions that should be included in the Government Notice, and provides the exact details for an ideal remuneration system for councillors.

8.2.1 Preamble

A preamble is an introductory statement, especially found in the introductory portion of a statute succinctly setting forth its reasons and intentions (Cassell Pocket English Dictionary, 1995:630). To sensitize municipalities to the issue of affordability, and the fact that the upper limit of remuneration that may be extended to a councillor must be done in consultation with an MEC for local government, it is recommended that the following preamble be included in the Government Notice to be published by the Minister for Provincial and Local Government:

“The salary and allowances of a member of a municipal council are determined by that municipal council by resolution of a supporting vote of a majority of its members, in consultation with the member of the Executive Council responsible for local government in the province concerned, having regard to the upper limits determined by the Minister for Provincial and Local Government, the financial year of municipal councils, and the affordability of municipal councils to pay councillors within the different levels of remuneration.”

8.2.2 Definitions

As discussed *supra* (paragraph 6.4.1), definitions are included in legislation to provide legal certainty as to the interpretation and meaning of certain terms. In order to assist municipalities in implementing the framework relating to the remuneration of municipal councillors, it is recommended that definitions be provided for the following terms, as follows:

(a) Full-time Councillors

The following definition is recommended for "full-time councillors":

“A 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 *Local Government: Municipal Structures Act, 1998* (Act No. 20 of 1998).”

(b) Total Municipal Income

The following definition is recommended for "total municipal income":

“The total municipal income in respect of a metropolitan, local or district municipality means the sum total of the actual revenue income for the preceding financial year of the municipality concerned, but excluding transfers and / or grants from the national fiscus.”

(c) Total Number of Registered Voters

The following definition is recommended for "total number of registered voters":

“The total number of registered voters in respect of a metropolitan, local or district municipality means the sum total of the number of persons registered on that municipality’s voters’ roll as at the end of the preceding financial year of the municipality concerned.”

(d) Out of pocket Expenses

The following definition is recommended for "out of pocket expenses":

“Out of pocket expenses include actual and necessary expenses incurred by a councillor which have been specifically authorised or which are provided for in terms of the municipality’s policy, in connection with a specific official duty or ceremonial duty which has been delegated to the councillor in question.”

(e) Total Remuneration Package

The following definition is recommended for "total remuneration package":

“Total remuneration package is the total cost to a municipality of a basic salary component, a travelling allowance, a housing allowance, and a holding of municipal public office allowance”

(f) Holding of Municipal Public Office Allowance

The following definition is recommended for the "holding of municipal public office allowance":

“The basic salary component payable to a councillor includes a holding of municipal public office allowance of not more than R40 000, as determined in terms of section 8(1)(d) of the *Income Tax Act*, 1962 (Act No. 58 of 1962).”

(g) Pensionable Salary

The following definition is recommended for "pensionable salary":

“The pensionable salary payable to a councillor is obtained by deducting from the basic salary that has been determined for a councillor, the “housing” allowance, and the “holding of municipal public office”.”

8.2.3 Determination of Grade of a Municipal Council

The provision in the Government Notice should be set out in the following manner.

The number of points allocated for the total number of registered voters in a municipality is as follows:

TABLE 31: PROPOSED ALLOCATION OF POINTS FOR THE NUMBER OF REGISTERED VOTERS

TOTAL NUMBER OF REGISTERED VOTERS	NUMBER OF POINTS
Less than 10 000	8.33
10 001 - 30 000	16.67
30 001 - 60 000	25.00
60 001 - 120 000	33.33
120 001 - 450 000	41.67
More than 450 000	50.00

The number of points allocated for the total municipal income of a municipality is as follows:

TABLE 32: PROPOSED ALLOCATION OF POINTS FOR THE TOTAL MUNICIPAL INCOME

TOTAL MUNICIPAL INCOME	NUMBER OF POINTS
Less than R10 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 R 2 000 000 000	50.00

The grade of a municipal council is determined by obtaining the sum of the number of points allocated to a municipal council for the total municipal income of a municipality and the total number of registered voters in a municipality, in accordance with the following table:

TABLE 33: PROPOSED POINTS FOR DETERMINING GRADE OF MUNICIPAL COUNCILS

GRADE OF MUNICIPAL COUNCIL	NUMBER OF POINTS
1	Less than 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	More than 83.36

A municipal council that does not have any municipal income is a grade 1 municipal council.

8.2.4 Upper Limit of Allowance in respect of Appointed Councillors

The provision in the Government Notice should be set out in the following manner.

The upper limit of the allowance of a councillor who has been appointed to a district council, is as follows:

- (a) If such councillor is elected or appointed as an office-bearer or part-time member of a district council, the upper limit of the allowance to which such councillor is entitled, is equal to the difference between the total remuneration package he or she is receiving as a member of the local council and the total remuneration package allocated to that office in the district council.
- (b) If the upper limit of the total remuneration package which a councillor is receiving as a member of a local council is equal to or higher than the upper limit of the total remuneration package to which he or she is entitled

to as an appointed councillor to the district council, such councillor is entitled to receive, in addition to the total remuneration package, a sitting allowance of not more than R500.00 per sitting of the district council or any committee of that council: Provided that this allowance is limited to R500.00 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.

8.2.5 Upper Limits of the Annual Total Remuneration Packages of Full-time Councillors

The provision in the Government Notice should be set out in the following manner.

The upper limit of the annual total remuneration package of a full-time councillor is as follows:

TABLE 34: PROPOSED UPPER LIMIT OF THE ANNUAL TOTAL REMUNERATION PACKAGE OF FULL-TIME COUNCILLORS

GRADE	MAYOR OR EXECUTIVE MAYOR			SPEAKER, DEPUTY MAYOR OR DEPUTY EXECUTIVE MAYOR			MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE, WHIP OR CHAIRPERSON OF A SUB-COUNCIL		
	BASIC SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION	BASIC SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION	BASIC SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION
6	544,122	136,030	680,152	435,297	108,824	544,121	408,091	102,023	510,114
5	414,276	103,569	517,845	331,421	82,855	414,276	310,706	77,677	388,383
4	389,041	97,260	486,301	311,232	77,808	389,040	291,780	72,945	364,725
3	348,969	87,242	436,211	279,174	69,794	348,968	261,726	65,432	327,158
2	310,404	77,601	388,005	248,323	62,081	310,404	232,802	58,201	291,003
1	298,942	74,736	373,678	239,154	59,788	298,942	224,206	56,052	280,258

8.2.6 Upper Limits of the Annual Total Remuneration Packages of Part-time Councillors

The provision in the Government Notice should be set out in the following manner.

The upper limit of the annual total remuneration package of a part-time councillor is as follows:

TABLE 35: PROPOSED UPPER LIMIT OF THE ANNUAL TOTAL REMUNERATION PACKAGE OF PART-TIME COUNCILLORS

GRADE	MAYOR / EXECUTIVE MAYOR			SPEAKER, DEPUTY MAYOR OR DEPUTY EXECUTIVE MAYOR			MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE			OTHER PART-TIME MEMBERS		
	BASIC SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION	BASIC SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION	BASIC SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION	BASIC SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION
6	340,076	85,019	425,095	272,060	68,015	340,075	255,057	63,764	318,821	170,038	42,509	212,547
5	258,922	64,731	323,653	207,138	51,784	258,922	194,191	48,548	242,739	129,461	32,365	161,826
4	243,150	60,788	303,938	194,520	48,630	243,150	182,362	45,591	227,953	121,574	30,394	151,968
3	218,105	54,526	272,631	174,484	43,621	218,105	163,578	40,895	204,473	109,052	27,263	136,315
2	194,002	48,501	242,503	155,202	38,800	194,002	145,501	36,375	181,876	97,001	24,250	121,251
1	186,838	46,710	233,548	149,470	37,368	186,838	140,129	35,032	175,161	93,419	23,355	116,774

8.2.7 Upper Limits of the Allowances for all Councillors

The provision in the Government Notice should be set out in the following manner.

The upper limits of the allowances of all councillors, which form part of the total remuneration package, are as follows:

(a) Motor Vehicle Allowance:

A councillor may receive a motor vehicle allowance of not more than 20 per cent of the annual total remuneration package of a councillor as determined above, and which allowance includes running and maintenance costs incurred on official business up to 500 kilometres per month. In addition to that allowance as determined above, official distances travelled in excess of 500 kilometres in a particular month may be claimed in accordance with the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles.

For the purposes of claiming running and maintenance allowances, a logbook acceptable to the South African Revenue Service reflecting the official and private kilometres travelled per month must be kept.

Where a municipal council makes a vehicle available to a councillor, other than an executive mayor or mayor where applicable, for use on official business, the councillor would not be entitled to the motor vehicle allowance as provided above.

(b) Housing Allowance:

A councillor may structure their total remuneration package to include a housing allowance.

(c) Cell phone and / or Telephone Allowance:

In addition to the annual total remuneration packages, a councillor may obtain a single fixed allowance of not more than the following amounts in respect of cell phones and telephones:

- (i) R2 000.00 per month may be paid to a full-time executive mayor or mayor of a metropolitan council;
- (ii) R1 200.00 per month may be paid to a full-time councillor, other than an executive mayor or mayor, of a metropolitan council; or
- (iii) R500.00 per month may be paid to a part-time councillor.

(d) Out of pocket Expenses:

In addition to the total remuneration package, a councillor must be reimbursed for actual out of pocket expenses incurred during the execution of official and ceremonial duties.

(e) Holding of Municipal Public Office Allowance:

A holding of municipal public office allowance of not more than R40 000, as determined in terms of section 8(1)(d) of the *Income Tax Act*, 1962 (Act No. 58 of 1962), is payable to a councillor, and which allowance is included in the basic salary component of the total remuneration package.

8.2.8 Upper Limits of the Benefits for all Councillors

With regard to the determination of the upper limit of benefits to be paid to all councillors, the provision in the Government Notice should be set out in the following manner.

The upper limit of the contribution to be made by a municipal council to the pension fund and medical aid scheme is in addition to the total remuneration package, and is as follows:

- (a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a councillor is a member, is 15 per cent of the pensionable salary of such councillor.

- (b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a councillor is a member, is $\frac{2}{3}$ of the membership fee, to a maximum of R1 014.00 per month: Provided that a part-time councillor is not a member of a medical aid scheme by virtue of his or her employment in a capacity other than a councillor.

8.2.9 Personal Remuneration Notches

With regard to providing for councillors that are on personal remuneration notches as a result of implementing a revised remuneration system, the provision in the Government Notice should be set out in the following manner.

“Where the salaries, allowances and benefits which (on the date preceding the commencement of the second term of municipal councils) are applicable to a particular position occupied by a member of a municipal council, exceed the total remuneration package that has been determined for such position, the relevant member retains such higher level of payment, but on condition that such higher level of payment is lawful and that no further upward adjustments be made in respect of such level of payment until the upper levels determined under section 7 of the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998) equal such present higher level, whereafter further adjustments will again apply to the member concerned.”

The above provisions set out the system of remuneration that should be extended to members of municipal councils, with effect from the commencement of the second term of local government.

8.3 IMPLEMENTING THE REMUNERATION SYSTEM: THEORY AND PRACTICE

In order to get a clearer understanding of how the above provisions will be implemented, it is considered prudent that a working example is provided. In this regard, the determination of the remuneration of the members of the municipal council of the Matatiele Local Municipality is discussed in detail hereunder.

8.3.1 Remuneration to be Paid to Members of the Municipal Council of the Matatiele Local Municipality

Prior to the eradication of cross-boundary municipalities, the Matatiele Local Municipality was part of the Sisonke District Municipality in the KwaZulu-Natal Province. Subsequent to the re-alignment process, the Matatiele Local Municipality became part of the Alfred Nzo District Municipality in the Eastern Cape Province. Although most other municipalities were moved in their totality (as a complete unit), the Matatiele Local Municipality faced other specific challenges in that its area of jurisdiction was increased by the addition of:

- The whole magisterial district of Maluti;
- The district management area (ECDMA44); and
- The (small) Matatiele area within the Umzimvubu Local Municipality.

The population of the Matatiele Local Municipality increased from 16 226 to 194 630 and the number of registered voters increased from 6 950 to 79 912. The municipality previously had 5 councillors in a plenary executive system, and now has 48 councillors in a municipality with a collective executive system combined with a ward participatory system. Prior to the 2006 municipal elections,

the Matatiele Local Municipality was delimited into 24 wards. The total municipal income for the municipality as at 30 June 2005 was R28 792 950.00.

In the notice published in the *Provincial Gazette* in terms of section 12 read with section 18(4) of the *Local Government: Municipal Structures Act, 1998* (Act No. 20 of 1998), the MEC designated the following councillors as full-time:

- Mayor;
- Speaker;
- Member of the executive committee responsible for finance / budget / treasury;
- Member of the executive committee responsible for corporate services / staff / human resources;
- Member of the executive committee responsible for local economic development / planning / tourism; and
- Member of the executive committee responsible for community services / infrastructure / housing and development.

All other councillors serve the municipal council on a part-time basis.

In terms of section 43 of the *Local Government: Municipal Structures Act, 1998* (Act No. 20 of 1998), the municipality may have nine members in its executive committee, including the mayor. As indicated above, six members are full-time, implying that the remaining three members in the executive committee are part-time. The municipality has 39 ordinary councillors, who must serve on a part-time basis.

Based on the points obtained for the number of registered voters (79 912 implies 33.33 points) and the points obtained for total municipal income (R28 792 950.00 implies 16.67 points), the council of the Matatiele Local Municipality is graded as 3 (50.00 points).

In terms of section 7(3) of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), the salary and allowances of a councillor are determined by resolution of a supporting vote of a majority of its members, in consultation with the MEC for local government in the province. Assuming that the municipal council of the Matatiele Local Municipality resolved to implement the upper limit as determined by the Minister for Provincial and Local Government, in consultation with the MEC for local government, the following annual total remuneration packages will be paid to the respective full-time and part-time members of the municipal council:

TABLE 36: REMUNERATION TO BE PAID TO FULL-TIME COUNCILLORS IN THE MATATIELE LOCAL MUNICIPALITY

OFFICE / POSITION	ANNUAL TOTAL REMUNERATION PACKAGE	GRAND TOTAL
Mayor	R436 211	R436 211
Speaker	R348 968	R348 968
Other members of EXCO – (4)	R327 158	R1 308 632
	GRAND TOTAL	R2 093 811

The annual total cost with regard to remunerating full-time councillors in the Matatiele Local Municipality amounts to **R2 093 811.00**.

TABLE 37: REMUNERATION TO BE PAID TO PART-TIME COUNCILLORS IN THE MATATIELE LOCAL MUNICIPALITY

OFFICE / POSITION	ANNUAL TOTAL REMUNERATION PACKAGE	GRAND TOTAL
Members of EXCO – (3)	R204 473	R613 419
Ordinary members – (39)	R136 315	R5 316 285
	GRAND TOTAL	R5 929 704

The annual total cost with regard to remunerating part-time councillors in the Matatiele Local Municipality amounts to **R5 929 704.00**.

The annual total cost with regard to remunerating all councillors in the Matatiele Local Municipality amounts to **R8 023 515.00**

8.4 FINANCIAL IMPLICATIONS

The attached Schedule provides an analysis of the total cost of councillor remuneration in terms of the upper limits as contained in Government Notice R. 1125 as published by the Minister for Provincial and Local Government on 14 November 2005 in terms of the relevant provisions in the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998), and the total cost of councillor remuneration in terms of the recommendations made in the previous chapter. The following assumptions were made in determining the total cost of councillor remuneration for all municipalities:

- (i) All municipalities implemented 100% of the upper limit as determined by the Minister for Provincial and Local Government, and as recommended in this study;
- (ii) All municipalities opted for the collective executive system of government;
- (iii) All municipalities opted for the maximum size of executive committee, and all members of the executive committee were designated as full-time;
- (iv) Municipalities did not have a deputy mayor or deputy executive mayor; and
- (v) All municipalities that qualified for a whip (municipalities with more than 40 councillors), had designated the whip as full-time.

In terms of the above assumptions, the total cost of councillor remuneration in terms of the upper limits as contained in Government Notice R. 1125 as published by the Minister for Provincial and Local Government on 14 November 2005 amounted to R1 282 million. The total cost of councillor remuneration in terms of the recommendations made in this study amounts to R1 686 million, an increase of 31 per cent.

As municipalities receive an indirect subsidy (R36 000.00 per councillor) through the local government equitable share, this unconditional grant from national government is discussed in greater detail hereunder, with a recommendation to provide further financial assistance to municipalities in this regard.

8.4.1 Local Government Equitable Share

According to Jhetam (2006), during 1998 the system of intergovernmental fiscal transfers to local government was reformed, due to the fragmentation and inefficiency of the previous system, coupled with the requirement in the *Constitution of the Republic of South Africa, 1996* that nationally raised revenue be equitably shared among the three spheres of government. Section 214 of the *Constitution of the Republic of South Africa, 1996* requires national government to ensure that nationally collected tax revenues are distributed in an equitable, transparent, predictable and accountable manner to all spheres of government. Section 227 requires that municipalities must utilize their portion of the equitable share to enable it to provide basic services and perform the functions that are allocated to it.

The equitable share of revenue for local government is determined pursuant to the *Division of Revenue Act*, which has to be modified annually to take into account the current national fiscal conditions. The *Division of Revenue Act* stipulates the vertical division of nationally raised revenue among the three spheres of government. The local government's share is then distributed among all municipalities using a formula-based method of allocation.

The objective of the system of transfers for local government is to enable local government to provide basic services, promote equity between municipalities, and ensure certainty of funding. The equitable share and other transfers that go

to local government supplement these revenues and are targeted at the poorest municipalities whose local revenue base is limited. The equitable share for local government enables municipalities to provide basic services to low income households, as well as to maintain a basic administration. Although these allocations are largely unconditional in nature, municipalities are urged to use these funds in providing basic services to low income households. In essence, the aim of the new transfer system was to benefit rural and smaller urban municipalities, as it was these municipalities that were in the worst financial position, and were most in need of support.

Jhetam (2006) further states that when the local government equitable share formula was introduced, it consisted of two components, as follows:

- (i) **The Municipal Service Transfer (The “S-Grant”):** The bulk of the local government equitable share goes to this component, as its intention is to enable municipalities to provide basic services to low income households; and
- (ii) **The Municipal Institutions Transfer (The “I-Grant”):** This component of the formula funded a minimum level of resources to provide and maintain basic facilities for the operation of local government administration. This transfer was meant for those rural areas that lacked the administrative capacity to raise their own revenue, or lacked the basic infrastructure necessary to function as a municipality.

The I-Grant was initially intended to provide support to individual municipalities that were unable to raise enough revenue to establish core administrative infrastructure. It was introduced to fill the gap between the funds needed to provide and maintain basic facilities for the operation of a municipality, and the amount of money each municipality was expected to raise from local resources.

It was based on the population size and normative income per capita for each municipality.

Jhetam (2006) further states that the I-Grant per capita decreased as populations increased. As there were substantial fixed costs associated with these activities, it was expected that the per capita costs of building democratic institutions would have declined as the size of political jurisdictions grew. In the first year of implementation of the new transfer system, per capita grants were higher in rural areas than in the urban areas. This occurred primarily because municipalities situated in poorer areas of the country lacked sufficient institutional capacity to function as municipalities. In the case of urban municipalities, certain municipalities received I-Grant allocations, but to a lesser extent than in the rural areas. No I-Grant allocations were made to the metropolitan areas due to the high rates of income for these municipalities. Although substantial progress was made in the reform of local government, many municipalities found it difficult to meet their developmental mandate, due to an inadequate economic base and due to high levels of poverty and unemployment. As South Africa is a country with extremely unequal income distribution, with the poor concentrated in the rural areas and the rich generally residing in the urban and metropolitan areas, rural municipalities are a lot more reliant on intergovernmental transfers than urban municipalities.

