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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**NO. 1224****08 NOVEMBER 2018****LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000
(ACT NO. 32 OF 2000)****LOCAL GOVERNMENT:
UPPER LIMITS OF TOTAL REMUNERATION PACKAGES PAYABLE TO MUNICIPAL
MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL
MANAGERS**

Under the powers vested in me by section 72(2A) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), I, Zwelini Lawrence Mkhize, Minister for Cooperative Governance and Traditional Affairs, hereby –

- (a) after consultation with the Minister of Finance, the Minister for Public Service and Administration, the MECs responsible for local government and organised local government; and
- (b) after taking into consideration the matters as set out in Regulation 35 of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, issued in terms of Government Notice No. 21 as published under Government Gazette No. 37245 of 17 January 2014,

determine the upper limits of the total remuneration packages payable to municipal managers and managers directly accountable to municipal managers as set out in the Schedule.

**DR ZWELINI L MKHIZE MP****MINISTER FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

SCHEDULE

Preamble

Having regard to the upper limits of salaries of municipal managers and managers directly accountable to municipal managers (senior managers) as set out below, the need to prioritise service delivery to communities and to sustain viable local government and the fiscal capacity of different categories of municipalities, this Notice provides a strategic framework for remuneration of senior managers across all municipalities.

The development of this Notice took into consideration the core reward principles aimed at ensuring an appropriate remuneration mix and sought to ensure that the remuneration of senior managers is cost-effective, consistent, internally balanced (equitable) and externally competitive and aligned to the achievement of the objectives of municipalities while providing a uniform remuneration framework for local government.

The upper limits constitutes an integral part of the human resource value chain in building resilient administrative institutions underpinned by the intent to enable municipalities to attract, appoint and retain appropriately qualified and competent senior managers necessary for effective performance of their functions.

In order to strengthen the capacity of municipalities, this Notice reinforces the statutory obligation binding on municipalities to appoint senior managers who meet the minimum prescribed competencies, higher education qualification, work experience, knowledge, including attainment of a competent achievement level or higher as measured against the Local Government: Regulations on Appointment and Conditions of Employment for Senior Managers of 2014.

Definitions

1. In this Schedule, unless the context otherwise indicates, a word or phrase to which a meaning has been assigned in the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (hereafter referred to as "the Act") and the Local Government: Regulations on Appointment and Conditions of Employment for Senior Managers has that meaning, and –

“categorisation” means categorisation of a municipality as determined in terms of item 5 of the Notice;

“competency framework” means the Local Government Competency Framework for Senior Managers as provided in the Local Government: Regulations on Appointment and Conditions of Employment for Senior Managers;

“Regulations” means the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers issued in terms of Government Notice No. 21 as published under Government Gazette No. 37245 of 17 January 2014;

“remote allowance” means a non-pensionable allowance payable by a municipality to attract and retain suitably qualified and competent senior managers to a geographically remote area where the approved pay scales are not sufficient to attract such senior managers;

“remoteness index” means the remoteness directory of all municipalities in the Republic providing a relative weight in terms of the remoteness of each municipality in relation to another as measured in terms of access to a range of public and private services, including livelihood opportunities;

“total municipal equitable share” means the equitable share of revenue that is provided to a metropolitan, district or local municipality for the 2017/18 financial year in terms of section 227(1) of the Constitution of the Republic of South Africa, 1996, to enable the municipality to provide basic services and perform the functions allocated to it, but excludes regional services council replacement grant for district municipalities;

“total municipal income” means the gross income in respect of a metropolitan, district or local municipality based on actual income as stated in the audited financial statements of that municipality for the 2016/17 financial year.