Jhetam (2006) further states that during February 2005 a revised local government equitable share formula was approved by Cabinet. The total local government equitable share grant to municipalities is made up as follows:

Basic Services (S) + Development Needs (D) + Institutional (I) – Revenue Raising Capacity Correction (RRC) +/- Stabilisation Constraint (C).

Where:

- **S** : is the basic services component;
- **D** : is the developmental component;
- **I** : is the institutional support component;
- **R** : is the revenue raising capacity correction; and
- **C** : are corrections applied to ensure that various stabilization constraints can be met.

In the revised formula, the I-grant is retained, as it is a standard component of the local government equitable share formula. The aim of this component in the revised formula is still the same, that is local government requires core institutional capacity to carry out the functions that are assigned to it.

Jhetam (2006) states that there are two aspects to this capacity:

- **Administrative capacity** – municipalities must have a strong and effective administration to carry out their functions. However, the intention of this component is not to fund the entire administration costs of municipalities, as this is still the responsibility of the municipality; and
- **Local electoral accountability** – the formula recognizes that councillors are accountable to their electorate and that there is a cost attached to having them represent their electorate in council.

The structure of the I-Grant is made up as follows:

**Base allocation + [Administrative support X Population in the municipality]
+ [Council support X Number of seats]**

where the values used in the formula are:

R350 000 + [R1 X Population in the municipality] + [R36 000 X Number of seats]

Jhetam (2006) states that the I-Grant in the previous formula assumed that there were strong economies of scale in the functioning of local government. This implied that the larger municipalities were able to operate more cheaply than smaller ones. The new formula maintains this assumption of decreasing average costs by incorporating a base allocation that goes to all municipalities, regardless of size, (except for “district management areas”, which fall under district municipalities). The higher this allocation is set, the more the formula benefits smaller municipalities. The formula also recognizes that costs increase in proportion to the population. The second aspect of the formula makes a contribution to the cost of maintaining councillors for the legislative and oversight role. The number of “seats” that will be recognized for purposes of the formula is determined by the Minister for Provincial and Local Government – discussed *supra* (paragraph 4.5).

When the local government equitable share grant was introduced in the 1998 / 1999 financial year, a total amount of R1 013 million was allocated as local government’s equitable share of revenue raised nationally. Of this amount, R175 million was allocated to the I-Grant. Over the years, the I-Grant component increased as the total budget amount increased. In the 2005 / 2006 financial year, the total I-Grant component was almost R500 million in relation to the total local government equitable share grant of R9.6 billion.

8.4.2 Financial Assistance to Municipalities

It is recommended that municipalities receive an increase in the subsidization of councillor remuneration through the local government equitable share, and that

the present amount of R36 000 per councillor be increased to R50 000. This increase of R14 000 per councillor represents an increase of approximately 38 per cent, and will increase the total financial assistance to municipalities from R333 million (9 274 councillors multiplied by R36 000) to R463 million (9 274 councillors multiplied by R50 000) – an increase of R130 million.

8.5 LEGISLATIVE CHANGES REQUIRED

As discussed *supra* (paragraph 5.7.1) the Commission publishes its recommendations well into the financial years of the national, provincial and municipal financial years. This is not an ideal situation, and it is recommended that the *Independent Commission for the Remuneration of Public Office-bearers Act*, 1997 (Act No. 52 of 1997) be amended to mandate the Commission to publish their recommendations at least six months prior to the commencement of the respective financial years.

In order that a tax free portion of their remuneration be extended to councillors, as is the case with public office-bearers in the national and provincial spheres of government, it is recommended that the *Remuneration of Public Office Bearers Act*, is also amended to provide the Minister for Provincial and Local Government with the relevant authority to declare a portion of the remuneration of a councillor as tax free (holding of municipal public office allowance), as provided for in terms of section 8(1)(d) of the *Income Tax Act*, 1962 (Act No. 58 of 1962).

8.6 CONCLUSION

Municipal councils should be instruments of excellence, serving the public interest, without stifling the initiative, skills and talents of representatives. Policymaking does not end once a decision is made. The implementation of the decision can have just as great an impact on public policy as the decision itself. Senior officials must take steps to ensure proper implementation. They must

issue policy directives that are clear and consistent; hire adequate staff and provide them with the information and authority necessary to carry out their orders. The 5-C protocol detailed above (paragraph 9.1) is a useful tool for monitoring any deviations from the intended plan or vision of the policymakers.

Having regard to the **problem statement** that was discussed *supra* (paragraph 1.2), the study has done the following:

- (i) Examined the current remuneration levels of all public office-bearers in government;
- (ii) Discussed the local government transformation imperatives;
- (iii) Analysed the purpose, duties, responsibilities, powers and activities attached to the various positions;
- (iv) Proposed an appropriate system of grading and categorizing municipal councils, taking into account the criteria listed in section 7 of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998); and
- (v) Investigated the provision of financial assistance to fund the increased remuneration of councillors.

The **research questions** have been adequately addressed, and have suggested that there should be no disparity in the remuneration that is paid to public office-bearers across the three spheres of government. In answering the research questions, the study has identified particular offices of provincial government public office-bearers to benchmark against members of municipal councils, taking into account the roles and responsibilities of councillors in relation to the grade of the municipal council.

The **hypothesis** (discussed *supra*, paragraph 1.2) has been tested, and it has been confirmed throughout the study, that the assumption that the remuneration system that was extended to members of municipal councils did not take into account the wide ranging transformation imperatives in the local sphere of

government, as well as the newly bestowed roles and responsibilities of members of municipal councils, is sound, and has been proven.

All stakeholders at all levels and spheres of government must strive to make the difficulties of implementation a part of the initial formulation of policy. As Edwards and Sharkansky (1978:293) state, “implementing a public policy can require a wide variety of actions including issuing directives, enforcing directives, disbursing funds, making loans, awarding grants, making contracts, collecting information, disseminating information, assigning personnel, hiring personnel, and creating organizational units. Rarely are policies self-executing, that is, implemented by their mere statement, such as a policy not to recognise a certain government. Most policies require some positive action.” They also indicate that communication (transmission, clarity and consistency); resources (staff, information and authority); disposition of implementers; standard operating procedures and follow-up are key factors that could influence the implementation of policy.

Levitt (1980:200) also identifies generally relevant factors that feature in implementing public policy, and these include, amongst others, the following:

- The value of outside pressure on implementing agencies;
- Policy formulation as an end in itself;
- The stability of interorganizational relationships;
- The value of consultation;
- The role of public opinion in agenda-setting; and
- The value of international comparisons.

Implementation must not be conceived as a process that takes place after, and independent of the design of policy. Means and ends can be brought into somewhat closer correspondence only by making each partially dependent on the other. All stakeholders at all levels within all spheres of government must guard against becoming embroiled in “bureaucratic politics” through interagency

(between government departments) opposition and “feuding” over responsibility for an activity. Policymakers must strive to make the difficulties of implementation a part of the initial formulation of policy.

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GENERAL NOTICE

NOTICE 1108 OF 2005

**INDEPENDENT COMMISSION FOR THE REMUNERATION
OF PUBLIC OFFICE BEARERS**

**RECOMMENDATIONS ON THE SALARIES, ALLOWANCES AND BENEFITS OF
PUBLIC OFFICE BEARERS FOR 2005 /2006**

1. The Independent Commission for the Remuneration of Public Office Bearers was established in terms of section 219 of the Constitution of the Republic of South Africa Act, 1996, and members of the Commission were duly appointed in terms of the Independent Commission for the Remuneration of Public Office Bearers Act, 1997, to make recommendations regarding the salaries, allowances and benefits of office bearers.
2. In terms of section 8(4) of the Remuneration of Public Office Bearers Act, 1998, the Commission shall publish annually in the Gazette, recommendations regarding the salary, allowances and benefits of political office bearers at all levels of government.
3. With due regard to the submissions received and information available to the Independent Commission for the Remuneration of Public Office Bearers and having considered the other relevant factors, the Commission makes the following recommendations for consideration:

3.1 Grading Structure

Pending the continuation and completion of a comprehensive evaluation of all the positions of office bearers in the next review cycle, the present grading structure for office bearers should be retained.

3.2 Percentage Increase for Office Bearers

That the remuneration, benefits and allowances of all categories of office bearers as defined in section 1 of the Remuneration of Public Office Bearers Act, No 20 of 1998, be increased by 5.75%.

Medical Aid, vehicle, retirement and housing benefits should be adjusted accordingly.

3.3 The President

That the total remuneration package of the President be increased, by resolution of the National Assembly, to R1 117 199.30 per annum, with effect from 01 April 2005.

3.4 Deputy President, Ministers and Deputy Ministers

That the remuneration of the Deputy President, Ministers and Deputy Ministers as set out in Annexure A be approved with effect from 01 April 2005, subject to the qualifications and definitions for the various notches published in Notice 56 in Government Gazette No 26968 of 5 November 2004.

3.5 The Remuneration for Members of the National Assembly and Permanent Delegates to the National Council of Provinces (NCOP).

That the remuneration for members of the National Assembly and Permanent Delegates to the National Council of Provinces (NCOP) as set out in Annexure B be approved with effect from 01 April 2005, subject to the qualifications and definitions for the various notches published in Notice 55 in Government Gazette No 26968 of 5 November 2004.

3.6 The Upper Limit of the salaries and allowances for Premiers, Members of Executive Councils and Members of Provincial Legislatures

3.6.1 That the upper limit of the remuneration for the members to any Provincial Legislature be determined by the President as a total package in accordance with Annexure C for implementation with effect from 01 April 2005, subject to the qualifications and definitions for the various notches published in Notice 54 in Government Gazette No 26968 of 5 November 2004.

3.6.2 The upper limit of the following allowances payable to members of any Provincial Legislature be determined by the President in amounts not exceeding the amounts paid by the State to public servants for the same purpose as determined by the relevant Minister from time to time:

- (a) the daily allowance payable to Public Office Bearers for accommodation on official duty away from the Provincial Legislatures (home base and constituency excluded) where documentary proof of expenditure is not a prerequisite for payment; and
- (b) the daily allowance payable to Public Office Bearers for incidental expenditure when away from the seat of the Provincial Legislature (home base and constituency excluded) on official duty where documentary proof of expenditure is not a prerequisite for payment.

3.7 Traditional Leaders

3.7.1 That the remuneration for Kings, Chiefs, Headmen, as well as the Chairperson and Deputy Chairperson of the National House of Traditional Leaders (NHTL) as set out in Annexure D, reflecting an increase of 5.75%, be approved with effect from 01 April 2005.

3.7.2 That the daily allowance and subsistence for the Chairperson, Deputy Chairperson and Members of the National House of Traditional Leaders as set out in Annexure D, reflecting an increase of 5.75%, be approved with effect from 01 April 2005.

3.7.3 That the daily allowance and subsistence for the Chairperson, Deputy Chairperson and Members of any Provincial House of Traditional Leaders as set out in Annexure D, reflecting an increase of 5.75%, be approved with effect from 01 April 2005.

3.8 Local Government Institutions

That the upper limit of the annual remuneration of members of Provincial Government Institutions to be determined by the Minister for Provincial and Local Government, be increased by 5.75% of the present annual remuneration of Public Office Bearers for the 2005/2006 financial year.

3.9 Constitutional Court Judges and Judges

That the remuneration of the Constitutional Court Judges and Judges be determined by the President, subject to the approval by Parliament, as set out in Annexure E, with effect from 01 April 2005.

3.10 Magistrates

That the remuneration of Magistrates be determined by the President, subject to the approval by Parliament, as set out in Annexure F, reflecting an increase of 5.75% and the allocation of a motor vehicle allowance, with effect from 01 April 2005.

MR JUSTICE D.E. MOSENEKE
CHAIRPERSON

N.B. The annexures that are referred to in this General Notice have not been included.

GOVERNMENT NOTICE

DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT

NO. R. 903

19 July 1999

**REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998
(ACT NO. 20 OF 1998)**

**DETERMINATION OF UPPER LIMIT OF SALARIES AND ALLOWANCES
AND OF PENSION AND MEDICAL AID BENEFITS OF MEMBERS OF MUNICIPAL
COUNCILS**

Under the powers vested in me by sections 7(1) of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), and after consultation with the member of the Executive Council responsible for local government in each province, I, Fholisani Sydney Mufamadi, Minister for Provincial and Local Government, hereby determine the upper limit of salaries and allowances of the different members of Municipal Councils as set out in the Schedule, with effect from 1 July 1999.

F S MUFAMADI

Minister for Provincial and Local Government

SCHEDULE

Definitions

1. In this Schedule, unless the context otherwise indicates -

“category” means a category of Municipal Council as determined in terms of item 4; and

“rates income” means the actual rates income of a municipality for the 1999/2000 financial year.

Determination of upper limit of salaries

2. The upper limit of the salary of -

(a) an ordinary member of a Municipal Council is set out in column two of the table referred to in item 6 opposite the category of that Municipal Council;

(b) a deputy mayor or an executive committee member of a Municipal Council is set out in column three of the table referred to in item 6, opposite the category of that Municipal Council; or

(c) a mayor or a chairperson of the executive committee of a Municipal Council is set out in column four of the table referred to in item 6, opposite the category of that Municipal Council.

Determination of category of council

3. (a) The sum of the number of points allocated to a Municipal Council, other than a Municipal Council referred to in paragraph (b) or (c), in terms of items 4 and 5 respectively, determines the category of such Municipal Council in accordance with the following table:

CATEGORY	POINTS
1	0.00 to 6.25
2	6.26 to 12.50
3	12.51 to 18.75
4	18.76 to 25.00
5	25.01 to 31.25
6	31.26 to 37.50
7	37.51 to 43.75
8	43.76 to 50.00
9	50.01 to 56.25
10	56.26 to 62.50
11	62.51 to 68.75
12	68.76 to 75.00
13	75.01 to 81.25
14	81.26 to 87.50
15	87.51 to 93.75
16	93.76 and above

(b) A metropolitan council or a district council is allocated the same category as the highest category of Municipal Council within its area of jurisdiction.

(c) A local council, rural council or representative council that does not have rates income is a category 1 Municipal Council as envisaged in paragraph (a).

Allocation of number of points for rates income

4. The number of points allocated for the rates income of a municipality is as follows:

RATES INCOME	NUMBER OF POINTS
R292162 and less	3.125
R292163 to R494869	6.250
R494870 to R838215	9.375
R838216 to R1 419 781	12.500
R1 419 782 to R2 404 846	15.625
R2 404 847 to R4 073 362	18.750
R4 073 363 to R6 899 517	21.875
R6 899 518 to R11 686 501	25.000
R11 686 502 to R19 794 757	28.125
R19 794 758 to R33 528 638	31.250

RATES INCOME	NUMBER OF POINTS
R33 528 639 to R56 791 278	34.375
R56 791 279 to R96 193 864	37.500
R96 193 865 to R162 934 513	40.625
R162 934 514 to R275 980 761	43.750
R275 980 762 to R467 460 000	46.875
Greater than R467 460 000	50.000

Allocation of number of points for number of registered voters

5. The number of points allocated for the number of registered voters is as follows:

NUMBER OF REGISTERED VOTERS	NUMBER OF POINTS
700 and less	3.125
701 to 1 119	6.250
1 120 to 1 790	9.375
1 791 to 2 862	12.500
2 863 to 4 576	15.625
4 577 to 7 317	18.750
7 318 to 11 700	21.875
11 701 to 18 708	25.000
18 709 to 29 915	28.125
29 916 to 47 833	31.250
47 834 to 76 485	34.375
76 486 to 122 300	37.500
122 301 to 195 557	40.625
195 558 to 312 696	43.750
312 697 to 500 000	46.875
Greater than 500 000	50.000

Upper limit of salaries of different members of category of municipal council

6. The upper limit of salaries of the different members of a category of Municipal Council is as follows:

CATEGORY	ORDINARY MEMBER	DEPUTY MAYOR OR MEMBER OF THE EXECUTIVE COMMITTEE	MAYOR OR CHAIRPERSON OF THE EXECUTIVE COMMITTEE
1	6 778.80	6 778.80	27 115.20
2	8 324.366	8 324.366	33 283.908
3	9 408.974	9 408.974	37 635.895
4	10 642.716	10 642.716	42 558.442
5	12 025.591	12 025.591	48 115.924
6	13 598.272	40 808.376	54 406.653
7	15 374.318	46 136.512	61 524.393
8	17 394.40	52 169.644	69 564.043
9	19 658.52	58 989.117	78 647.635
10	22 234.464	66 689.834	88 924.29
11	25 135.79	75 407.371	100 543.159
12	28 416.729	85 263.746	113 694.031
13	32 131.512	96 406.963	128 553.159
14	36 334.368	109 016.661	145 351.027
15	41 079.528	123 252.141	164 345.223
16	45 756.90	137 270.70	183 027.60

Determination of allowances

7. (a) Any member of a Municipal Council who resides more than 30 kilometres from the place where council meetings are held, is entitled to be compensated for expenses relating to transport to and from meetings of the council in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(b) Any member of a Municipal Council who is required to travel outside the area of jurisdiction of the council on council business, is entitled to be compensated for out of pocket expenses directly related to such business.

Transitional arrangement

8. (a) Where the salaries and allowances as at 1 July 1999 exceed the salaries and allowances determined by this notice the relevant councillors retain such higher level of payment, but on condition that no further upward adjustments be made in respect of such level of payment until the upper levels determined under section 7 of the Remuneration of Public Office Bearers Act, 1998, equal such present higher levels, whereafter further adjustments will again apply to the councillors in question.

(b) A municipality which on 30 June 1999 is paying an allowance to a councillor for which no determination has been made in this notice, may continue to pay such additional allowance on condition that it may not be increased.

GOVERNMENT NOTICE

DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT

NO. R. 803

11 August 2000

REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998
(ACT NO. 20 OF 1998)

DETERMINATION OF UPPER LIMIT OF SALARIES AND ALLOWANCES AND OF PENSION AND MEDICAL AID BENEFITS OF MEMBERS OF MUNICIPAL COUNCILS

Under the powers vested in me by sections 7(1), 7(2), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), and after consultation with the member of the Executive Council responsible for local government in each province, I, Fholisani Sydney Mufamadi, Minister for Provincial and Local Government, hereby determine the upper limit of salaries, allowances, pension and medical aid benefits of the different members of Municipal Councils as set out in the Schedule, with effect from 1 July 2000.

F S MUFAMADI

Minister for Provincial and Local Government

SCHEDULE

Definitions

1. In this Schedule, unless the context otherwise indicates, 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”), has that meaning -

“category” means a category of Municipal Council as determined in terms of item 4; and

“rates income” means the actual rates income of a municipality for the 1999/2000 financial year.

Allocation of number of points for rates income

2. The number of points allocated for the rates income of a municipality is as follows:

RATES INCOME	NUMBER OF POINTS
R292162 and less	3.125
R292163 to R494869	6.250
R494870 to R838215	9.375
R838216 to R1 419 781	12.500
R1 419 782 to R2 404 846	15.625
R2 404 847 to R4 073 362	18.750
R4 073 363 to R6 899 517	21.875
R6 899 518 to R11 686 501	25.000
R11 686 502 to R19 794 757	28.125
R19 794 758 to R33 528 638	31.250
R33 528 639 to R56 791 278	34.375
R56 791 279 to R96 193 864	37.500
R96 193 865 to R162 934 513	40.625
R162 934 514 to R275 980 761	43.750
R275 980 762 to R467 460 000	46.875
Greater than R467 460 000	50.000

Allocation of number of points for number of registered voters

3. The number of points allocated for the number of registered voters is as follows:

NUMBER OF REGISTERED VOTERS	NUMBER OF POINTS
700 and less	3.125
701 to 1 119	6.250
1 120 to 1 790	9.375
1 791 to 2 862	12.500
2 863 to 4 576	15.625
4 577 to 7 317	18.750
7 318 to 11 700	21.875
11 701 to 18 708	25.000
18 709 to 29 915	28.125
29 916 to 47 833	31.250
47 834 to 76 485	34.375
76 486 to 122 300	37.500
122 301 to 195 557	40.625
195 558 to 312 696	43.750
312 697 to 500 000	46.875
Greater than 500 000	50.000

Determination of category of Municipal Council

4. (a) The sum of the number of points allocated to a Municipal Council, other than a Municipal Council referred to in paragraph (b) or (c), in terms of items 2 and 3 respectively, determines the category of such Municipal Council in accordance with the following table:

CATEGORY	POINTS
1	0.00 to 6.25
2	6.26 to 12.50
3	12.51 to 18.75
4	18.76 to 25.00
5	25.01 to 31.25
6	31.26 to 37.50
7	37.51 to 43.75
8	43.76 to 50.00

CATEGORY	POINTS
9	50.01 to 56.25
10	56.26 to 62.50
11	62.51 to 68.75
12	68.76 to 75.00
13	75.01 to 81.25
14	81.26 to 87.50
15	87.51 to 93.75
16	93.76 and above

- (b) For the purposes of the determination of the upper limit of the salary and allowances of those members of a metropolitan council or a district council who have been directly elected to such council, is allocated the same category as the highest category of Municipal Council within its area of jurisdiction.
- (c) A local council, rural council or representative council that does not have rates income is a category 1 Municipal Council as envisaged in paragraph (a).

Upper limit of the total remuneration package of different members of Municipal Councils

5. (a) The upper limit of the total remuneration package (which includes salaries and allowances but excludes benefits) of the different members of a category Municipal Council to which such a member has been directly elected, is, subject to the additional remuneration provided for in paragraphs (b), (c) and (d), as follows:

CATEGORY	ORDINARY MEMBER	DEPUTY MAYOR OR MEMBER OF THE EXECUTIVE COMMITTEE	MAYOR OR CHAIRPERSON OF THE EXECUTIVE COMMITTEE
1	7 117	7 117	28 470
2	8 740	8 740	34 948
3	9 879	9 879	39 517
4	11 174	11 174	44 686
5	12 626	12 626	50 521
6	14 278	42 848	57 126
7	16 143	48 443	64 600
8	18 264	54 778	73 042
9	20 641	61 938	82 580
10	23 346	70 024	93 370
11	26 392	79 177	105 570
12	29 837	89 526	119 378
13	33 738	101 227	134 980
14	38 151	114 467	152 618
15	43 133	129 414	172 562
16	48 044	144 134	192 178

- (b) The upper limit of the allowance to which a member of a Municipal Council who has not been directly elected to that Council is entitled to as contemplated in section 7(2) of the Act, is as follows:

MEMBER	PER SITTING OF THE MUNICIPAL COUNCIL OR ANY COMMITTEE OF THE COUNCIL
ORDINARY MEMBER	300.00
MEMBER OF THE EXECUTIVE COMMITTEE	350.00
CHAIRPERSON OF THE EXECUTIVE COMMITTEE	475.00
CHAIRPERSON OF THE MUNICIPAL COUNCIL	600.00

- (c) The upper limit of the allowance to which a member of a Municipal Council is entitled to in respect of expenses relating to transport to and from meetings of the Council, and in respect of meetings of any committees of Council, is the tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (d) (i) A member of a Municipal Council who performs official functions on behalf of the municipality outside the jurisdiction of the municipality may be reimbursed only for that expenditure as prescribed in the Annexure to this Schedule.
- (ii) The upper limit of reimbursement allowances referred to in subparagraph (i) is as prescribed in the Annexure to this Schedule.

Upper limit of pension and medical aid benefits of members of a Municipal Council

6. (a) The upper limit of the contribution to be made by a Municipal Council to the pension fund of which a member of that Municipal Council is a member is 33.25% of the remuneration referred to in item 5(a).
- (b) The upper limit of the contribution to be made by a Municipal Council to the medical aid scheme of which a member of that Municipal Council is a member shall be twice the amount of that which the member is obliged to pay in respect of membership fees.

Transitional Arrangements

7. Where the salaries and allowances which on 1 July 2000 are applicable to a particular position occupied by a member of a Municipal Council exceed the total remuneration package referred to in item 5, the relevant member retains such higher level of payment, but on condition that such higher level of payment is lawful and that no further upward adjustments be made in respect of such level of payment until the upper levels determined under section 7 of the Act, equal such present higher level, whereafter further adjustments will again apply to the member concerned.

REIMBURSEMENT ALLOWANCES

1. There are three categories of reimbursement allowances that a member of a Municipal Council may claim for while performing official functions on behalf of the municipality outside the jurisdiction of the municipality, namely:
 - 1.1 actual expenditure in respect of day trips (i.e. less than 24 hours);
 - 1.2 fixed daily allowance (where a trip is in excess of 24 hours); and
 - 1.3 actual expenditure in respect of day trips where absence from office is longer than 24 hours and the fixed daily allowance is inadequate to re-imburse the member for costs incurred.

2. Provided that proof is supplied, the maximum that may be claimed in respect of meals, is as follows:
 - 2.1 Breakfast - R25.00, except where a member has breakfast at the hotel in which he or she is accommodated, in which case the member may claim the amount charged by the hotel;
 - 2.2 Lunch - R30.00, except where lunch is provided at the function attended to by the member;
 - 2.3 Dinner - R60.00, except where dinner is provided at the function attended to by the member or at the hotel where the member is accommodated.

3. The maximum that may be claimed in respect of day trips is limited to a maximum of 2 teas at R2.50 per tea, and meals in accordance with paragraph 2 above. Whether a member qualifies for the reimbursement of such meals will depend upon the times of departure and return, and that proof is supplied.

4. The maximum of the fixed daily subsistence allowance that may be claimed in instances where actual expenses are not claimed, where the member is away from his or her office for 24 hours or longer, is R140.00 per day or R5.83 per hour. A member claiming the fixed daily subsistence allowance is not entitled to any additional reimbursement in respect of accommodation and meals, as this amount is intended to cover all expenditure incurred by the member during the period of the claim.

5. The maximum that may be claimed by a member where actual expenditure is incurred during a period in excess of 24 hours, is as follows:

EXPENSE	LIMIT / CONDITIONS
Meals	In accordance with paragraph 2 above, and provided that proof is supplied.
Accommodation	Provided that the most cost effective / suitable hotel is used, and where the daily rate exceeds R300.00 (for accommodation only) the member must provide motivation to Council as to why this limit should be exceeded, and thereafter obtain approval by resolution of Council prior to such trip.
Laundry	May only be claimed where the trip exceeds 5 continuous days, and excludes dry cleaning. The maximum that may be claimed is limited to R90.00 per week, and is subject to proof being provided.
Parking / Bus fares	The maximum that may be claimed is subject to proof being provided.
Toll fees	The maximum that may be claimed is subject to proof being provided.
Taxi fares	The maximum that may be claimed is subject to proof being provided.
Incidental costs	An amount of R44.00 per day or R1.83 per hour may be claimed.

GOVERNMENT NOTICE

DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT

NO. R. 1326

4 December 2000

REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998 (ACT NO. 20 OF 1998)

DETERMINATION OF THE UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF THE DIFFERENT MEMBERS OF MUNICIPAL COUNCILS

Under the powers vested in me by sections 7(1), 7(2), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), and after consultation with the member of the Executive Council responsible for local government in each province, I, Fholisani Sydney Mufamadi, Minister for Provincial and Local Government, hereby determine the upper limit of salaries, allowances and benefits of the different members of municipal councils as set out in the Schedule, with effect from the date on which the results of the first election of the municipal council concerned are declared in terms of section 64 of the Local Government: Municipal Electoral Act, 2000 (Act No. 27 of 2000), in respect of that municipal council.

F S MUFAMADI

MINISTER FOR PROVINCIAL AND LOCAL GOVERNMENT

SCHEDULE

Definitions

1. In this Schedule, unless the context otherwise indicates, 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) (hereafter "the Act") and the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) (hereafter the "Structures Act"), has that meaning and -

"grade" means the grade of municipal council as determined in terms of item 4;

"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;

"rates income" means in respect of the particular local or metropolitan municipality the sum total of the actual rates income for the 1999/2000 financial year of the municipalities that were established in terms of section 12 read with section 14 of the Structures Act, to the extent that the whole or any portion of the disestablished municipality falls within the boundaries of the particular local or metropolitan municipality;

"part-time councillor" means a councillor other than a full-time councillor.

Allocation of points for rates income

2. The number of points allocated for the rates income of a municipality is as follows:

PROPERTY RATES INCOME		NUMBER OF POINTS
R 0	- R 5,000,000	8.33
R 5,000,001	- R 20,000,000	16.67
R 20,000,001	- R 60,000,000	25.00
R 60,000,001	- R 150,000,000	33.33
R150,000,001	- R350,000,000	41.67
More than R350,000,000		50.00

Allocation of number of points for registered voters

3. The number of points allocated for the number of registered voters is as follows:

REGISTERED NUMBER OF VOTERS			NUMBER OF POINTS
0	-	10,000	8.33
10,001	-	30,000	16.67
30,001	-	60,000	25.00
60,001	-	120,000	33.33
120,001	-	450,000	41.67
More than 450,000			50.00

Determination of grade of Municipal Council

4. (a) The sum of the number of points allocated to a municipal council, other than a municipal council referred to in paragraph (b) or (c), in terms of items 2 and 3 respectively, determines the grade of such municipal council in accordance with the following table:

GRADE	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

(b) For the purposes of the determination of the upper limit of the salary and allowances of those members of a district council who have been directly elected to such council, such council is allocated the same grade as the highest grade of local council within its area of jurisdiction.

(c) A local council that does not have rates income is a grade 1 municipal council as envisaged in paragraph (a).

Upper limit of the salaries of full-time councillors

5. The upper limit of the annual salaries of full-time councillors is as follows:

Grade	Speaker	Executive Mayor or Mayor	Deputy Executive Mayor or Deputy Mayor	Members of the Executive Committee or Mayoral Committee	Chairperson of a Sub-Council
6	247 045	274 494	247 045	219 595	219 595
5	150 735	175 274	150 735	126 197	126 197
4	124 371	144 618	124 371	104 125	104 125
3	98 007	113 962	98 007	82 052	82 052
2	71 643	83 306	71 643	59 980	59 980
1	38 313	44 550	38 313	32 076	32 076

Upper limit of allowances of full-time councillors other than executive mayors of grade 6 municipalities

6. The upper limit of the allowances of a full-time councillor other than an executive mayor of grade 6 is as follows:

(a) Cellphones and telephones:

A fixed allowance of R250 per month (R3 000 per annum) in respect of cellphones or fixed line telephones.

(b) Travelling allowances:

- (i) A fixed allowance based on 25% of the salary of the full-time councillor concerned as determined in terms of item 5.
- (ii) An allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(c) Use of personal facilities:

An allowance of R200.00 per month in respect of a full-time councillor who does not have the use of council owned facilities.

(d) Housing allowance:

A fixed housing allowance of R29 256.00 per annum.

Upper limit of allowances of full-time executive mayors of grade 6 municipalities

7. The upper limit of the allowances of a full-time executive mayor of a grade 6 municipality is as follows:

(a) Cellphones and telephones:

A fixed allowance of R250 per month (R3 000 per annum) in respect of cellphones or fixed line telephones.

(b) Travelling allowances:

(i) A fixed allowance of R88 396.00 per annum; and

(ii) An allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(c) Housing allowance:

A fixed housing allowance of R39 010.00 per annum.

Upper limit of allowances in respect of appointed councillors

8. The upper limit of the allowance of a councillor who has been appointed to a district council in terms of section 23(1)(b) of the Structures Act, is as follows:

(a) If such councillor is elected or appointed as speaker, executive mayor, mayor, member of a mayoral committee, member of an executive committee or part-time member of a district council, the upper limit of the allowance to which such councillor is entitled, is equal to the difference between the salary, allowances and benefits he or she is receiving as a member of the local council and the salary, allowances and benefits allocated to that office in the district council in terms of items 5, 6, 7, 8, 10, 11 and 12, as the case may be.

(b) If the upper limit of the salary, allowances and benefits which a councillor is receiving as a member of a category B municipality is equal to the upper limit of the salary, allowances and benefits to which he or she is entitled to as an appointed councillor to a category C municipality, such councillor is entitled to receive an allowance of R350.00 *per sitting* of the category C municipal council or any committee of that council.

Upper limit of pension and medical aid benefits of full-time councillors

9. (a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a councillor is a member is 15% of the salary of such councillor determined in terms of item 5.

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a full-time councillor of that council is a member is $\frac{2}{3}$ of the membership fee to a maximum of R800.00 per month.

Upper limit of the salaries of part-time councillors

10. The upper-limit of the salary of a part-time councillor is as follows:

Grade	Speaker	Executive Mayor or Mayor	Executive Deputy Mayor or Deputy Mayor	Members of the Executive Committee or Mayoral Committee	Part-time members
6	70 173	73 224	70 173	67 122	61 000
5	63 156	65 902	63 156	60 410	54 918
4	32 378	33 786	32 378	30 971	28 155
3	29 435	30 715	29 435	28 156	25 596
2	15 028	15 682	15 028	14 375	13 068
1	13 662	14 256	13 662	13 068	11 880

Upper limit of allowances of part time councillor

11. The upper limit of the allowances of a part-time councillor is as follows:

(a) Cellphones and fixed line telephones

A fixed allowance of R500 per month (R6 000 per annum) in respect of cellphones and fixed line telephones.

(b) Travelling allowances:

(i) An allowance based on 25% of the salary of the councillor concerned as determined in terms of item 10; and

(ii) An allowance in respect of kilometres travelled regarding the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(c) Use of personal facilities:

An allowance of R200.00 per month to councillors who do not have the use of council owned facilities.

Upper limit of pension and medical aid benefits of part-time councillors

12. (a) Pension benefits for part-time councillors

The upper limit of the contribution to be made by a municipal council to the pension fund of which a part-time councillor of that council is a member is 15% of the salary of such councillor determined in terms of item 10: Provided that the councillor concerned is not a member of a pension fund by virtue of his or her employment in a capacity other than a councillor.

(b) Medical aid benefits for part-time councillors

The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a councillor is a member is $\frac{2}{3}$ of the membership fee to a maximum of R800.00 per month: Provided that the councillor concerned is not a member of a medical aid scheme by virtue of his or her employment in a capacity other than a councillor.

Application

13. The provisions of this Notice are applicable to councillors elected to municipal councils in the first elections in terms of the Structures Act.

GOVERNMENT NOTICE

DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT

No. R. 910

20 September 2001

REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998 (ACT NO. 20 OF 1998): DETERMINATION OF THE UPPER LIMITS OF THE SALARIES, ALLOWANCES AND BENEFITS OF THE 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, Fholisani Sydney Mufamadi, Minister for Provincial and Local Government, hereby -

- (a) after consultation with the member of the Executive Council responsible for local government in each province; and
- (b) after taking into consideration the matters listed in paragraphs (a) to (i) of section 7(1) of that Act; and
- (c) after taking into consideration the recommendations of the Commission in terms of sections 8(5)(a) and 9(5)(a) of that Act, respectively,

determine the upper limit of salaries, allowances and benefits of the different members of Municipal Councils as set out in the Schedule with effect from 1 July 2001, and repeal and repeal Government Notice No. R. 1326 of 4 December 2000, with effect from 1 July 2001.

F S MUFAMADI

MINISTER FOR PROVINCIAL AND LOCAL GOVERNMENT

SCHEDULE

Definitions

1. In this Schedule, unless the context otherwise indicates, 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) (hereafter "the Act") and the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) (hereafter "the Structures Act"), has that meaning and -

"grade" means the grade of municipal council as determined in terms of item 4;

"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;

"rates income" means in respect of the particular local or metropolitan municipality the sum total of the actual rates income for the 2000/2001 financial year of the municipalities that were disestablished in terms of section 12 read with section 14 of the Structures Act, to the extent that the whole or any portion of the disestablished municipality falls within the boundaries of the particular local or metropolitan municipality; and

"part-time councillor" means a councillor other than a full-time councillor.

Allocation of points for rates income

2. The number of points allocated for the rates income of a municipality is as follows:

PROPERTY RATES INCOME			NUMBER OF POINTS
R 0	-	R 5,000,000	8.33
R 5,000,001	-	R 20,000,000	16.67
R 20,000,001	-	R 60,000,000	25.00
R 60,000,001	-	R 150,000,000	33.33
R150,000,001	-	R350,000,000	41.67
More than R350,000,000			50.00

Allocation of number of points for registered voters

3. The number of points allocated for the number of registered voters is as follows:

REGISTERED NUMBER OF VOTERS			NUMBER OF POINTS
0	-	10,000	8.33
10,001	-	30,000	16.67
30,001	-	60,000	25.00
60,001	-	120,000	33.33
120,001	-	450,000	41.67
More than 450,000			50.00

Determination of grade of Municipal Council

4. (a) The sum of the number of points allocated to a municipal council, other than a municipal council referred to in paragraph (b) or (c), in terms of items 2 and 3 respectively, determines the grade of such municipal council in accordance with the following table:

GRADE	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

(b) For the purposes of the determination of the upper limit of the salary and allowances of those members of a district council who have been directly elected to such council, such council is allocated the same grade as the highest grade of local council within its area of jurisdiction: Provided that where the highest graded local council within the area of jurisdiction of a district council is lower than grade 4, such district council must be regarded as a grade 4 municipal council.

(c) A local council that does not have rates income is a grade 1 municipal council as envisaged in paragraph (a).

Upper limit of the salaries of full-time councillors

5. The upper limit of the annual salaries of full-time councillors is as follows:

Grade	Speaker	Executive Mayor or Mayor	Deputy Executive Mayor or Deputy Mayor	Members of the Executive Committee or Mayoral Committee	Chairperson of a Sub-Council	WHIP
6	247 117	274 574	247 117	219 659	219 659	219 659
5	175 676	219 595	175 676	164 696	164 696	-
4	142 737	178 421	142 737	133 816	133 816	-
3	109 798	137 247	109 798	102 935	102 935	-
2	76 858	96 073	76 858	72 055	72 055	-
1	43 919	54 899	43 919	41 174	41 174	-

Upper limit of allowances of full-time councillors of grade 6 municipal councils other than executive mayors or mayors of grade 6 municipal councils

6. The upper limit of the allowances of a full-time councillor of grade 6 municipal councils other than an executive mayor or mayor of a grade 6 municipal council, is as follows:

(a) Office-Bearers allowance:

An office-bearer's allowance of R36000.00 per annum in respect of a speaker, deputy executive mayor, or deputy mayor, and R32000.00 per annum in respect of members of a mayoral committee, executive committee, the chairperson of a sub-council or a whip.

(b) Cellphones and telephones:

A fixed allowance of R250.00 per month in respect of cellphones or fixed line phones.

(c) Travelling allowances:

- (i) A fixed allowance based on 25% of the salary of the full-time councillor concerned as determined in terms of item 5; or
- (ii) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (iii) A councillor must elect one of the options set out in sub-items (i) and (ii) at the commencement of each financial year of municipalities.

(d) Use of personal facilities:

An allowance of R200.00 per month in respect of a full-time councillor who does not have the use of council owned facilities.