(a) The gross income for municipality includes the following:

- (i) rates on property;
- (ii) fees for services rendered by the municipality, or on its behalf by a municipal entity;
- (iii) surcharges;
- (iv) other authorised taxes;

- (v) levies and duties;
 - (vi) income from fines for traffic offences and contravention of municipal by-laws or legislation assigned to the local sphere of government;
 - (vii) regional services council replacement grant for district municipalities;
 - (viii) interest earned on invested funds other than national and provincial conditional grants;
 - (ix) rental for the use of municipal movable or immovable property; and
 - (x) amounts received as agent for other spheres of government.
- (b) The gross income excludes –
- (i) transfers and / or grants from the national fiscus and provincial fiscus, with the exception of regional services council replacement grant for district municipalities; and
 - (ii) all value added tax (VAT) refunds.

“total population” means the official statistics of the population residing in the area of jurisdiction of a metropolitan, district or local municipality, as published in the Community Survey 2016: Statistical Release No. P0301, in terms of the *Statistics Act*, 1999 (Act No. 6 of 1999);

“upper limits” means the applicable total remuneration package values as contained in the Notice.

Allocation of number of points for total municipal income

2. The number of points allocated for the total municipal income of a municipality, is as follows:

| TOTAL MUNICIPAL INCOME | | |
|-------------------------------|--------------|-------------------------|
| From | To | Number of Points |
| R 0 | R 13,742,749 | 1 |
| R 13,742,750 | R 14,717,535 | 2 |
| R 14,717,536 | R 16,587,733 | 3 |
| R 16,587,734 | R 17,809,394 | 4 |
| R 17,809,395 | R 20,528,298 | 5 |
| R 20,528,299 | R 22,122,244 | 6 |
| R 22,122,245 | R 23,734,290 | 7 |

| TOTAL MUNICIPAL INCOME | | |
|------------------------|---------------|------------------|
| From | To | Number of Points |
| R 23,734,291 | R 25,808,520 | 8 |
| R 25,808,521 | R 28,044,350 | 9 |
| R 28,044,351 | R 30,503,173 | 10 |
| R 30,503,174 | R 33,182,083 | 11 |
| R 33,182,084 | R 36,075,434 | 12 |
| R 36,075,435 | R 39,250,585 | 13 |
| R 39,250,586 | R 41,527,017 | 14 |
| R 41,527,018 | R 45,197,357 | 15 |
| R 45,197,358 | R 48,394,582 | 16 |
| R 48,394,583 | R 51,591,308 | 17 |
| R 51,591,309 | R 56,015,770 | 18 |
| R 56,015,771 | R 60,152,250 | 19 |
| R 60,152,251 | R 63,466 272 | 20 |
| R 63, 466 273 | R 63,378,750 | 21 |
| R 63,378,751 | R 69,690,679 | 22 |
| R 69,690,680 | R 73,257,045 | 23 |
| R 73,257,046 | R 80,630,734 | 24 |
| R 80,630,735 | R 88,711,327 | 25 |
| R 88,711,328 | R 96,939,833 | 26 |
| R 96,939,834 | R 102,536,140 | 27 |
| R 102,536,141 | R 106,736,815 | 28 |
| R 106,736,816 | R 116,412,055 | 29 |
| R 116,412,056 | R 126,537,767 | 30 |
| R 126,537,768 | R 132,471,879 | 31 |
| R 132,471,880 | R 137,544,228 | 32 |
| R 137,544,229 | R 149,508,050 | 33 |
| R 149,508,051 | R 162,512,505 | 34 |
| R 162,512,506 | R 176,648,109 | 35 |
| R 176,648,110 | R 181,631,675 | 36 |