(e) Housing allowance:

A fixed housing allowance of R29 256.00 per annum.

Upper limit of allowances of full-time executive mayors or mayors of grade 6 municipal councils

7. The upper limit of the allowances of a full-time executive mayor or mayor of a grade 6 municipal council is as follows:

(a) Office-Bearers allowance:

An office-bearer's allowance of R40000.00 per annum is payable in respect of an executive mayor or mayor.

(b) Cellphones and telephones.

A fixed allowance of R250.00 per month in respect of cellphones or fixed line phones.

(c) Travelling allowances:

(i) A fixed allowance of R88 396.00 per annum; and

(ii) An allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(d) Housing allowance:

A fixed housing allowance of R39 010.00 per annum.

Upper limit of allowances of full time councillors other than councillors of grade 6 municipal councils, executive mayors or mayors of grade 6 municipal councils

8. The upper limit of the allowances of full-time councillors other than councillors of grade 6 municipal councils, executive mayors or mayors of grade 6 municipal councils, is as follows:

(a) Travelling allowances:

(i) A fixed allowance based on 25% of the salary of the full-time councillor concerned as determined in terms of item 5; or

(ii) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(iii) A councillor must elect one of the options set out in sub-items (i) and (ii) at the commencement of each financial year of municipalities.

(b) Use of personal facilities:

An allowance of R200.00 per month in respect of a full-time councillor who does not have the use of council owned facilities.

(c) Housing allowance:

A fixed housing allowance of R29 256.00 per annum.

Upper limit of allowances in respect of appointed councillors

9. The upper limit of the allowance of a councillor who has been appointed to a district council in terms of section 23(1)(b) of the Structures Act, is as follows:

(a) Cellphones and telephones:

A fixed allowance of R250.00 per month in respect of cellphones or fixed line phones.

(b) If such councillor is elected or appointed as speaker, executive mayor, mayor, member of a mayoral committee, member of an executive committee or part-time member of a district council, the upper limit of the allowance to which such councillor is entitled, is equal to the difference between the salary, allowances and benefits he or she is receiving as a member of the local council and the salary, allowances and benefits allocated to that office in the district council in terms of items 5, 6, 7, 8, 10, 11, 12, 13 and 14, as the case may be.

(c) If the upper limit of the salary, allowances and benefits which a councillor is receiving as a member of a local council is equal to or higher than the upper limit of the salary, allowances and benefits to which he or she is entitled to as an appointed councillor to the district council, such councillor is entitled to receive an allowance of R400.00 per sitting of the district council or any committee of that council: Provided that this allowance is limited to R400.00 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.

Upper limit of pension and medical aid benefits of full-time councillors

10.(a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a full-time councillor of that council is a member, is 15% of the salary of such councillor determined in terms of item 5.

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a full-time councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R800.00 per month.

Upper limit of the salaries of part-time councillors

11. The upper-limit of the salary of a part-time councillor is as follows:

Grade	Speaker	Executive Mayor or Mayor	Executive Deputy Mayor or Deputy Mayor	Members of the Executive Committee or Mayoral Committee	Part-time members
6	124 000	155 000	124 000	116 250	109830
5	111 600	139 500	111 600	104 625	55 800
4	80 600	100 750	80 600	75 563	40 300
3	62 000	77 500	62 000	58 125	31 000
2	43 400	54 250	43 400	40 688	21 700
1	24 800	31 000	24 800	23 250	12 400

Upper limit of allowances of part time councillors

12. The upper limit of the allowances of a part-time councillor is as follows:

(a) Cellphones and telephones:

A fixed allowance of R250.00 per month in respect of cellphones or fixed line phones.

(b) Travelling allowances:

(i) An allowance based on 25% of the salary of the councilor concerned as determined in terms of item 11; or

(ii) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(iii) A councillor must elect one of the options set out in sub-items (i) and (ii) at the commencement of each financial year of municipalities.

(c) Use of personal facilities:

An allowance of R200 00 per month in respect of a part-time councillor who does not have the use of council owned facilities.

Upper limit of pension fund contributions and medical aid benefits of part-time councillors

13. (a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a part-time councillor of that council is a member, is 15% of the salary of such councillor determined in terms of item 11.

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a part-time councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R800.00 per month: Provided that the councillor concerned is not a member of a medical aid scheme by virtue of his or her employment in a capacity other than a councillor.

Application

14. The provisions of this Schedule are applicable to councillors elected to municipal councils in the first elections in terms of the Structures Act.

GOVERNMENT NOTICE

DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT

No. R. 999

2 October 2001

REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998 (ACT NO. 20 OF 1998): DETERMINATION OF THE UPPER LIMITS OF THE SALARIES, ALLOWANCES AND BENEFITS OF THE 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, Fholisani Sydney Mufamadi, Minister for Provincial and Local Government, hereby -

- (a) after consultation with the member of the Executive Council responsible for local government in each province; and
- (b) after taking into consideration the matters listed in paragraphs (a) to (i) of section 7(1) of that Act; and
- (c) after taking into consideration the recommendations of the Commission in terms of sections 8(5)(a) and 9(5)(a) of that Act, respectively,

determine the upper limit of salaries, allowances and benefits of the different members of Municipal Councils as set out in the Schedule with effect from 1 July 2001, and repeal Government Notice No. R. 910 of 20 September 2001 and Government Notice No. R. 919 of 21 September 2001.

F S MUFAMADI

MINISTER FOR PROVINCIAL AND LOCAL GOVERNMENT

SCHEDULE

Definitions

1. In this Schedule, unless the context otherwise indicates, 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) (hereafter "the Act") and the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) (hereafter "the Structures Act"), has that meaning and -

"grade" means the grade of municipal council as determined in terms of item 4;

"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;

"rates income" means in respect of the particular local or metropolitan municipality the sum total of the actual rates income for the 2000/2001 financial year of the municipalities that were disestablished in terms of section 12 read with section 14 of the Structures Act, to the extent that the whole or any portion of the disestablished municipality falls within the boundaries of the particular local or metropolitan municipality; and

"part-time councillor" means a councillor other than a full-time councillor.

Allocation of points for rates income

2. The number of points allocated for the rates income of a municipality is as follows:

PROPERTY RATES INCOME			NUMBER OF POINTS
R 0	-	R 5,000,000	8.33
R 5,000,001	-	R 20,000,000	16.67
R 20,000,001	-	R 60,000,000	25.00
R 60,000,001	-	R 150,000,000	33.33
R150,000,001	-	R350,000,000	41.67
More than R350,000,000			50.00

Allocation of number of points for registered voters

3. The number of points allocated for the number of registered voters is as follows:

REGISTERED NUMBER OF VOTERS			NUMBER OF POINTS
0	-	10,000	8.33
10,001	-	30,000	16.67
30,001	-	60,000	25.00
60,001	-	120,000	33.33
120,001	-	450,000	41.67
More than 450,000			50.00

Determination of grade of Municipal Council

4. (a) The sum of the number of points allocated to a municipal council, other than a municipal council referred to in paragraph (b) or (c), in terms of items 2 and 3 respectively, determines the grade of such municipal council in accordance with the following table:

GRADE	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

(b) For the purposes of the determination of the upper limit of the salary and allowances of those members of a district council who have been directly elected to such council, such council is allocated the same grade as the highest grade of local council within its area of jurisdiction: Provided that where the highest graded local council within the area of jurisdiction of a district council is lower than grade 4, such district council must be regarded as a grade 4 municipal council.

(c) A local council that does not have rates income is a grade 1 municipal council as envisaged in paragraph (a).

Upper limit of the salaries of full-time councillors

5. The upper limit of the annual salaries of full-time councillors is as follows:

Grade	Speaker	Executive Mayor or Mayor	Deputy Executive Mayor or Deputy Mayor	Members of the Executive Committee or Mayoral Committee	Chairperson of a Sub-Council	WHIP
6	247 117	274 574	247 117	219 659	219 659	219 659
5	175 676	219 595	175 676	164 696	164 696	-
4	142 737	178 421	142 737	133 816	133 816	-
3	109 798	137 247	109 798	102 935	102 935	-
2	76 858	96 073	76 858	72 055	72 055	-
1	43 919	54 899	43 919	41 174	41 174	-

Upper limit of allowances of full-time councillors of grade 6 municipal councils other than executive mayors or mayors of grade 6 municipal councils

6. The upper limit of the allowances of a full-time councillor of grade 6 municipal councils other than an executive mayor or mayor of a grade 6 municipal council, is as follows:

(a) Office-Bearers allowance:

An office-bearer's allowance of R36000.00 per annum in respect of a speaker, deputy executive mayor, or deputy mayor, and R32000.00 per annum in respect of members of a mayoral committee, executive committee, the chairperson of a sub-council or a whip.

(b) Travelling allowances:

(i) A fixed allowance based on 25% of the salary of the full-time councillor concerned as determined in terms of item 5; or

(ii) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(iii) A councillor must elect one of the options set out in sub-items (i) and (ii) at the commencement of each financial year of municipalities.

(c) Use of personal facilities:

An allowance of R200.00 per month in respect of a full-time councillor who does not have the use of council owned facilities.

(d) Housing allowance:

A fixed housing allowance of R29 256.00 per annum.

Upper limit of allowances of full-time executive mayors or mayors of grade 6 municipal councils

7. The upper limit of the allowances of a full-time executive mayor or mayor of a grade 6 municipal council is as follows:

(a) Office-Bearers allowance:

An office-bearer's allowance of R40000.00 per annum is payable in respect of an executive mayor or mayor.

(b) Travelling allowances:

(i) A fixed allowance of R88 396.00 per annum; and

(ii) An allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(c) Housing allowance:

A fixed housing allowance of R39 010.00 per annum.

Upper limit of allowances of full time councillors other than councillors of grade 6 municipal councils, executive mayors or mayors of grade 6 municipal councils

8. The upper limit of the allowances of full-time councillors other than councillors of grade 6 municipal councils, executive mayors or mayors of grade 6 municipal councils, is as follows:

(a) Travelling allowances:

(i) A fixed allowance based on 25% of the salary of the full-time councillor concerned as determined in terms of item 5; or

(ii) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(iii) A councillor must elect one of the options set out in sub-items (i) and (ii) at the commencement of each financial year of municipalities.

(b) Use of personal facilities:

An allowance of R200.00 per month in respect of a full-time councillor who does not have the use of council owned facilities.

(c) Housing allowance:

A fixed housing allowance of R29 256.00 per annum.

Upper limit of allowances in respect of appointed councillors

9. The upper limit of the allowance of a councillor who has been appointed to a district council in terms of section 23(1)(b) of the Structures Act, is as follows:

(a) If such councillor is elected or appointed as speaker, executive mayor, mayor, member of a mayoral committee, member of an executive committee or part-time member of a district council, the upper limit of the allowance to which such councillor is entitled, is equal to the difference between the salary, allowances and benefits he or she is receiving as a member of the local council and the salary, allowances and benefits allocated to that office in the district council in terms of items 5, 6, 7, 8, 10, 11, 12, 13 and 14, as the case may be.

(b) If the upper limit of the salary, allowances and benefits which a councillor is receiving as a member of a local council is equal to or higher than the upper limit of the salary, allowances and benefits to which he or she is entitled to as an appointed councillor to the district council, such councillor is entitled to receive an allowance of R400.00 per sitting of the district council or any committee of that council: Provided that this allowance is limited to R400.00 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.

Upper limit of pension and medical aid benefits of full-time councillors

10.(a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a full-time councillor of that council is a member, is 15% of the salary of such councillor determined in terms of item 5.

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a full-time councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R1014.00 per month.

Upper limit of the salaries of part-time councillors

11. The upper-limit of the salary of a part-time councillor is as follows:

Grade	Speaker	Executive Mayor or Mayor	Executive Deputy Mayor or Deputy Mayor	Members of the Executive Committee or Mayoral Committee	Part-time members
6	124 000	155 000	124 000	116 250	109830
5	111 600	139 500	111 600	104 625	55 800
4	80 600	100 750	80 600	75 563	40 300
3	62 000	77 500	62 000	58 125	31 000
2	43 400	54 250	43 400	40 688	21 700
1	24 800	31 000	24 800	23 250	12 400

Upper limit of allowances of part time councillors

12. The upper limit of the allowances of a part-time councillor is as follows:

(a) Travelling allowances:

(i) An allowance based on 25% of the salary of the councillor concerned as determined in terms of item 11; or

(ii) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(iii) A councillor must elect one of the options set out in sub-items (i) and (ii) at the commencement of each financial year of municipalities.

(b) Use of personal facilities:

An allowance of R200 00 per month in respect of a part-time councillor who does not have the use of council owned facilities.

Upper limit of pension fund contributions and medical aid benefits of part-time councillors

13. (a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a part-time councillor of that council is a member, is 15% of the salary of such councillor determined in terms of item 11.

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a part-time councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R1014.00 per month: Provided that the councillor concerned is not a member of a medical aid scheme by virtue of his or her employment in a capacity other than a councillor.

Application

14. The provisions of this Schedule are applicable to councillors elected to municipal councils in the first elections in terms of the Structures Act.

GOVERNMENT NOTICE

DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT

No. R. 1319

18 October 2002

REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998 (ACT NO. 20 OF 1998): DETERMINATION OF THE UPPER LIMITS OF THE SALARIES, ALLOWANCES AND BENEFITS OF THE 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, Fholisani Sydney Mufamadi, Minister for Provincial and Local Government, hereby -

- (a) after consultation with the member of the Executive Council responsible for local government in each province; and
- (b) after taking into consideration the matters listed in paragraphs (a) to (i) of section 7(1) of that Act; and
- (c) after taking into consideration the recommendations of the Commission in terms of sections 8(5)(a) and 9(5)(a) of that Act, respectively,

determine the upper limit of salaries, allowances and benefits of the different members of municipal councils as set out in the Schedule with effect from 1 July 2002.

F S MUFAMADI

MINISTER FOR PROVINCIAL AND LOCAL GOVERNMENT

SCHEDULE

Definitions

1. In this Schedule, unless the context otherwise indicates, 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) (hereafter "the Act") and the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) (hereafter "the Structures Act"), has that meaning and -

"grade" means the grade of municipal council as determined in terms of item 4;

"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;

"rates income" means in respect of the particular local or metropolitan municipality the sum total of the actual rates income for the 2001/2002 financial year of the municipalities that were disestablished in terms of section 12 read with section 14 of the Structures Act, to the extent that the whole or any portion of the disestablished municipality falls within the boundaries of the particular local or metropolitan municipality; and

"part-time councillor" means a councillor other than a full-time councillor.

Allocation of points for rates income

2. The number of points allocated for the rates income of a municipality is as follows:

PROPERTY RATES INCOME		NUMBER OF POINTS
R 0	- R 5,000,000	8.33
R 5,000,001	- R 20,000,000	16.67
R 20,000,001	- R 60,000,000	25.00
R 60,000,001	- R 150,000,000	33.33
R150,000,001	- R350,000,000	41.67
More than R350,000,000		50.00

Allocation of number of points for registered voters

3. The number of points allocated for the number of registered voters is as follows:

REGISTERED NUMBER OF VOTERS			NUMBER OF POINTS
0	-	10,000	8.33
10,001	-	30,000	16.67
30,001	-	60,000	25.00
60,001	-	120,000	33.33
120,001	-	450,000	41.67
More than 450,000			50.00

Determination of grade of municipal council

4. (a) The sum of the number of points allocated to a municipal council, other than a municipal council referred to in paragraph (b) or (c), in terms of items 2 and 3 respectively, determines the grade of such municipal council in accordance with the following table:

GRADE	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

(b) For the purposes of the determination of the upper limit of the salary and allowances of those members of a district council who have been directly elected to such council, such council is allocated the same grade as the highest grade of local council within its area of jurisdiction: Provided that where the highest graded local council within the area of jurisdiction of a district council is lower than grade 4, such district council must be regarded as a grade 4 municipal council.

(c) A local council that does not have rates income is a grade 1 municipal council as envisaged in paragraph (a).

Upper limit of the salaries of full-time councillors

5. The upper limit of the annual salaries of full-time councillors is as follows:

Grade	Executive Mayor or Mayor	Speaker, Deputy Executive Mayor or Deputy Mayor	Members of the Executive Committee or Mayoral Committee	Chairperson of a Sub-Council	WHIP
6	293794	264415	235035	235035	235035
5	234966	187973	176224	-	-
4	190910	152728	143183	-	-
3	146854	117483	110140	-	-
2	102798	82238	77098	-	-
1	58741	46993	44056	-	-

Upper limit of allowances of full-time councillors of grade 6 municipal councils other than executive mayors or mayors of grade 6 municipal councils

6. The upper limit of the allowances of a full-time councillor of grade 6 municipal councils other than an executive mayor or mayor of a grade 6 municipal council, is as follows:

(a) Office-Bearers allowance:

An office-bearer's allowance of not more than –

- (i) R38520.00 per annum in respect of a speaker, deputy executive mayor, or deputy mayor; and
- (ii) R342400.00 per annum in respect of members of a mayoral committee, executive committee, the chairperson of a sub-council or a whip.

(b) Travelling allowances:

- (i) A fixed allowance based on 25% of the salary of the full-time councillor concerned as determined in terms of item 5, which percentage may not exceed 25%; or

(ii) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(iii) A councillor must elect one of the options set out in sub-items (i) and (ii) at the commencement of each financial year of municipalities.

(c) Use of personal facilities:

An allowance of R200.00 per month in respect of a full-time councillor who does not have the use of council owned facilities.

(d) Housing allowance:

A fixed housing allowance of R29 256.00 per annum.

Upper limit of allowances of full-time executive mayors or mayors of grade 6 municipal councils

7. The upper limit of the allowances of a full-time executive mayor or mayor of a grade 6 municipal council is as follows:

(a) Office-Bearers allowance:

An office-bearer's allowance of R40000.00 per annum is payable in respect of an executive mayor or mayor.

(b) Travelling allowances:

(i) A fixed allowance of R88 396.00 per annum; and

(ii) An allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(c) Housing allowance:

A fixed housing allowance of R39 010.00 per annum.

Upper limit of allowances of full time councillors other than councillors of grade 6 municipal councils, executive mayors or mayors of grade 6 municipal councils

8. The upper limit of the allowances of full-time councillors other than councillors of grade 6 municipal councils, executive mayors or mayors of grade 6 municipal councils, is as follows:

(a) Travelling allowances:

(i) A fixed allowance based on 25% of the salary of the full-time councillor concerned as determined in terms of item 5; or

(ii) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(iii) A councillor must elect one of the options set out in sub-items (i) and (ii) at the commencement of each financial year of municipalities.

(b) Use of personal facilities:

An allowance of R200.00 per month in respect of a full-time councillor who does not have the use of council owned facilities.

(c) Housing allowance:

A fixed housing allowance of R29 256.00 per annum.

Upper limit of allowances in respect of appointed councillors

9. The upper limit of the allowance of a councillor who has been appointed to a district council in terms of section 23(1)(b) of the Structures Act, is as follows:

(a) If such councillor is elected or appointed as speaker, executive mayor, mayor, member of a mayoral committee, member of an executive committee or part-time member of a district council, the upper limit of the allowance to which such councillor is entitled, is equal to the difference between the salary, allowances and benefits he or she is receiving as a member of the local council and the salary, allowances and benefits allocated to that office in the district council in terms of items 5, 6, 7, 8, 10, 11, 12, 13 and 14, as the case may be.

(b) If the upper limit of the salary, allowances and benefits which a councillor is receiving as a member of a local council is equal to or higher than the upper limit of the salary, allowances and benefits to which he or she is entitled to as an appointed councillor to the district council, such councillor is entitled to receive an allowance of R400.00 per sitting of the district council or any committee of that council: Provided that this allowance is limited to R400.00 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.

Upper limit of pension and medical aid benefits of full-time councillors

10.(a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a full-time councillor of that council is a member, is 15% of the salary of such councillor determined in terms of item 5.

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a full-time councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R1014.00 per month.

Upper limit of the salaries of part-time councillors

11. The upper-limit of the salary of a part-time councillor is as follows:

Grade	Speaker	Executive Mayor or Mayor	Executive Deputy Mayor or Deputy Mayor	Members of the Executive Committee or Mayoral Committee	Part-time members
6	124 000	155 000	124 000	116 250	109830
5	111 600	139 500	111 600	104 625	55 800
4	80 600	100 750	80 600	75 563	40 300
3	62 000	77 500	62 000	58 125	31 000
2	43 400	54 250	43 400	40 688	21 700
1	24 800	31 000	24 800	23 250	12 400

Upper limit of allowances of part time councillors

12. The upper limit of the allowances of a part-time councillor is as follows:

(a) Travelling allowances:

(i) An allowance based on 25% of the salary of the councillor concerned as determined in terms of item 11; or

(ii) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality in accordance with the tariffs prescribed by the Department of Transport for use of privately owned vehicles.

(iii) A councillor must elect one of the options set out in sub-items (i) and (ii) at the commencement of each financial year of municipalities.

(b) Use of personal facilities:

An allowance of R200 00 per month in respect of a part-time councillor who does not have the use of council owned facilities.

Upper limit of pension fund contributions and medical aid benefits of part-time councillors

13. (a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a part-time councillor of that council is a member, is 15% of the salary of such councillor determined in terms of item 11.

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a part-time councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R1014.00 per month: Provided that the councillor concerned is not a member of a medical aid scheme by virtue of his or her employment in a capacity other than a councillor.

Application

14. The provisions of this Schedule are applicable to councillors elected to municipal councils in the first elections in terms of the Structures Act.

GOVERNMENT NOTICE

DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT

No. R. 1097

28 July 2003

**REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998
(ACT NO. 20 OF 1998)****DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND
BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS**

Under the powers vested in me by sections 7(1), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), I, Fholisani Sydney Mufamadi, Minister for Provincial and Local Government, hereby-

- (a) after consultation with the member of the Executive Council responsible for local government in each province; and
- (b) after taking into consideration the matters listed in paragraphs (a) to (i) of section 7(1) of that Act; and
- (c) after taking into consideration the recommendations of the Commission in terms of sections 8(5)(a) and 9(5)(a) of that Act, respectively,

determine the upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in the Schedule with effect from 1 July 2003, and repeal Government Notices No. R. 1319 of 18 October 2002, No. R. 1504 of 28 November 2002 and No. R. 190 of 3 February 2003 with effect from the same date.

F S MUFAMADI**MINISTER FOR PROVINCIAL AND LOCAL GOVERNMENT**

Definitions

1. In this Schedule, unless the context otherwise indicates, 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) (hereafter "the Act") and the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) (hereafter "the Structures Act"), has that meaning and -

"grade" means the grade of municipal council as determined in terms of item 4;

"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;

"rates income" means in respect of a local municipality or metropolitan municipality the sum total of the actual rates income for the 2002/2003 financial year of the municipality concerned; and

"part-time councillor" means a councillor other than a full-time councillor.

Allocation of number of points for rates income

2. The number of points allocated for the rates income of a municipality is as follows:

PROPERTY RATES INCOME	NUMBER OF POINTS
R 0 - R 5,000,000	8.33
R 5,000,001 - R 20,000,000	16.67
R 20,000,001 - R 60,000,000	25.00
R 60,000,001 - R150,000,000	33.33
R150,000,001 - R350,000,000	41.67
More than R350,000,000	50.00

Allocation of number of points for registered voters

3. The number of points allocated for the number of registered voters within a municipality, is as follows:

NUMBER OF REGISTERED VOTERS	NUMBER OF POINTS
0 - 10,000	8.33
10,001 - 30,000	16.67
30,001 - 60,000	25.00
60,001 - 120,000	33.33
120,001 - 450,000	41.67
More than 450,000	50.00

Determination of grade of municipal council

4.(a) The sum of the number of points allocated to a municipal council, other than a municipal council referred to in paragraph (b) or (c), in terms of items 2 and 3 respectively, determines the grade of such municipal council in accordance with the following table:

GRADE OF MUNICIPALITY	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

(b) For purposes of the determination of the upper limits of the salary, allowances and benefits of those members of a district council who have been directly elected to such council, such council is allocated the same grade as the highest grade of local council within its area of jurisdiction: Provided that where the highest graded local council within the area of jurisdiction of a district council is lower than grade 4, such district council must be regarded as a grade 4 municipal council.

(c) A local council that does not have rates income is a grade 1 municipal council as envisaged in paragraph (a).

Upper limits of annual salaries of full-time councillors

5. The upper limit of the annual salary of a full-time councillor is as follows:

Grade	Executive Mayor or Mayor	Speaker, Deputy Executive Mayor or Deputy Mayor	Members of the Executive Committee or Mayoral Committee	Whip	Chairperson of a sub-council
6	320235	288212	256188	256188	256188
5	256112	204890	192084	192084	-
4	208091	166473	156069	156069	-
3	160070	128056	120052	120052	-
2	112049	89639	84036	-	-
1	64027	51222	48021	-	-

Upper limits of allowances of full-time councillors of grade 6 municipal councils other than full-time executive mayors or full-time mayors of grade 6 municipal councils

6. The upper limits of the allowances of a full-time councillor of a grade 6 municipal council other than the full-time executive mayor or full-time mayor of a grade 6 municipal council, is as follows:

(a) *Office-bearer allowance:*

An office-bearer allowance of not more than –

- (i) R41 986.00 per annum in respect of a speaker, deputy executive mayor or deputy mayor; and
- (ii) R37 321.00 per annum in respect of a member of a mayoral committee or executive committee, the chairperson of a sub-council, or a whip.

(b) *Travelling allowances:*

- (i) (aa) A fixed allowance based on a percentage of the salary of the full-time councillor concerned as determined in terms of item 5, which percentage may not exceed 25%; or

(bb) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (ii) In addition to the allowances referred to in subparagraph (i), a further allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (iii) A councillor must elect one of the options set out in sub-subparagraphs (aa) and (bb) of subparagraph (i) at the commencement of each financial year of municipalities: Provided that a councillor may not receive any allowance provided for in subparagraphs (i) and (ii) where the municipal council makes a vehicle available to that councillor.

- (iv) In addition to the allowances provided for in this paragraph, a councillor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned.

- (c) *Use of personal facilities:*

An allowance of not more than R233.00 per month in respect of a full-time councillor who does not have the use of council owned facilities.

- (d) *Housing allowance:*

A fixed housing allowance of not more than R34 120.00 per annum: Provided that such an allowance is not payable where the municipal council makes housing available to the councillor concerned.

Upper limits of allowances of full-time executive mayor or full-time mayor of grade 6 municipal councils

7. The upper limits of the allowances of a full-time executive mayor or full-time mayor of a grade 6 municipal council is as follows:

- (a) *Office-bearer allowance:*

An office-bearer allowance of not more than R46 652.00 per annum in respect of a full-time executive mayor or a full-time mayor.

- (b) *Travelling allowances:*

- (i) A fixed allowance of not more than R103 095.00 per annum.

- (i) An allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.

- (ii) In addition to the allowances provided for in this paragraph, a full-time executive mayor or a full-time mayor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned.

- (c) *Housing allowance:*

A fixed housing allowance of not more than R45 496.00 per annum.

Upper limits of allowances of full-time councillors other than councillors referred to in items 6 and 7

8. The upper limits of the allowances of a full-time councillor, other than a councillor referred to in items 6 and 7, is as follows:

- (a) *Travelling allowances:*

- (i) (aa) A fixed allowance based on a percentage of the salary of the full-time councillor concerned as determined in terms of item 5, which percentage may not exceed 25%; or

(bb) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.

- (ii) In addition to the allowances referred to in subparagraph (i), a further allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.

- (iii) A councillor must elect one of the options set out in sub-subparagraphs (aa) and (bb) of subparagraph (i) at the commencement of each financial year of municipalities: Provided that a councillor, other than a full-time executive mayor or a full-time mayor where applicable, may not receive any allowance provided for in subparagraphs (i) and (ii) where the municipal council concerned makes a vehicle available to that councillor.

- (iv) In addition to the allowances provided for in this paragraph, a councillor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned.

(b) *Use of personal facilities:*

An allowance of not more than R233.00 per month in respect of a full-time councillor who does not have the use of council owned facilities.

(c) *Housing allowance:*

A fixed housing allowance of not more than R34 120.00 per annum: Provided that such an allowance is not payable where the municipal council concerned makes housing available to the councillor concerned and such a councillor is not a full-time executive mayor or a full-time mayor.

Upper limit of allowance in respect of appointed councillors

9. The upper limit of the allowance of a councillor who has been appointed to a district council in terms of section 23(1)(b) of the Structures Act, is as follows:

(a) If such councillor is elected or appointed as speaker, executive mayor, mayor, member of a mayoral committee, member of an executive committee or part-time member of a district council, the upper limit of the allowance to which such councillor is entitled, is equal to the difference between the salary, allowances and benefits he or she is receiving as a member of the local council and the salary, allowances and benefits allocated to that office in the district council in terms of items 5, 6, 7, 8, 10, 11, 12 and 13, as the case may be.

(b) If the upper limit of the salary, allowances and benefits which a councillor is receiving as a member of a local council is equal to or higher than the upper limit of the salary, allowances and benefits to which he or she is entitled to as an appointed councillor to the district council, such councillor is entitled to receive an allowance of not more than R466.00 *per sitting* of the district council or any committee of that council: Provided that this allowance is limited to R466.00 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.

- (c) A district council is responsible for –
- (i) the payment of an allowance referred to in paragraphs (a) and (b); and
 - (ii) the reimbursement of travel expenditure incurred by a councillor during the performance of official functions on behalf of that district municipality.

Upper limit of pension fund contributions and medical aid benefits of full-time councillors

10. (a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a full-time councillor of that council is a member, is 15% of the salary of such councillor determined in terms of item 5.

(a) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a full-time councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R1014.00 per month.

Upper limits of annual salaries of part-time councillors

11. The upper limit of the annual salary of a part-time councillor is as follows:

Grade	Executive Mayor or Mayor	Speaker, Executive Deputy Mayor or Deputy Mayor	Members of the Executive Committee or Mayoral Committee	Other part-time members
6	180776	144621	135581	128094
5	162698	130159	122023	65079
4	117504	94003	88128	47001
3	90388	72310	67790	36155
2	63271	50617	47454	25308
1	36155	28924	27115	14462

Upper limits of allowances of part-time councillors

12. The upper limits of the allowances of a part-time councillor is as follows:

(a) *Travelling allowances:*

- (i) (aa) A fixed allowance based on a percentage of the salary of the councillor concerned as determined in terms of item 11, which percentage may not exceed 25%; or

- (bb) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (ii) In addition to the allowances referred to in subparagraph (i), a further allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (iii) A councillor must elect one of the options set out in sub-subparagraphs (aa) and (bb) of subparagraph (i) at the commencement of each financial year of municipalities: Provided that a councillor, other than an executive mayor or a mayor where applicable, may not receive any allowance provided for in subparagraphs (i) and (ii) where the municipal council concerned makes a vehicle available to that councillor.
- (iv) In addition to the allowances provided for in this paragraph, a councillor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned.
- (b) *Use of personal facilities:*

An allowance of not more than R233.00 per month in respect of a part-time councillor who does not have the use of council owned facilities.

Upper limit of pension fund contributions and medical aid benefits of part-time councillors

13. (a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a part-time councillor of that council is a member, is 15% of the salary of such councillor determined in terms of item 11.

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a part-time councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R1014.00 per month: Provided that the councillor concerned is not a member of a medical aid scheme by virtue of his or her employment in a capacity other than a councillor.

GOVERNMENT NOTICE

DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT

No. R. 1477

21 December 2004

**REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998
(ACT NO. 20 OF 1998)****DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND
BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS**

Under the powers vested in me by sections 7(1), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), I, Fholisani Sydney Mufamadi, Minister for Provincial and Local Government, hereby-

- (a) after consultation with the member of the Executive Council responsible for local government in each province; and
- (b) after taking into consideration the matters listed in paragraphs (a) to (i) of section 7(1) of that Act; and
- (c) after taking into consideration the recommendations of the Commission in terms of sections 8(5)(a) and 9(5)(a) of that Act, respectively,

determine the upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in the Schedule with effect from 1 July 2004, and repeal Government Notices No. R. 1097 of 28 July 2003 and No. 208 of 20 February 2004 with effect from the same date.

F S MUFAMADI
MINISTER FOR PROVINCIAL AND LOCAL GOVERNMENT

Definitions

1. In this Schedule, unless the context otherwise indicates, 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) (hereafter "the Act") and the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) (hereafter "the Structures Act"), has that meaning and -

"grade" means the grade of municipal council as determined in terms of item 4;

"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;

"rates income" means in respect of a local municipality or metropolitan municipality the sum total of the actual rates income for the 2003/2004 financial year of the municipality concerned; and

"part-time councillor" means a councillor other than a full-time councillor.

Allocation of number of points for rates income

2. The number of points allocated for the rates income of a municipality is as follows:

PROPERTY RATES INCOME	NUMBER OF POINTS
R 0 - R 5,000,000	8.33
R 5,000,001 - R 20,000,000	16.67
R 20,000,001 - R 60,000,000	25.00
R 60,000,001 - R150,000,000	33.33
R150,000,001 - R350,000,000	41.67
More than R350,000,000	50.00

Allocation of number of points for registered voters

3. The number of points allocated for the number of registered voters within a municipality, is as follows:

NUMBER OF REGISTERED VOTERS	NUMBER OF POINTS
0 - 10,000	8.33
10,001 - 30,000	16.67
30,001 - 60,000	25.00
60,001 - 120,000	33.33
120,001 - 450,000	41.67
More than 450,000	50.00

Determination of grade of municipal council

4.(a) The sum of the number of points allocated to a municipal council, other than a municipal council referred to in paragraph (b) or (c), in terms of items 2 and 3 respectively, determines the grade of such municipal council in accordance with the following table:

GRADE OF MUNICIPALITY	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

(b) For purposes of the determination of the upper limits of the salary, allowances and benefits of those members of a district council who have been directly elected to such council, such council is allocated the same grade as the highest grade of local council within its area of jurisdiction: Provided that where the highest graded local council within the area of jurisdiction of a district council is lower than grade 4, such district council must be regarded as a grade 4 municipal council.

(c) A local council that does not have rates income is a grade 1 municipal council as envisaged in paragraph (a).

Upper limits of annual salaries of full-time councillors

5. The upper limit of the annual salary of a full-time councillor is as follows:

Grade	Executive Mayor or Mayor	Speaker, Deputy Executive Mayor or Deputy Mayor	Members of the Executive Committee or Mayoral Committee	Whip	Chairperson of a sub-council
6	339449	305504	271559	271559	271559
5	271478	217183	203609	203609	-
4	220576	176461	165433	165433	-
3	169674	135739	127255	127255	-
2	118771	95017	89078	89078	-
1	67868	54295	50902	50902	-

Upper limits of allowances of full-time councillors or grade 6 municipal councils other than full-time executive mayors or full-time mayors of grade 6 municipal councils

6. The upper limits of the allowances of a full-time councillor of a grade 6 municipal council other than the full-time executive mayor or full-time mayor of a grade 6 municipal council, is as follows:

(a) *Office-bearer allowance:*

An office-bearer allowance of not more than –

- (i) R44 505.00 per annum in respect of a speaker, deputy executive mayor or deputy mayor; and
- (ii) R39 560.00 per annum in respect of a member of a mayoral committee or executive committee, the chairperson of a sub-council, or a whip.

(b) *Travelling allowances:*

- (i) (aa) A fixed allowance based on a percentage of the salary of the full-time councillor concerned as determined in terms of item 5, which percentage may not exceed 25%; or

(bb) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (ii) In addition to the allowances referred to in subparagraph (i), a further allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (iii) A councillor must elect one of the options set out in sub-subparagraphs (aa) and (bb) of subparagraph (i) at the commencement of each financial year of municipalities: Provided that a councillor may not receive any allowance provided for in subparagraphs (i) and (ii) where the municipal council makes a vehicle available to that councillor.

(iv) In addition to the allowances provided for in this paragraph, a councillor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned.

(c) *Use of personal facilities:*

An allowance of not more than R246.00 per month in respect of a full-time councillor who does not have the use of council owned facilities.

(d) *Housing allowance:*

A fixed housing allowance of not more than R36 167.00 per annum: Provided that such an allowance is not payable where the municipal council makes housing available to the councillor concerned.

(e) *Cellphone allowance:*

A fixed allowance of not more than R1000.00 per month in respect of cellphones.

(f) *Out of pocket expenses:*

A councillor must be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official and ceremonial duties.

Upper limits of allowances of full-time executive mayor or full-time mayor of grade 6 municipal councils

7. The upper limits of the allowances of a full-time executive mayor or full-time mayor of a grade 6 municipal council is as follows:

(a) *Office-bearer allowance:*

An office-bearer allowance of not more than R49 451.00 per annum in respect of a full-time executive mayor or a full-time mayor.

(b) *Travelling allowances:*

(i) A fixed allowance of not more than R109 280.00 per annum.

- (ii) An allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (iii) In addition to the allowances provided for in this paragraph, a full-time executive mayor or a full-time mayor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned.

(c) *Housing allowance:*

A fixed housing allowance of not more than R48 225.00 per annum.

(d) *Cellphone allowance:*

A fixed allowance of not more than R2000.00 per month in respect of cellphones.

(e) *Out of pocket expenses:*

A councillor must be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official and ceremonial duties.

Upper limits of allowances of full-time councillors other than councillors referred to in items 6 and 7

8. The upper limits of the allowances of a full-time councillor, other than a councillor referred to in items 6 and 7, is as follows:

(a) *Travelling allowances:*

- (i) (aa) A fixed allowance based on a percentage of the salary of the full-time councillor concerned as determined in terms of item 5, which percentage may not exceed 25%; or

(bb) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.

- (ii) In addition to the allowances referred to in subparagraph (i), a further allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (iii) A councillor must elect one of the options set out in sub-subparagraphs (aa) and (bb) of subparagraph (i) at the commencement of each financial year of municipalities: Provided that a councillor, other than a full-time executive mayor or a full-time mayor where applicable, may not receive any allowance provided for in subparagraphs (i) and (ii) where the municipal council concerned makes a vehicle available to that councillor.
- (iv) In addition to the allowances provided for in this paragraph, a councillor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned.

(b) *Use of personal facilities:*

An allowance of not more than R246.00 per month in respect of a full-time councillor who does not have the use of council owned facilities.

(c) *Housing allowance:*

A fixed housing allowance of not more than R36 167.00 per annum: Provided that such an allowance is not payable where the municipal council concerned makes housing available to the councillor concerned and such a councillor is not a full-time executive mayor or a full-time mayor.

(d) *Cellphone allowance:*

A fixed allowance of not more than R1000.00 per month in respect of cellphones.

(e) *Out of pocket expenses:*

A councillor must be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official and ceremonial duties.