| TOTAL MUNICIPAL INCOME | | |
|------------------------|------------------|------------------|
| From | To | Number of Points |
| R 181,631,676 | R 186,615,240 | 37 |
| R 186,615,241 | R 192,013,250 | 38 |
| R 192,013,251 | R 203,509,737 | 39 |
| R 203,509,738 | R 216,622,976 | 40 |
| R 216,622,977 | R 246,602,697 | 41 |
| R 246,602,698 | R 268,052,603 | 42 |
| R 268,052,604 | R 291,368,256 | 43 |
| R 291,368,257 | R 316,711,946 | 44 |
| R 316,711,947 | R 344,260,068 | 45 |
| R 344,260,069 | R 374,204,373 | 46 |
| R 374,204,374 | R 406,753,282 | 47 |
| R 406,753,283 | R 442,133,348 | 48 |
| R 442,133,349 | R 480,590,830 | 49 |
| R 480,590,831 | R 567,832,041 | 50 |
| R 567,832,042 | R 670,910,069 | 51 |
| R 670,910,070 | R 729,266,924 | 52 |
| R 729,266,925 | R 861,650,077 | 53 |
| R 861,650,078 | R 936,597,811 | 54 |
| R 936,597,812 | R 1,106,617,549 | 55 |
| R 1,106,617,550 | R 1,501,007,514 | 56 |
| R 1,501,007,515 | R 2,409,648,960 | 57 |
| R 2,409,648,961 | R 4, 565,865,708 | 58 |
| R 4, 565,865,709 | R 8,696,499,675 | 59 |
| R 8,696,499,676 | above | 60 |

Allocation of number of points for total population

3. The number of points allocated for the total population of a municipality, is as follows:

| TOTAL POPULATION | | |
|-------------------------|-----------|---------------|
| From | To | Points |
| 0 | 65,333 | 1 |
| 65,334 | 76,863 | 2 |
| 76,864 | 86,474 | 3 |
| 86,475 | 98,158 | 4 |
| 98,159 | 111,011 | 5 |
| 111,012 | 121,527 | 6 |
| 121,528 | 133,211 | 7 |
| 133,212 | 144,895 | 8 |
| 144,896 | 157,748 | 9 |
| 157,749 | 175,273 | 10 |
| 175,274 | 195,137 | 11 |
| 195,138 | 218,506 | 12 |
| 218,507 | 246,547 | 13 |
| 246,548 | 276,926 | 14 |
| 276,927 | 318,989 | 15 |
| 318,990 | 368,063 | 16 |
| 368,064 | 426,484 | 17 |
| 426,485 | 495,420 | 18 |
| 495,421 | 576,041 | 19 |
| 576,042 | 671,851 | 20 |
| 671,852 | 782,850 | 21 |
| 782,851 | 912,545 | 22 |
| 912,546 | 1,071,450 | 23 |
| 1,071,451 | 1,254,892 | 24 |
| 1,254,893 | 1,492,081 | 25 |
| 1,492,082 | 1,799,374 | 26 |
| 1,799,375 | 2,172,100 | 27 |

| TOTAL POPULATION | | |
|------------------|-----------|--------|
| From | To | Points |
| 2,172,101 | 2,610,256 | 28 |
| 2,610,257 | 3,762,500 | 29 |
| 3,762,501 | above | 30 |

Allocation of number of points for total municipal equitable share

4. The number of points allocated for the total municipal equitable share of a municipality, is as follows:

| TOTAL MUNICIPAL EQUITABLE SHARE | | |
|---------------------------------|-----------------|------------------|
| From | To | Number of Points |
| R 0 | R 22,240,225 | 1 |
| R 22,240,226 | R 33,476,473 | 2 |
| R 33,476,474 | R 43,762,069 | 3 |
| R 43,762,070 | R 51,360,279 | 4 |
| R 51,360,280 | R 62,961,507 | 5 |
| R 62,961,508 | R 89,166,616 | 6 |
| R 89,166,617 | R 140,903,448 | 7 |
| R 140,903,449 | R 309,591,115 | 8 |
| R 309,591,116 | R 2,011,870,725 | 9 |
| R 2,011,870,726 | above | 10 |

Determination of categorisation of municipality

5. The total number of points allocated to a municipality, in terms of items 2, 3, and 4 respectively, determines the categorisation of such municipality, in accordance with the following table:

| CATEGORISATION OF MUNICIPALITY | | |
|--------------------------------|------|----|
| Categorisation | From | To |
| 1 | 1 | 26 |
| 2 | 27 | 47 |
| 3 | 48 | 60 |

| | | |
|---------------------------------------|-------------|-----------|
| 4 | 61 | 70 |
| CATEGORISATION OF MUNICIPALITY | | |
| Categorisation | From | To |
| 5 | 71 | 78 |
| 6 | 79 | 85 |
| 7 | 86 | 91 |
| 8 | 92 | 96 |
| 9 | 97 | 98 |
| 10 | 99 | 100 |

Change of categorisation of municipality

6. (1) If the categorisation of a municipality determined in terms of this Notice, is higher than the categorisation for the previous financial year, the municipal council, in consultation with the MEC for local government in the province and approval by the Minister, implement such new categorisation.

(2) Notwithstanding sub-item (1), the Minister must –

- (a) confirm the actual values and points scored by the municipality in relation to the factors in items 2, 3 and 4 of the Notice;
- (b) determine the –
 - (i) sustainability of the driving factors that led to the higher categorisation of the municipality compared to the categorisation of the previous financial year;
 - (ii) affordability of the higher categorisation by the municipality using the following ratios:
 - (aa) municipality's liquidity ratio;
 - (bb) creditor's payment period;
 - (cc) debtor's collection rate; and
 - (iii) any other risks as may be identified.

(3) After confirmation of the actual values and points scored by the municipality in relation to the total municipal income, population and municipal equitable share, including the driving factors that led to a higher categorisation as well as affordability (using the ratios: liquidity ratio, creditor's payment period and debtor's collection rate) and approval by the

Minister, the municipal council may implement such new categorisation including adjusting the total remuneration package of senior manager to the higher category.

(4) If the categorisation of a municipality determined in terms of this Notice, is lower than the categorisation of the previous financial year, the municipality must retain the categorisation of the previous financial year.

Annual total remuneration packages of municipal managers

7. The upper limits of the annual total remuneration packages payable to municipal manager are as follows:

| MUNICIPAL CATEGORISATION | TOTAL REMUNERATION PACKAGE (MINIMUM) | TOTAL REMUNERATION PACKAGE (MIDPOINT) | TOTAL REMUNERATION PACKAGE (MAXIMUM) |
|---------------------------------|---|--|---|
| 10 | R 2,568,755 | R 3,251,589 | R 3,934,423 |
| 9 | R 2,204,466 | R 2,755,584 | R 3,306,702 |
| 8 | R 1,903,222 | R 2,335,240 | R 2,767,260 |
| 7 | R 1,646,643 | R 1,995,931 | R 2,345,220 |
| 6 | R 1,424,447 | R 1,705,924 | R 1,987,402 |
| 5 | R 1,242,678 | R 1,470,625 | R 1,698,573 |
| 4 | R 1,129,229 | R 1,313,058 | R 1,496,887 |
| 3 | R 1,038,509 | R 1,193,690 | R 1,348,869 |
| 2 | R 988,264 | R 1,110,409 | R 1,232,554 |
| 1 | R 951,779 | R 1,057,532 | R 1,163,285 |

Annual total remuneration packages of managers directly accountable to municipal managers

8. The upper limits of the annual total remuneration packages payable to managers directly accountable to municipal managers are as follows:

| MUNICIPAL CATEGORISATION | TOTAL REMUNERATION PACKAGE (MINIMUM) | TOTAL REMUNERATION PACKAGE (MIDPOINT) | TOTAL REMUNERATION PACKAGE (MAXIMUM) |
|---------------------------------|---|--|---|
| 10 | R 2,055,005 | R 2,601,272 | R 3,147,538 |
| 9 | R 1,763,574 | R 2,204,466 | R 2,645,361 |
| 8 | R 1,522,577 | R 1,868,192 | R 2,213,808 |
| 7 | R 1,317,315 | R 1,596,747 | R 1,876,176 |
| 6 | R 1,156,263 | R 1,376,505 | R 1,596,747 |
| 5 | R 1,026,342 | R 1,207,460 | R 1,388,579 |
| 4 | R 932,548 | R 1,078,089 | R 1,223,632 |
| 3 | R 857,571 | R 980,082 | R 1,102,590 |
| 2 | R 811,416 | R 911,704 | R 1,011,991 |
| 1 | R 781,460 | R 868,290 | R 955,118 |