Upper limit of allowance in respect of appointed councillors

9. The upper limit of the allowance of a councillor who has been appointed to a district council in terms of section 23(1)(b) of the Structures Act, is as follows:

(a) If such councillor is elected or appointed as speaker, executive mayor, mayor, member of a mayoral committee, member of an executive committee or part-time member of a district council, the upper limit of the allowance to which such councillor is entitled, is equal to the difference between the salary, allowances and benefits he or she is receiving as a member of the local council and the salary, allowances and benefits allocated to that office in the district council in terms of items 5, 6, 7, 8, 10, 11, 12 and 13, as the case may be.

(b) If the upper limit of the salary, allowances and benefits which a councillor is receiving as a member of a local council is equal to or higher than the upper limit of the salary, allowances and benefits to which he or she is entitled to as an appointed councillor to the district council, such councillor is entitled to receive an allowance of not more than R493.00 *per sitting* of the district council or any committee of that council: Provided that this allowance is limited to R493.00 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.

(c) A district council is responsible for –

- (i) the payment of an allowance referred to in paragraphs (a) and (b); and
- (ii) the reimbursement of travel expenditure incurred by a councillor during the performance of official functions on behalf of that district municipality.

Upper limit of pension fund contributions and medical aid benefits of full-time councillors

10. (a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a full-time councillor of that council is a member, is 15% of the salary of such councillor determined in terms of item 5.

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a full-time councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R1014.00 per month.

Upper limits of annual salaries of part-time councillors

11. The upper limit of the annual salary of a part-time councillor is as follows:

Grade	Executive Mayor or Mayor	Speaker, Executive Deputy Mayor or Deputy Mayor	Members of the Executive Committee or Mayoral Committee	Other part-time members
6	191622	153298	143715	135779
5	172459	137968	129344	68983
4	124554	99643	93415	49821
3	95811	76648	71857	38324
2	67067	53654	50301	26826
1	38324	30659	28741	15329

Upper limits of allowances of part-time councillors

12. The upper limits of the allowances of a part-time councillor is as follows:

(a) *Travelling allowances:*

- (i) (aa) A fixed allowance based on a percentage of the salary of the councillor concerned as determined in terms of item 11, which percentage may not exceed 25%; or
 - (bb) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (ii) In addition to the allowances referred to in subparagraph (i), a further allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (iii) A councillor must elect one of the options set out in sub-subparagraphs (aa) and (bb) of subparagraph (i) at the commencement of each financial year of municipalities: Provided that a councillor, other than an executive mayor or a mayor where applicable, may not receive any allowance provided for in subparagraphs (i) and (ii) where the municipal council concerned makes a vehicle available to that councillor.

(iv) In addition to the allowances provided for in this paragraph, a councillor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned.

(b) *Use of personal facilities:*

An allowance of not more than R246.00 per month in respect of a part-time councillor who does not have the use of council owned facilities.

(c) *Cellphone allowance:*

A fixed allowance of not more than R625.00 per month in respect of cellphones.

(d) *Out of pocket expenses:*

A councillor must be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official and ceremonial duties.

Upper limit of pension fund contributions and medical aid benefits of part-time councillors

13. (a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a part-time councillor of that council is a member, is 15% of the salary of such councillor determined in terms of item 11.

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a part-time councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R1014.00 per month: Provided that the councillor concerned is not a member of a medical aid scheme by virtue of his or her employment in a capacity other than a councillor.

GOVERNMENT NOTICE

DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT

No. R. 1125

14 November 2005

**REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998
(ACT NO. 20 OF 1998)****DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND
BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS**

Under the powers vested in me by sections 7(1), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), I, Fholisani Sydney Mufamadi, Minister for Provincial and Local Government, hereby-

- (a) after consultation with the member of the Executive Council responsible for local government in each province; and
- (b) after taking into consideration the matters listed in paragraphs (a) to (i) of section 7(1) of that Act; and
- (c) after taking into consideration the recommendations of the Commission in terms of sections 8(5)(a) and 9(5)(a) of that Act, respectively,

determine the upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in the Schedule with effect from 1 July 2005, and repeal Government Notice No. R. 1477 of 21 December 2004 with effect from the same date.

F S MUFAMADI**MINISTER FOR PROVINCIAL AND LOCAL GOVERNMENT**

Determination of grade of municipal council

4.(a) The sum of the number of points allocated to a municipal council, other than a municipal council referred to in paragraph (b) or (c), in terms of items 2 and 3 respectively, determines the grade of such municipal council in accordance with the following table:

GRADE OF MUNICIPALITY	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

(b) For purposes of the determination of the upper limits of the salary, allowances and benefits of those members of a district council who have been directly elected to such council, such council is allocated the same grade as the highest grade of local council within its area of jurisdiction: Provided that where the highest graded local council within the area of jurisdiction of a district council is lower than grade 4, such district council must be regarded as a grade 4 municipal council.

(c) A local council that does not have rates income is a grade 1 municipal council as envisaged in paragraph (a).

Upper limits of annual salaries of full-time councillors

5. The upper limit of the annual salary of a full-time councillor is as follows:

Grade	Executive Mayor or Mayor	Speaker, Deputy Executive Mayor or Deputy Mayor	Members of the Executive Committee or Mayoral Committee	Whip	Chairperson of a sub-council
6	358967	323070	287174	287174	287174
5	287088	229671	215317	215317	-
4	233259	186608	174945	174945	-
3	179430	143544	134572	134572	-
2	125600	100480	94200	94200	-
1	71770	57417	53829	53829	-

Upper limits of allowances of full-time councillors of grade 6 municipal councils other than full-time executive mayors or full-time mayors of grade 6 municipal councils

6. The upper limits of the allowances of a full-time councillor of a grade 6 municipal council other than the full-time executive mayor or full-time mayor of a grade 6 municipal council, is as follows:

(a) *Office-bearer allowance:*

An office-bearer allowance of not more than –

- (i) R47 064.00 per annum in respect of a speaker, deputy executive mayor or deputy mayor; and
- (ii) R41 834.00 per annum in respect of a member of a mayoral committee or executive committee, the chairperson of a sub-council, or a whip.

(b) *Travelling allowances:*

- (i) (aa) A fixed allowance based on a percentage of the salary of the full-time councillor concerned as determined in terms of item 5, which percentage may not exceed 25%; or

(bb) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.

- (ii) In addition to the allowances referred to in subparagraph (i), a further allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.

- (iii) A councillor must elect one of the options set out in sub-subparagraphs (aa) and (bb) of subparagraph (i) at the commencement of each financial year of municipalities: Provided that a councillor may not receive any allowance provided for in subparagraphs (i) and (ii) where the municipal council makes a vehicle available to that councillor.

(iv) In addition to the allowances provided for in this paragraph, a councillor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned.

(c) *Use of personal facilities:*

An allowance of not more than R260.00 per month in respect of a full-time councillor who does not have the use of council owned facilities.

(d) *Housing allowance:*

A fixed housing allowance of not more than R38 246.00 per annum: Provided that such an allowance is not payable where the municipal council makes housing available to the councillor concerned.

(e) *Cellphone allowance:*

A fixed allowance of not more than R1057.00 per month in respect of cellphones.

(f) *Out of pocket expenses:*

A councillor must be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official and ceremonial duties.

Upper limits of allowances of full-time executive mayor or full-time mayor of grade 6 municipal councils

7. The upper limits of the allowances of a full-time executive mayor or full-time mayor of a grade 6 municipal council is as follows:

(a) *Office-bearer allowance:*

An office-bearer allowance of not more than R52 294.00 per annum in respect of a full-time executive mayor or a full-time mayor.

(b) *Travelling allowances:*

(i) A fixed allowance of not more than R115 563.00 per annum.

- (ii) An allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (iii) In addition to the allowances provided for in this paragraph, a full-time executive mayor or a full-time mayor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned.

(c) *Housing allowance:*

A fixed housing allowance of not more than R50 997.00 per annum, even where the municipal council concerned makes housing available to a full-time executive mayor or a full-time mayor.

(d) *Cellphone allowance:*

A fixed allowance of not more than R2115.00 per month in respect of cellphones.

(e) *Out of pocket expenses:*

A councillor must be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official and ceremonial duties.

Upper limits of allowances of full-time councillors other than councillors referred to in items 6 and 7

8. The upper limits of the allowances of a full-time councillor, other than a councillor referred to in items 6 and 7, is as follows:

(a) *Travelling allowances:*

- (i) (aa) A fixed allowance based on a percentage of the salary of the full-time councillor concerned as determined in terms of item 5, which percentage may not exceed 25%; or

- (bb) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (ii) In addition to the allowances referred to in subparagraph (i), a further allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (iii) A councillor must elect one of the options set out in sub-subparagraphs (aa) and (bb) of subparagraph (i) at the commencement of each financial year of municipalities: Provided that a councillor, other than a full-time executive mayor or a full-time mayor where applicable, may not receive any allowance provided for in subparagraphs (i) and (ii) where the municipal council concerned makes a vehicle available to that councillor.
- (iv) In addition to the allowances provided for in this paragraph, a councillor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned.
- (b) *Use of personal facilities:*
- An allowance of not more than R260.00 per month in respect of a full-time councillor who does not have the use of council owned facilities.
- (c) *Housing allowance:*
- A fixed housing allowance of not more than R38 246.00 per annum: Provided that such an allowance is not payable where the municipal council concerned makes housing available to the councillor concerned and such a councillor is not a full-time executive mayor or a full-time mayor.
- (d) *Cellphone allowance:*
- A fixed allowance of not more than R1057.00 per month in respect of cellphones.

(e) *Out of pocket expenses:*

A councillor must be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official and ceremonial duties.

Upper limit of allowance in respect of appointed councillors

9. The upper limit of the allowance of a councillor who has been appointed to a district council in terms of section 23(1)(b) of the Structures Act, is as follows:

(a) If such councillor is elected or appointed as speaker, executive mayor, mayor, member of a mayoral committee, member of an executive committee or part-time member of a district council, the upper limit of the allowance to which such councillor is entitled, is equal to the difference between the salary, allowances and benefits he or she is receiving as a member of the local council and the salary, allowances and benefits allocated to that office in the district council in terms of items 5, 6, 7, 8, 10, 11, 12 and 13, as the case may be.

(b) If the upper limit of the salary, allowances and benefits which a councillor is receiving as a member of a local council is equal to or higher than the upper limit of the salary, allowances and benefits to which he or she is entitled to as an appointed councillor to the district council, such councillor is entitled to receive an allowance of not more than R521.00 *per sitting* of the district council or any committee of that council: Provided that this allowance is limited to R521.00 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.

(a) A district council is responsible for –

- (i) the payment of an allowance referred to in paragraphs (a) and (b); and
- (ii) the reimbursement of travel expenditure incurred by a councillor during the performance of official functions on behalf of that district municipality, not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.

Upper limit of pension fund contributions and medical aid benefits of full-time councillors

10. (a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a full-time councillor of that council is a member, is 15% of the salary of such councillor determined in terms of item 5.

(a) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a full-time councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R1014.00 per month.

Upper limits of annual salaries of part-time councillors

11. The upper limit of the annual salary of a part-time councillor is as follows:

Grade	Executive Mayor or Mayor	Speaker, Deputy Executive Mayor or Deputy Mayor	Members of the Executive Committee or Mayoral Committee	Other part-time members
6	202640	162113	151979	143586
5	182375	145901	136781	72950
4	131716	105372	98786	52686
3	101320	81055	75989	40528
2	70923	56739	53193	28368
1	40528	32422	30394	16210

Upper limits of allowances of part-time councillors

12. The upper limits of the allowances of a part-time councillor is as follows:

(a) *Travelling allowances:*

- (i) (aa) A fixed allowance based on a percentage of the salary of the councillor concerned as determined in terms of item 11, which percentage may not exceed 25%; or

- (bb) An allowance in respect of kilometres travelled during the performance of official functions on behalf of the municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (ii) In addition to the allowances referred to in subparagraph (i), a further allowance regarding kilometres travelled in respect of the performance of official functions on behalf of the municipality outside the jurisdiction of that municipality not exceeding the applicable tariffs prescribed by the Department of Transport for use of privately owned vehicles.
- (iii) A councillor must elect one of the options set out in sub-subparagraphs (aa) and (bb) of subparagraph (i) at the commencement of each financial year of municipalities: Provided that a councillor, other than an executive mayor or a mayor where applicable, may not receive any allowance provided for in subparagraphs (i) and (ii) where the municipal council concerned makes a vehicle available to that councillor.
- (iv) In addition to the allowances provided for in this paragraph, a councillor may utilise a council owned vehicle when performing a ceremonial function as determined by the municipal council concerned.

(b) *Use of personal facilities:*

An allowance of not more than R260.00 per month in respect of a part-time councillor who does not have the use of council owned facilities.

(c) *Cellphone allowance:*

A fixed allowance of not more than R660.00 per month in respect of cellphones.

(d) *Out of pocket expenses:*

A councillor must be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official and ceremonial duties.

Upper limit of pension fund contributions and medical aid benefits of part-time councillors

13. (a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a part-time councillor of that council is a member, is 15% of the salary of such councillor determined in terms of item 11.

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a part-time councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R1014.00 per month: Provided that the councillor concerned is not a member of a medical aid scheme by virtue of his or her employment in a capacity other than a councillor.

SCHEDULE: REMUNERATION OF MEMBERS OF MUNICIPAL COUNCILS

PROVINCE	NAME OF MUNICIPALITY	SEATS in 2000	REG. VOTERS	PROPERTY RATES	PTS. FOR R-VOTERS	PTS. FOR RATES	TOTAL PTS.	GRADE (RV&PR - OLD)	MAYOR PACKAGE	SPEAKER PACKAGE	NO. OF EXCO	EXCO (TOTAL)	WHIP PACKAGE	ORDINARY CLLRs (TOTAL)	TOTAL (2005/2006)	SEATS in 2004	TOTAL MUNICIPAL INCOME (TMI)	PTS. FOR TMI	PTS. FOR R-VOTERS	TOTAL PTS.	GRADE (RV&TMI) - NEW	MAYOR PACKAGE	SPEAKER PACKAGE	NO. OF EXCO	EXCO (TOTAL)	WHIP	ORDINARY CLLRs (TOTAL)	TOTAL (PROPOSED)	TOTAL INCREASE	% INCR.
Eastern Cape	Cacadu District Municipality	27	203 075	41 000	41.67	8.33	50.00	4	392 784	327 473	4	1 244 580	0	2 036 412	4 001 249	27	30 167 700	16.67	25.00	41.67	3	436 211	348 968	4	1 306 632	0	2 862 615	4 956 426	955 177	24
Eastern Cape	Camdeboo Municipality	11	20 427	5 822 000	16.67	16.67	33.34	3	317 423	267 182	1	0	0	639 600	1 224 205	11	35 741 825	16.67	8.33	25.00	2	388 005	310 404	1	0	0	970 008	1 668 417	444 212	36
Eastern Cape	Blue Crane Route Municipality	10	17 546	3 036 000	16.67	8.33	25.00	2	242 060	206 892	2	0	0	440 475	889 427	10	36 253 359	16.67	8.33	25.00	2	388 005	310 404	1	0	0	848 757	1 547 166	657 739	74
Eastern Cape	Ikwezi Municipality	5	5 446	847 000	8.33	8.33	16.66	1	166 697	146 602	0	0	0	137 709	451 008	5	6 029 693	8.33	8.33	16.66	1	373 678	298 942	0	0	0	350 322	1 022 942	571 934	127
Eastern Cape	Makana Municipality	24	43 284	17 501 000	25.00	16.67	41.67	3	317 423	267 182	3	763 863	0	1 519 050	2 867 518	24	87 014 810	25.00	8.33	33.33	2	388 005	310 404	3	873 009	0	2 303 769	3 875 187	1 007 669	35
Eastern Cape	Ndlambe Municipality	17	29 398	17 518 000	16.67	16.67	33.34	3	317 423	267 182	2	0	0	1 039 350	1 623 955	18	60 440 400	25.00	8.33	33.33	2	388 005	310 404	2	0	0	1 697 514	2 395 923	771 968	48
Eastern Cape	Sunday's River Valley Municipality	13	23 371	2 406 000	16.67	8.33	25.00	2	242 060	206 892	1	0	0	629 250	1 078 202	14	15 492 000	16.67	8.33	25.00	2	388 005	310 404	1	0	0	1 333 761	2 032 170	953 968	88
Eastern Cape	Baviaans Municipality	5	7 414	863 000	8.33	8.33	16.66	1	166 697	146 602	0	0	0	137 709	451 008	5	6 614 597	8.33	8.33	16.66	1	373 678	298 942	0	0	0	350 322	1 022 942	571 934	127
Eastern Cape	Kouga Municipality	19	37 999	41 976 000	25.00	25.00	50.00	3	317 423	267 182	2	0	0	1 199 250	1 783 855	20	133 725 270	25.00	8.33	33.33	2	388 005	310 404	3	873 009	0	1 818 765	3 390 183	1 606 328	90
Eastern Cape	Kouga Municipality	8	16 000	2 880 000	16.67	8.33	25.00	2	242 060	206 892	0	0	0	377 550	826 502	10	12 440 570	16.67	8.33	25.00	2	388 005	310 404	1	0	0	848 757	1 547 166	720 664	87
Eastern Cape	Amatole District Municipality	73	776 303	0	50.00	8.33	58.33	5	468 146	387 762	9	3 308 994	367 666	7 645 923	12 178 491	73	240 476 604	33.33	41.67	75.00	5	517 845	414 276	9	3 495 447	388 383	9 871 386	14 687 337	2 508 846	21
Eastern Cape	Mbashe Municipality	47	92 647	1 500 000	33.33	8.33	41.66	3	317 423	267 182	8	2 036 968	254 621	2 878 200	5 754 394	51	2 100 000	8.33	16.67	25.00	2	388 005	310 404	9	2 619 027	291 003	4 728 789	8 337 228	2 582 834	45
Eastern Cape	Mnquma Municipality	61	114 837	12 000 000	33.33	16.67	50.00	3	317 423	267 182	9	2 291 589	254 621	3 917 550	7 048 365	61	26 361 513	16.67	25.00	41.67	3	436 211	348 968	9	2 944 422	327 158	6 679 435	10 736 194	3 887 829	52
Eastern Cape	Great Kei Municipality	12	20 352	3 511 000	16.67	8.33	25.00	2	242 060	206 892	1	0	0	566 325	1 015 277	12	14 657 265	16.67	8.33	25.00	2	388 005	310 404	1	0	0	1 091 259	1 789 668	774 391	76
Eastern Cape	Armathlanti Municipality	39	65 043	3 654 000	33.33	33.33	41.66	3	317 423	267 182	6	1 527 726	0	2 478 450	4 590 781	40	29 875 081	16.67	16.67	33.34	3	436 211	348 968	7	2 290 106	327 158	4 089 450	7 491 893	2 901 112	63
Eastern Cape	Buffalo City Municipality	89	358 812	226 600 000	41.67	41.67	83.34	5	468 146	387 762	9	3 308 994	367 666	9 651 411	14 183 979	89	990 953 062	33.33	33.33	66.66	4	486 301	389 040	9	3 282 525	364 725	11 701 536	16 224 127	2 040 148	14
Eastern Cape	Nqushwa Municipality	27	42 989	558 000	25.00	8.33	33.33	2	242 060	206 892	4	792 400	0	1 321 425	2 562 777	27	5 816 097	8.33	8.33	16.66	1	373 678	298 942	4	1 121 032	0	2 452 524	4 245 906	1 683 129	66
Eastern Cape	Nkomo Municipality	41	68 438	9 141 000	33.33	16.67	50.00	3	317 423	267 182	7	1 782 347	254 621	2 478 450	5 100 023	41	46 744 794	16.67	16.67	33.34	3	436 211	348 968	7	2 290 106	327 158	4 225 765	7 628 208	2 528 185	50
Eastern Cape	Nxuba Municipality	8	13 185	1 918 000	16.67	8.33	25.00	2	242 060	206 892	0	0	0	377 550	826 502	8	12 106 607	16.67	8.33	25.00	2	388 005	310 404	0	0	0	727 506	1 425 915	599 413	73
Eastern Cape	Chris Hani District Municipality	38	354 611	0	41.67	8.33	50.00	4	392 784	327 473	6	1 866 870	0	2 909 160	5 496 287	38	13 655 000	16.67	33.33	50.00	3	436 211	348 968	6	1 962 948	0	4 089 450	6 837 577	1 341 290	24
Eastern Cape	Inxuba Yethemba Municipality	17	29 362	9 561 000	16.67	16.67	33.34	3	317 423	267 182	2	0	0	1 039 350	1 623 955	18	64 961 552	25.00	8.33	33.33	2	388 005	310 404	2	0	0	1 697 514	2 395 923	771 968	48
Eastern Cape	Tsolwana Municipality	10	16 084	1 059 000	16.67	8.33	25.00	2	242 060	206 892	1	0	0	440 475	889 427	10	6 152 413	8.33	8.33	16.66	1	373 678	298 942	1	0	0	817 418	1 490 038	600 611	68
Eastern Cape	Inkwanca Municipality	6	10 073	560 000	16.67	8.33	25.00	2	242 060	206 892	0	0	0	251 700	700 652	6	6 219 161	8.33	8.33	16.66	1	373 678	298 942	0	0	0	467 096	1 139 716	439 064	63
Eastern Cape	Lukani Municipality	48	87 707	22 901 000	33.33	25.00	58.33	4	392 784	327 473	8	2 489 160	311 145	3 587 964	7 108 526	53	102 054 150	25.00	16.67	41.67	3	436 211	348 968	9	2 944 422	327 158	5 588 915	9 645 674	2 537 148	36
Eastern Cape	Intsika Yethu Municipality	46	80 627	290 000	33.33	8.33	41.66	3	317 423	267 182	8	2 036 968	254 621	2 798 250	5 674 444	46	8 688 093	8.33	16.67	25.00	2	388 005	310 404	8	2 328 024	291 003	4 243 785	7 561 221	1 886 777	33
Eastern Cape	Emalahleni Municipality	27	52 187	1 098 000	25.00	8.33	33.33	2	242 060	206 892	4	792 400	0	1 321 425	2 562 777	31	8 832 047	8.33	16.67	25.00	2	388 005	310 404	5	1 455 015	0	2 910 024	5 063 448	2 600 671	98
Eastern Cape	Engcobo Municipality	29	56 456	919 000	25.00	8.33	33.33	2	242 060	206 892	4	792 400	0	1 447 275	2 688 627	31	9 095 331	8.33	16.67	25.00	2	388 005	310 404	5	1 455 015	0	2 910 024	5 063 448	2 374 821	88
Eastern Cape	Sakhisizwe Municipality	11	22 080	1 063 000	16.67	8.33	25.00	2	242 060	206 892	1	0	0	503 400	952 352	13	25 292 258	16.67	8.33	25.00	2	388 005	310 404	1	0	0	1 212 510	1 910 919	958 567	101
Eastern Cape	Ukhahlamba District Municipality	23	144 627	0	41.67	8.33	50.00	4	392 784	327 473	3	933 435	0	1 745 496	3 399 188	23	8 836 286	8.33	25.00	33.33	3	436 211	348 968	3	981 474	0	2 453 670	4 220 323	821 135	24
Eastern Cape	Elundini Municipality	32	53 387	2 777 000	25.00	8.33	33.33	2	242 060	206 892	5	990 500	0	1 573 125	3 012 577	32	22 037 166	16.67	16.67	33.34	3	436 211	348 968	5	1 635 790	0	3 407 875	5 828 844	2 816 267	93
Eastern Cape	Senqu Municipality	32	57 848	1 000 000	25.00	8.33	33.33	2	242 060	206 892	5	990 500	0	1 573 125	3 012 577	32	9 114 447	8.33	16.67	25.00	2	388 005	310 404	5	1 455 015	0	3 031 275	5 184 699	2 172 122	72
Eastern Cape	Maleswazi Municipality	12	18 486	5 119 000	16.67	16.67	33.34	3	317 423	267 182	1	0	0	719 550	1 304 155	12	28 282 110	16.67	8.33	25.00	2	388 005	310 404	1	0	0	1 091 259	1 789 668	485 514	37
Eastern Cape	Gariep Municipality	8	14 906	2 746 000	16.67	8.33	25.00	2	242 060	206 892	0	0	0	377 550	826 502	8	16 176 070	16.67	8.33	25.00	2	388 005	310 404	0	0	0	727 506	1 425 915	599 413	73
Eastern Cape	O.R.Tambo District Municipality	53	639 144	0	50.00	8.33	58.33	4	392 784	327 473	9	2 800 305	311 145	3 975 852	7 807 559	59	113 333 671	25.00	41.67	66.67	4	486 301	389 040	9	3 282 525	364 725	7 142 496	11 665 087	3 857 528	49
Eastern Cape	Mbizana Municipality	4																												