Offer of remuneration on appointment

9. (1) The offer of remuneration on appointment to a senior manager will be determined by the competences, qualifications, experience and knowledge of the candidate considered for appointment.

(2) A municipal council must apply the criteria as set out below to determine the offer of remuneration on appointment:

| TOTAL REMUNERATION PACKAGE | CRITERIA |
|----------------------------------|--|
| MINIMUM | <ul style="list-style-type: none"> • Relevant qualification. • Applicable to persons who have the relevant 5 years' experience as provided in the Regulations. • Applicable to persons who have acquired competent achievement level as measured against the competency framework. |
| MIDPOINT | <ul style="list-style-type: none"> • Relevant qualification. • Applicable to persons who have 5 to 10 years' experience as provided in the Regulations. • Applicable to persons who have acquired advanced competency achievement level as measured against the competency framework. |
| MAXIMUM | <ul style="list-style-type: none"> • Relevant qualification. • Applicable to persons who have more than 10 years' experience as provided in the Regulations. • Applicable to persons who have demonstrated a superior competency as measured against the competency framework. |

(3) Notwithstanding sub-item (1), if a municipal council is unable to offer the relevant total remuneration package or cannot afford to pay the remuneration as determined in this Notice, a lesser offer may be made by such municipality on appointment.

(4) Despite sub-item (2), if the municipal council is unable to attract suitable candidates or decides to appoint a senior manager falling within the basic range of achievement as measured against the competency framework, the provisions of sections 54A(10) and 56(6) of the Act read in conjunction with item 13 of this Notice shall *mutatis mutandis* apply.

Payment of remote allowance

10. (1) A senior manager employed in one of the following municipalities, may be paid a remote allowance not exceeding the percentage of the total annual remuneration package applicable to the relevant senior manager as it appears in the table below:

| PROVINCE | DISTRICT CODE | MUNICIPAL CODE | NAME OF MUNICIPALITY | % |
|---------------|---------------|----------------|----------------------|----|
| Eastern Cape | DC10 | EC102 | Blue Crane Route | 4% |
| Eastern Cape | DC10 | EC106 | Sundays River Valley | 4% |
| Eastern Cape | DC10 | EC109 | Kou-Kamma | 4% |
| Eastern Cape | DC12 | EC129 | Raymond Mhlaba | 4% |
| Eastern Cape | DC13 | EC131 | Inxuba Yethemba | 4% |
| Eastern Cape | DC13 | EC135 | Itsika Yethu | 4% |
| Eastern Cape | DC13 | EC137 | Engcobo | 4% |
| Eastern Cape | DC13 | EC138 | Sakhisizwe | 4% |
| Eastern Cape | DC13 | EC139 | Enoch Mgijima | 4% |
| Eastern Cape | DC14 | EC141 | Elundini | 4% |
| Eastern Cape | DC15 | EC153 | Ngquza Hill | 4% |
| Eastern Cape | DC44 | EC443 | Mbizana | 4% |
| Eastern Cape | DC15 | EC154 | Port St Johns | 4% |
| Eastern Cape | DC44 | EC442 | Umzimvubu | 4% |
| Eastern Cape | DC44 | EC444 | Ntabankulu | 4% |
| Eastern Cape | DC14 | DC14 | Joe Gqabi | 4% |
| Eastern Cape | DC44 | DC44 | Alfred Nzo | 4% |
| Free State | DC16 | FS161 | Letsemeng | 4% |
| Free State | DC16 | FS162 | Kopanong | 4% |
| Free State | DC18 | DC183 | Tswelopele | 4% |
| Free State | DC19 | FS191 | Setsoto | 4% |
| Free State | DC19 | FS196 | Mantsopa | 4% |
| Free State | DC20 | FS205 | Mafube | 4% |
| Free State | DC20 | FS204 | Metsimaholo | 4% |
| Free State | DC16 | DC16 | Xhariep | 4% |
| Free State | DC20 | DC20 | Fezile Dabi | 4% |
| KwaZulu Natal | DC21 | KZN214 | UMuziwabantu | 4% |
| KwaZulu Natal | DC22 | KZN224 | Impendle | 4% |
| KwaZulu Natal | DC23 | KZN235 | Okhahlamba | 4% |
| KwaZulu Natal | DC24 | KZN245 | Umvoti | 4% |
| KwaZulu Natal | DC24 | KZN244 | Msinga | 4% |
| KwaZulu Natal | DC26 | KZN261 | eDumbe | 4% |
| KwaZulu Natal | DC26 | KZN262 | UPhongolo | 4% |
| KwaZulu Natal | DC26 | KZN265 | Nongoma | 4% |
| KwaZulu Natal | DC26 | KZN266 | Ulundi | 4% |
| KwaZulu Natal | DC27 | KZN276 | Big Five Hlabisa | 4% |
| KwaZulu Natal | DC28 | KZN285 | Mthonjaneni | 4% |