SCHEDULE: REMUNERATION OF MEMBERS OF MUNICIPAL COUNCILS

PROVINCE	NAME OF MUNICIPALITY	SEATS in 2000	REG. VOTERS	PROPERTY RATES	PTS. FOR R-VOTERS	PTS. FOR RATES	TOTAL PTS.	GRADE (RV&PR - OLD)	MAYOR PACKAGE	SPEAKER PACKAGE	NO. OF EXCO	EXCO (TOTAL)	WHIP PACKAGE	ORDINARY CLRLRS (TOTAL)	TOTAL (2005/2006)	SEATS in 2004	TOTAL MUNICIPAL INCOME (TMI)	PTS. FOR TMI	PTS. FOR R-VOTERS	TOTAL PTS.	GRADE (RV&TMI) - NEW	MAYOR PACKAGE	SPEAKER PACKAGE	NO. OF EXCO	EXCO (TOTAL)	WHIP	ORDINARY CLRLRS (TOTAL)	TOTAL (PROPOSED)	TOTAL INCREASE	% INCR.
Gauteng	Metsweding District Municipality	15	73 157	0	33.33	8.33	41.66	4	392 784	327 473	2	0	0	1 066 692	1 786 949	15	17 096 940	16.67	16.67	33.34	4	486 301	389 040	2	0	0	1 671 648	2 546 989	760 040	43
Gauteng	Kungwini Municipality	24	48 102	50 350 000	25.00	25.00	50.00	3	317 423	267 182	3	763 863	0	1 519 050	2 867 518	26	136 665 630	25.00	8.33	33.33	2	388 005	310 404	4	1 164 012	0	2 425 020	4 287 441	1 419 923	50
Gauteng	Nokeng Isa Taemane Municipality	12	25 055	10 000 000	16.67	16.67	33.34	3	317 423	267 182	1	0	0	1 719 550	1 304 155	12	43 479 420	16.67	8.33	25.00	2	388 005	310 404	1	0	0	1 091 259	1 789 668	485 513	37
Gauteng	West Rand District Municipality	39	357 427	0	41.67	8.33	50.00	5	468 146	387 762	6	2 205 996	0	3 885 633	6 947 537	39	158 277 580	25.00	33.33	58.33	4	486 301	389 040	6	2 188 350	0	4 711 008	7 774 699	827 162	12
Gauteng	Mogale City Municipality	64	147 609	89 657 000	41.67	33.33	75.00	5	468 146	387 762	9	3 308 994	367 666	6 517 836	11 050 404	64	467 524 633	33.33	25.00	58.33	4	486 301	389 040	9	3 282 525	364 725	7 902 336	12 424 927	1 374 523	12
Gauteng	Randfontein Municipality	37	65 845	37 924 000	33.33	25.00	58.33	4	392 784	327 473	6	1 866 870	0	2 812 188	5 399 315	37	184 323 076	25.00	16.67	41.67	3	436 211	348 968	6	1 962 948	0	3 953 135	6 701 262	1 301 947	24
Gauteng	Westonara Municipality	29	49 828	14 291 000	25.00	16.67	41.67	3	317 423	267 182	4	1 018 484	0	1 838 850	3 441 939	29	67 553 315	25.00	8.33	33.33	2	388 005	310 404	4	1 164 012	0	2 788 773	4 651 194	1 209 255	35
Gauteng	Sedibeng District Municipality	43	398 396	0	41.67	8.33	50.00	5	468 146	387 762	7	2 573 662	367 666	4 136 319	7 933 555	43	118 442 035	25.00	33.33	58.33	5	517 845	414 276	7	2 718 681	388 383	5 340 258	9 379 443	1 445 888	18
Gauteng	Emfuleni Municipality	85	323 882	160 472 000	41.67	41.67	83.34	5	468 146	387 762	9	3 308 994	367 666	9 150 039	13 682 607	85	1 085 398 333	33.33	33.33	66.66	4	486 301	389 040	9	3 282 525	364 725	11 093 664	15 616 255	1 933 648	14
Gauteng	Midvaal Municipality	18	35 531	38 873 000	25.00	25.00	50.00	3	317 423	267 182	2	0	0	1 119 300	1 703 905	18	174 121 000	25.00	8.33	33.33	2	388 005	310 404	2	0	0	1 818 765	2 517 174	813 269	48
Gauteng	Lesedi Municipality	21	38 983	18 062 000	25.00	16.67	41.67	3	317 423	267 182	3	763 863	0	1 279 200	2 627 668	21	116 132 873	25.00	8.33	33.33	2	388 005	310 404	3	873 009	0	1 940 016	3 511 434	883 766	34
Gauteng	City of Joburg	217	1 751 381	2 518 272 000	50.00	50.00	100.00	6	672 340	565 586	9	4 590 909	510 101	45 967 970	52 306 906	217	10 779 845 000	50.00	41.67	91.67	6	680 152	544 122	9	4 591 026	510 114	43 572 135	49 897 549	-2 409 357	-5
Gauteng	Ekurhuleni Metropolitan	175	1 254 407	1 323 291 000	50.00	50.00	100.00	6	672 340	565 586	9	4 590 909	510 101	36 550 142	42 889 078	175	6 759 945 881	50.00	41.67	91.67	6	680 152	544 122	9	4 591 026	510 114	34 645 161	40 970 575	-1 918 503	-4
Gauteng	City of Tshwane	152	1 072 466	1 369 440 000	50.00	50.00	100.00	6	672 340	565 586	9	4 590 909	510 101	31 352 760	37 731 696	152	5 854 141 113	50.00	41.67	91.67	6	680 152	544 122	9	4 591 026	510 114	29 756 580	36 081 994	-1 649 702	-4
KwaZulu-Natal	Ogu District Municipality	34	293 099	0	41.67	8.33	50.00	4	392 784	327 473	5	1 555 725	0	2 618 244	4 894 226	34	203 701 565	33.33	33.33	66.66	4	486 301	389 040	5	1 823 625	0	4 103 136	6 802 102	1 907 976	39
KwaZulu-Natal	Vulamehlo Municipality	20	34 901	0	25.00	8.33	33.33	2	242 060	206 892	3	594 300	0	943 875	1 987 127	20	500 000	8.33	8.33	16.66	1	373 678	298 942	3	840 774	0	1 751 610	3 265 004	1 277 877	64
KwaZulu-Natal	uMdoni Municipality	18	32 285	26 762 000	25.00	25.00	50.00	3	317 423	267 182	2	0	0	1 119 300	1 703 905	18	38 504 041	16.67	8.33	25.00	2	388 005	310 404	2	0	0	1 697 514	2 395 923	692 018	41
KwaZulu-Natal	uMzumbane Municipality	37	67 016	0	33.33	8.33	41.66	3	317 423	267 182	6	1 527 726	0	2 318 550	4 430 881	37	150 000	8.33	16.67	25.00	2	388 005	310 404	6	1 746 018	0	3 516 279	5 960 706	1 529 825	35
KwaZulu-Natal	uMuziwabantu Municipality	18	33 495	2 982 000	25.00	8.33	33.33	2	242 060	206 892	2	0	0	880 950	1 329 902	18	0	8.33	8.33	16.66	1	373 678	298 942	2	0	0	1 634 836	2 307 456	977 554	74
KwaZulu-Natal	uMhlabathini Municipality	9	20 024	0	16.67	8.33	25.00	2	242 060	206 892	0	0	0	440 475	889 427	9	9 366 645	8.33	8.33	16.66	1	373 678	298 942	0	0	0	817 418	1 490 038	600 611	68
KwaZulu-Natal	Hibiscus Coastal Municipality	58	105 378	115 636 000	33.33	33.33	66.66	4	392 784	327 473	9	2 800 305	311 145	4 460 712	8 292 419	58	0	8.33	25.00	33.33	2	388 005	310 404	9	2 619 027	291 003	5 577 546	9 185 985	893 566	11
KwaZulu-Natal	uMngundlovu DM	41	384 033	0	41.67	8.33	50.00	5	468 146	387 762	7	2 573 662	367 666	3 885 633	7 682 969	41	140 709 550	25.00	33.33	58.33	5	517 845	414 276	7	2 718 681	388 383	5 016 606	9 056 791	1 372 922	18
KwaZulu-Natal	uMshwathi Municipality	22	38 814	2 479 000	25.00	8.33	33.33	2	242 060	206 892	3	594 300	0	1 069 725	2 112 977	22	7 114 999	8.33	8.33	16.66	1	373 678	298 942	3	840 774	0	1 985 158	3 498 552	1 385 575	66
KwaZulu-Natal	Mngeni Municipality	21	35 273	23 519 000	25.00	25.00	50.00	3	317 423	267 182	3	763 863	0	1 279 200	2 627 668	21	98 823 020	25.00	8.33	33.33	2	388 005	310 404	3	873 009	0	1 940 016	3 511 434	883 766	34
KwaZulu-Natal	Mooi Mponana Municipality	7	13 708	3 228 000	16.67	8.33	25.00	2	242 060	206 892	0	0	0	314 625	763 577	7	19 742 678	16.67	8.33	25.00	2	388 005	310 404	0	0	0	606 255	1 034 664	541 087	71
KwaZulu-Natal	Impendle Municipality	7	12 551	42 000	16.67	8.33	25.00	2	242 060	206 892	0	0	0	314 625	763 577	7	1 377 494	8.33	8.33	16.66	1	373 678	298 942	0	0	0	583 870	1 256 490	492 913	65
KwaZulu-Natal	The Msunduzi Municipality	73	234 468	243 720 000	41.67	41.67	83.34	5	468 146	387 762	9	3 308 994	367 666	7 645 923	12 178 491	73	1 060 259 877	33.33	25.00	58.33	4	486 301	389 040	9	3 282 525	364 725	9 270 048	13 792 639	1 614 148	13
KwaZulu-Natal	Mkhambathini Municipality	14	24 928	881 000	16.67	8.33	25.00	2	242 060	206 892	1	0	0	1 141 127	1 141 127	14	2 854 527	8.33	8.33	16.66	1	373 678	298 942	1	0	0	1 284 514	1 957 134	816 007	72
KwaZulu-Natal	Richmond Municipality	13	24 224	2 935 000	16.67	8.33	25.00	2	242 060	206 892	1	0	0	629 250	1 078 202	13	6 836 403	8.33	8.33	16.66	1	373 678	298 942	1	0	0	1 167 740	1 840 360	762 158	71
KwaZulu-Natal	Uthukela District Municipality	30	238 273	0	41.67	8.33	50.00	4	392 784	327 473	5	1 555 725	0	2 230 356	4 506 338	30	92 623 300	25.00	25.00	50.00	4	486 301	389 040	5	1 823 625	0	3 495 264	6 194 230	1 687 892	37
KwaZulu-Natal	Emnambithi-Ladysmith Municipality	50	87 835	62 581 000	33.33	33.33	66.66	4	392 784	327 473	9	2 800 305	311 145	3 684 936	7 516 643	50	207 573 260	33.33	16.67	50.00	3	436 211	348 968	9	2 944 422	327 158	5 179 970	9 236 729	1 720 886	23
KwaZulu-Natal	Indaka Municipality	20	35 499	0	25.00	8.33	33.33	2	242 060	206 892	3	594 300	0	943 875	1 987 127	20	1 640 400	8.33	8.33	16.66	1	373 678	298 942	3	840 774	0	1 751 610	3 265 004	1 277 877	64
KwaZulu-Natal	Umtshezi Municipality	14	27 056	17 407 000	16.67	16.67	33.34	3	317 423	267 182	1	0	0	879 450	1 464 055	14	86 336 914	25.00	8.33	33.33	2	388 005	310 404	1	0	0	1 333 761	2 032 170	568 115	39
KwaZulu-Natal	Okhahlamba Municipality	26	45 680	2 599 000	25.00	8.33	33.33	2	242 060	206 892	4	792 400																		

SCHEDULE: REMUNERATION OF MEMBERS OF MUNICIPAL COUNCILS

PROVINCE	NAME OF MUNICIPALITY	SEATS in 2000	REG. VOTERS	PROPERTY RATES	PTS. FOR R-VOTERS	PTS. FOR RATES	TOTAL PTS.	GRADE (RV&PR - OLD)	MAYOR PACKAGE	SPEAKER PACKAGE	NO. OF EXCO	EXCO (TOTAL)	WHIP PACKAGE	ORDINARY CLLRs (TOTAL)	TOTAL (2005/2006)	SEATS in 2004	TOTAL MUNICIPAL INCOME (TM)	PTS. FOR TM	PTS. FOR R-VOTERS	TOTAL PTS.	GRADE (RV&TM) - NEW	MAYOR PACKAGE	SPEAKER PACKAGE	NO. OF EXCO	EXCO (TOTAL)	WHIP	ORDINARY CLLRs (TOTAL)	TOTAL (PROPOSED)	TOTAL INCREASE	% INCR.
Limpopo	Sekhukhune DM	42	413 699	0	41.67	8.33	50.00	4	392 784	327 473	7	2 178 015	311 145	3 103 104	6 312 521	42	91 139 481	25.00	33.33	58.33	3	436 211	348 968	7	2 290 106	327 158	4 362 080	7 764 523	1 452 002	23
Limpopo	Greater Marble Hall Local Municipality	26	50 380	4 226 000	25.00	8.33	33.33	2	242 060	206 892	4	792 400	0	1 258 500	2 499 852	27	26 494 086	16.67	16.67	33.34	3	436 211	348 968	4	1 308 632	0	2 862 615	4 956 426	2 456 574	98
Limpopo	Greater Groblersdal Municipality	57	104 067	4 700 000	33.33	8.33	41.66	3	317 423	267 182	9	2 291 589	254 621	3 597 750	6 728 565	57	31 071 630	16.67	25.00	41.67	3	436 211	348 968	9	2 944 422	327 158	6 134 175	10 190 934	3 462 369	51
Limpopo	Greater Tubatse Municipality	57	111 493	4 600 000	33.33	8.33	41.66	3	317 423	267 182	9	2 291 589	254 621	3 597 750	6 728 565	57	16 740 003	16.67	25.00	41.67	3	436 211	348 968	9	2 944 422	327 158	6 134 175	10 190 934	3 462 369	51
Limpopo	Makhudutagama Municipality	56	109 747	0	33.33	8.33	41.66	3	317 423	267 182	9	2 291 589	254 621	3 517 800	6 648 615	61	0	8.33	25.00	33.33	2	388 005	310 404	9	2 619 027	291 003	5 941 299	9 549 738	2 901 123	44
Limpopo	Fetakgomo Municipality	22	37 987	0	25.00	8.33	33.33	2	242 060	206 892	3	594 300	0	1 069 725	2 112 977	26	4 160 000	8.33	8.33	16.66	1	373 678	298 942	4	1 121 032	0	2 335 480	4 129 132	2 016 155	95
Limpopo	Mopani District Municipality	37	399 981	0	41.67	8.33	50.00	4	392 784	327 473	6	1 866 870	2 812 188	5 399 315	45	121 201 000	25.00	33.33	58.33	4	486 301	389 040	8	2 917 800	364 725	5 166 912	9 324 778	3 925 463	73	
Limpopo	Greater Giyani Municipality	50	98 375	0	33.33	8.33	41.66	3	317 423	267 182	9	2 291 589	254 621	3 038 100	6 168 915	60	41 419 972	16.67	16.67	33.34	3	436 211	348 968	9	2 944 422	327 158	6 543 120	10 599 879	4 430 964	72
Limpopo	Greater Letaba Municipality	46	86 263	9 374 000	33.33	16.67	50.00	3	317 423	267 182	8	2 036 968	254 621	2 798 250	5 674 444	52	34 496 371	16.67	16.67	33.34	3	436 211	348 968	9	2 944 422	327 158	5 452 600	9 509 359	3 834 915	68
Limpopo	Greater Tzaneen Municipality	66	162 489	18 664 000	41.67	16.67	58.34	4	392 784	327 473	9	2 800 305	3 111 145	5 236 488	9 068 195	67	178 020 285	25.00	25.00	50.00	3	436 211	348 968	9	2 944 422	327 158	7 497 325	11 554 084	2 485 889	27
Limpopo	Ba-Phalaborwa Municipality	28	52 854	20 428 000	25.00	25.00	50.00	3	317 423	267 182	4	1 018 484	0	1 758 900	3 361 989	32	121 979 012	25.00	16.67	41.67	3	436 211	348 968	5	1 635 790	0	3 407 875	5 828 844	2 466 855	73
Limpopo	Maruleng Municipality	20	39 548	0	25.00	8.33	33.33	2	242 060	206 892	3	594 300	0	943 875	1 987 127	24	2 143 000	8.33	8.33	16.66	1	373 678	298 942	3	840 774	0	2 218 706	3 732 100	1 744 973	88
Limpopo	Vhembe District Municipality	43	508 413	0	50.00	8.33	58.33	4	392 784	327 473	7	2 178 015	3 111 145	3 200 076	6 409 493	54	46 546 759	16.67	33.33	50.00	4	486 301	389 040	9	3 282 525	364 725	6 382 656	10 905 247	4 495 754	70
Limpopo	Musina Municipality	9	17 702	4 587 000	16.67	8.33	25.00	2	242 060	206 892	0	0	0	440 475	889 427	11	34 764 220	16.67	8.33	25.00	2	388 005	310 404	1	0	0	970 008	1 668 417	778 990	88
Limpopo	Mutale Municipality	17	34 342	2 900 000	25.00	8.33	33.33	2	242 060	206 892	2	0	0	818 025	1 266 977	22	2 800 150	8.33	8.33	16.66	1	373 678	298 942	3	840 774	0	1 985 158	3 498 552	2 231 575	176
Limpopo	Thulamela Municipality	71	242 808	10 000 000	41.67	16.67	58.34	4	392 784	327 473	9	2 800 305	3 111 145	5 721 348	9 359 111	73	128 426 037	25.00	25.00	50.00	3	436 211	348 968	9	2 944 422	327 158	8 724 160	12 780 919	3 227 884	34
Limpopo	Makhado Municipality	69	213 561	5 285 000	41.67	16.67	58.34	4	392 784	327 473	9	2 800 305	3 111 145	5 274 404	9 359 111	73	138 384 420	25.00	25.00	50.00	3	436 211	348 968	9	2 944 422	327 158	8 315 215	12 371 974	3 012 883	32
Limpopo	Capricorn District Municipality	42	467 142	0	50.00	8.33	58.33	5	468 146	387 762	7	2 573 662	367 666	4 010 976	7 808 212	50	90 388 195	25.00	33.33	58.33	4	486 301	389 040	9	3 282 525	364 725	5 774 784	10 297 375	2 489 163	32
Limpopo	Bloubaerg Municipality	31	60 145	0	33.33	8.33	41.66	3	317 423	267 182	5	1 273 105	0	1 918 800	3 776 510	36	0	8.33	16.67	25.00	2	388 005	310 404	6	1 746 018	0	3 395 028	5 839 455	2 062 945	55
Limpopo	Aganang Municipality	35	59 694	0	25.00	8.33	33.33	2	242 060	206 892	6	1 188 600	0	1 698 975	3 356 527	36	8 287 713	8.33	16.67	25.00	2	388 005	310 404	6	1 746 018	0	3 395 028	5 839 455	2 502 928	75
Limpopo	Molemole Municipality	23	41 456	988 000	25.00	8.33	33.33	2	242 060	206 892	3	594 300	0	1 132 650	2 175 902	25	5 579 063	8.33	8.33	16.66	1	373 678	298 942	4	1 121 032	0	2 218 706	4 012 358	1 836 456	84
Limpopo	Polokwane Municipality	69	215 225	98 773 000	41.67	33.33	75.00	5	468 146	387 762	9	3 308 994	367 666	7 144 551	11 577 119	73	452 191 615	33.33	25.00	58.33	4	486 301	389 040	9	3 282 525	364 725	9 270 048	13 792 639	2 115 530	18
Limpopo	Lesolel-Nkumoi Municipality	49	90 622	0	33.33	8.33	41.66	3	317 423	267 182	8	2 036 968	254 621	3 038 100	5 914 294	54	23 795 610	16.67	16.67	33.34	3	436 211	348 968	9	2 944 422	327 158	5 725 230	9 781 889	3 967 695	65
Limpopo	Waterberg District Municipality	28	262 816	0	41.67	8.33	50.00	4	392 784	327 473	4	1 244 580	0	2 133 384	4 098 221	33	53 418 500	25.00	33.33	58.33	4	486 301	389 040	5	1 823 625	0	3 951 168	6 650 134	2 551 913	62
Limpopo	Thabazimbi Municipality	16	32 770	14 291 000	25.00	16.67	41.67	3	317 423	267 182	2	0	0	1 544 005	2 005 200	20	51 069 492	25.00	8.33	33.33	2	388 005	310 404	3	873 009	0	1 818 765	3 390 183	1 846 178	120
Limpopo	Lephalale Municipality	21	39 971	14 160 000	25.00	16.67	41.67	3	317 423	267 182	3	763 863	0	1 279 200	2 627 668	24	55 717 100	25.00	8.33	33.33	2	388 005	310 404	3	873 009	0	2 303 769	3 875 187	1 247 510	47
Limpopo	Mookgongong Municipality	7	13 001	5 847 000	16.67	16.67	33.34	3	317 423	267 182	0	0	0	399 750	984 355	8	26 345 380	16.67	8.33	25.00	2	388 005	310 404	0	0	0	727 506	1 425 915	441 560	45
Limpopo	Modimole Municipality	13	25 404	9 691 000	16.67	16.67	33.34	3	317 423	267 182	1	0	0	799 500	1 384 105	16	48 505 665	16.67	8.33	25.00	2	388 005	310 404	2	0	0	1 455 012	2 153 421	769 316	56
Limpopo	Bela Bela Municipality	13	24 892	11 686 000	16.67	16.67	33.34	3	317 423	267 182	1	0	0	799 500	1 384 105	15	47 898 119	16.67	8.33	25.00	2	388 005	310 404	2	0	0	1 333 761	2 032 170	648 065	47
Limpopo	Mogalakwena Municipality	62	126 778	24 090 000	41.67	25.00	66.67	4	392 784	327 473	9	2 800 305	3 111 145	4 848 600	8 680 307	63	107 700 023	25.00	25.00	50.00	3	436 211	348 968	9	2 944 422	327 158	6 952 065	11 008 824	2 328 517	27
Limpopo / MP	Bhlabela CB District Municipality	29	235 051	0	41.67	8.33	50.00	4	392 784	327 473	4	1 244 580	0	2 230 356	4 195 193	3	15 367 300	25.00	25.00	50.00	3	436 211	348 968	9	2 944 422	327 158	6 952 065	11 008 824	2 328 517	27
Mpumalanga	Gert Sibande District Municipality	44	410 000	0	41.67	8.33	50.00	5	468 146	387 762	7	2 573 662	367 666	4 261 662	8 058 898	44	157 850 450	25.00	33.33	58.33	4	486 301	389 040	7	2 553 075	364 725	5 166 912	8 960 053	901 155	11
Mpumalanga	Albert Luthuli Municipality	44	78 379	11 815 000	33.33	16.67	50.00	3	317 423	267 182	7	1 782 347	254 621	2 718 300	5 339 873	44	28 236 286	16.67	16.67	33.34	3	436 211	348 968	7	2 290 106	327 158	4 634 710	8 037 153	2 697 280	51
Mpumalanga	Musikalgwa Municipality	32																												

SCHEDULE: REMUNERATION OF MEMBERS OF MUNICIPAL COUNCILS

PROVINCE	NAME OF MUNICIPALITY	SEATS in 2000	REG. VOTERS	PROPERTY RATES	PTS. FOR R-VOTERS	PTS. FOR RATES	TOTAL PTS.	GRADE (RV&PR - OLD)	MAYOR PACKAGE	SPEAKER PACKAGE	NO. OF EXCO	EXCO (TOTAL)	WHIP PACKAGE	ORDINARY CLLRs (TOTAL)	TOTAL (2005/2006)	SEATS in 2004	TOTAL MUNICIPAL INCOME (TMI)	PTS. FOR TMI	PTS. FOR R-VOTERS	TOTAL PTS.	GRADE (RV&TMI) - NEW	MAYOR PACKAGE	SPEAKER PACKAGE	NO. OF EXCO	EXCO (TOTAL)	WHIP	ORDINARY CLLRs (TOTAL)	TOTAL (PROPOSED)	TOTAL INCREASE	% INCR.
North West	Bophirama District Municipality	25	200 092	0	41.67	8.33	50.00	4	392 784	327 473	4	1 244 580	0	1 842 468	3 807 305	25	11 379 643	16.67	25.00	41.67	3	436 211	348 968	4	1 308 632	0	2 589 985	4 683 796	876 491	23
North West	Kagisano Municipality	18	42 225	26 000	25.00	33.33	2	242 060	206 892	2	0	0	0	880 950	1 329 902	23	7 481 774	8.33	8.33	16.66	1	373 678	298 942	3	840 774	0	2 101 932	3 615 326	2 285 424	172
North West	Naledi Municipality	18	29 189	11 912 000	16.67	16.67	33.34	3	317 423	267 182	2	0	0	1 119 300	1 703 905	18	77 860 940	25.00	8.33	33.33	2	388 005	310 404	2	0	0	1 697 514	2 395 923	692 018	41
North West	Mamusu Municipality	12	22 224	3 212 000	16.67	8.33	25.00	2	242 060	206 892	1	0	0	566 325	1 015 277	12	18 524 523	16.67	8.33	25.00	2	388 005	310 404	1	0	0	1 091 259	1 789 668	774 391	76
North West	Greater Taung Municipality	40	82 193	1 896 000	33.33	8.33	41.66	3	317 423	267 182	7	1 782 347	254 621	2 398 500	5 020 073	44	5 354 539	8.33	16.67	25.00	2	388 005	310 404	7	2 037 021	291 003	4 122 534	7 148 967	2 128 894	42
North West	Molopo Municipality	8	4 361	0	8.33	8.33	16.66	1	166 697	146 602	0	0	0	275 418	588 717	8	1 332 992	8.33	8.33	16.66	1	373 678	298 942	0	0	0	700 644	1 373 264	784 547	133
North West	Lekwa-Teemane Municipality	11	19 900	3 951 000	16.67	8.33	25.00	2	242 060	206 892	1	0	0	503 400	952 352	11	42 246 874	16.67	8.33	25.00	2	388 005	310 404	1	0	0	970 008	1 668 417	716 065	75
North West	Southern District Municipality	35	302 053	0	41.67	8.33	50.00	4	392 784	327 473	6	1 866 870	0	2 818 244	5 205 371	35	106 597 750	25.00	33.33	58.33	4	486 301	389 040	6	2 188 350	0	4 103 136	7 166 827	1 961 456	38
North West	Ventersdorp Municipality	10	16 611	1 900 000	16.67	8.33	25.00	2	242 060	206 892	1	0	0	440 475	889 427	10	28 143 325	16.67	8.33	25.00	2	388 005	310 404	1	0	0	848 757	1 547 166	657 739	74
North West	Potchefstroom Municipality	40	78 177	43 958 000	33.33	25.00	58.33	4	392 784	327 473	7	2 178 015	311 145	2 909 160	6 118 577	42	258 258 156	33.33	16.67	50.00	3	436 211	348 968	7	2 290 106	327 158	4 362 080	7 764 523	1 645 946	27
North West	City Council of Klerksdorp	60	174 032	77 190 000	41.67	33.33	75.00	5	468 146	387 762	9	3 308 994	367 666	6 016 464	10 549 032	61	446 562 870	33.33	25.00	58.33	4	486 301	389 040	9	3 282 525	364 725	7 446 432	11 969 023	1 419 991	13
North West	Maquassi Hills Municipality	15	31 233	6 403 000	25.00	16.67	41.67	3	317 423	267 182	2	0	0	879 450	1 464 055	16	40 710 600	16.67	8.33	25.00	2	388 005	310 404	2	0	0	1 455 012	2 153 421	689 366	47
North West	Marafong City Local Municipality	51	92 113	43 966 000	33.33	25.00	58.33	4	392 784	327 473	9	2 800 305	311 145	3 781 908	7 613 615	51	186 204 445	25.00	16.67	41.67	3	436 211	348 968	9	2 944 422	327 158	5 316 285	9 373 044	1 759 429	23
Northern Cape	Kgalagadi District Municipality	17	83 989	19 000	33.33	8.33	41.66	4	392 784	327 473	2	0	0	1 260 636	1 980 893	17	30 499 420	16.67	16.67	33.34	3	436 211	348 968	2	0	0	1 772 095	2 557 274	576 381	29
Northern Cape	Ga-Segonyana Municipality	18	35 020	13 059 000	25.00	16.67	41.67	3	317 423	267 182	2	0	0	1 119 300	1 703 905	18	49 867 832	16.67	8.33	25.00	2	388 005	310 404	2	0	0	1 697 514	2 395 923	692 018	41
Northern Cape	Gamagara Municipality	8	9 952	3 790 000	8.33	8.33	16.66	1	166 697	146 602	0	0	0	275 418	588 717	8	31 728 437	16.67	8.33	25.00	2	388 005	310 404	0	0	0	727 506	1 425 915	837 198	142
Northern Cape	Moshaweng Municipality	21	35 802	1 100 000	25.00	8.33	33.33	2	242 060	206 892	3	594 300	0	1 006 800	2 050 052	21	2 100 000	8.33	8.33	16.66	1	373 678	298 942	3	840 774	0	1 868 384	3 381 778	1 331 726	65
Northern Cape	Namakwa District Municipality	14	61 135	0	33.33	8.33	41.66	4	392 784	327 473	1	0	0	1 066 692	1 786 949	14	18 180 340	16.67	16.67	33.34	3	436 211	348 968	1	0	0	1 499 465	2 284 644	497 695	28
Northern Cape	Richtersveld Municipality	8	6 928	2 647 000	8.33	8.33	16.66	1	166 697	146 602	0	0	0	275 418	588 717	8	19 405 541	16.67	8.33	25.00	2	388 005	310 404	0	0	0	727 506	1 425 915	837 198	142
Northern Cape	Nama Khoi Municipality	17	24 713	8 529 000	16.67	16.67	33.34	3	317 423	267 182	2	0	0	1 039 350	1 623 955	17	44 878 111	16.67	8.33	25.00	2	388 005	310 404	2	0	0	1 576 263	2 274 672	650 717	40
Northern Cape	Kamiesberg Municipality	7	6 263	2 025 000	8.33	8.33	16.66	1	166 697	146 602	0	0	0	229 515	542 814	7	15 353 481	16.67	8.33	25.00	2	388 005	310 404	0	0	0	606 255	1 304 664	761 850	140
Northern Cape	Hantam Municipality	9	10 645	4 071 000	16.67	8.33	25.00	2	242 060	206 892	0	0	0	440 475	889 427	9	15 306 200	16.67	8.33	25.00	2	388 005	310 404	0	0	0	848 757	1 547 166	657 739	74
Northern Cape	Karoo Hoogland Municipality	7	6 215	1 371 000	8.33	8.33	16.66	1	166 697	146 602	0	0	0	229 515	542 814	7	7 466 264	8.33	8.33	16.66	1	373 678	298 942	0	0	0	583 870	1 256 490	713 676	131
Northern Cape	Khai-Ma Municipality	7	5 835	1 095 000	8.33	8.33	16.66	1	166 697	146 602	0	0	0	229 515	542 814	7	5 496 531	8.33	8.33	16.66	1	373 678	298 942	0	0	0	583 870	1 256 490	713 676	131
Northern Cape	Karoo District Municipality	17	88 634	0	33.33	8.33	41.66	4	392 784	327 473	2	0	0	1 260 636	1 980 893	17	9 338 080	8.33	16.67	25.00	2	388 005	310 404	2	0	0	1 576 263	2 274 672	293 779	15
Northern Cape	Umtata Municipality	8	8 322	363 000	8.33	8.33	16.66	1	166 697	146 602	0	0	0	275 418	588 717	8	11 701 819	16.67	8.33	25.00	2	388 005	310 404	0	0	0	727 506	1 425 915	837 198	142
Northern Cape	Umsobomvu Municipality	10	13 077	7 500 000	16.67	16.67	33.34	3	317 423	267 182	1	0	0	559 650	1 144 255	10	23 326 061	16.67	8.33	25.00	2	388 005	310 404	1	0	0	848 757	1 547 166	402 911	35
Northern Cape	Erhanjeni Municipality	14	20 510	6 250 000	16.67	16.67	33.34	3	317 423	267 182	1	0	0	879 450	1 464 055	14	42 976 814	16.67	8.33	25.00	2	388 005	310 404	1	0	0	1 333 761	2 032 170	568 115	39
Northern Cape	Kareeberg Municipality	7	6 285	1 411 000	8.33	8.33	16.66	1	166 697	146 602	0	0	0	229 515	542 814	7	8 849 641	8.33	8.33	16.66	1	373 678	298 942	0	0	0	583 870	1 256 490	713 676	131
Northern Cape	Renosterberg Municipality	7	5 635	650 000	8.33	8.33	16.66	1	166 697	146 602	0	0	0	229 515	542 814	7	4 500 445	8.33	8.33	16.66	1	373 678	298 942	0	0	0	583 870	1 256 490	713 676	131
Northern Cape	Thembelille Municipality	7	7 092	1 198 000	8.33	8.33	16.66	1	166 697	146 602	0	0	0	229 515	542 814	7	19 856 462	16.67	8.33	25.00	2	388 005	310 404	0	0	0	606 255	1 304 664	761 850	140
Northern Cape	Siyathemba Municipality	8	9 994	2 320 000	8.33	8.33	16.66	1	166 697	146 602	0	0	0	275 418	588 717	8	14 500 018	16.67	8.33	25.00	2	388 005	310 404	0	0	0	727 506	1 425 915	837 198	142
Northern Cape	Siyancuma Municipality	9	16 479	3 554 000	16.67	8.33	25.00	2	242 060	206 892	0	0	0	440 475	889 427	9	17 820 863	16.67	8.33	25.00	2	388 005	310 404	0	0	0	848 757	1 547 166	657 739	74
Northern Cape	Kgalagadi District Municipality	18	103 888	0	33.33	8.33	41.66	4	392 784	327 4																				