| PROVINCE | DISTRICT CODE | MUNICIPAL CODE | NAME OF MUNICIPALITY | % |
|---------------|---------------|----------------|---------------------------|----|
| KwaZulu Natal | DC28 | KZN286 | Nkandla | 4% |
| KwaZulu Natal | DC43 | KZN433 | Greater Kokstad | 4% |
| KwaZulu Natal | DC43 | KZN434 | Ubuhlebezwe | 4% |
| KwaZulu Natal | DC43 | KZN435 | Umzimkhulu | 4% |
| KwaZulu Natal | DC26 | DC26 | Zululand | 4% |
| KwaZulu Natal | DC43 | DC43 | Harry Gwala | 4% |
| Limpopo | DC33 | LIM331 | Greater Giyani | 4% |
| Limpopo | DC34 | LIM341 | Musina | 4% |
| Limpopo | DC35 | LIM351 | Blouberg | 4% |
| Limpopo | DC35 | LIM353 | Molemole | 4% |
| Limpopo | DC36 | LIM361 | Thabazimbi | 4% |
| Limpopo | DC47 | LIM473 | Makhuduthamaga | 4% |
| Limpopo | DC47 | LIM476 | Greater Tubatse/Fetakgomo | 4% |
| Mpumalanga | DC30 | MP301 | Albert Luthuli | 4% |
| Mpumalanga | DC30 | MP303 | Mkhondo | 4% |
| Mpumalanga | DC30 | MP304 | Dr Pixley Ka Isaka Seme | 4% |
| Mpumalanga | DC32 | MP321 | Thaba Chweu | 4% |
| Mpumalanga | DC 32 | MP324 | Nkomazi | 4% |
| North West | DC37 | NW375 | Moses Kotane | 4% |
| North West | DC38 | NW381 | Ratlou | 4% |
| North West | DC38 | NW382 | Tswaing | 4% |
| North West | DC38 | NW385 | Ramotshere Moiloa | 4% |
| North West | DC39 | NW392 | Naledi (NW) | 4% |
| North West | DC39 | NW393 | Mamusa | 4% |
| North West | DC39 | NW394 | Greater Taung | 4% |
| North West | DC39 | NW396 | Lekwa-Teemane | 4% |
| North West | DC40 | NW404 | Maquassi Hills | 4% |
| North West | DC39 | DC39 | Dr Ruth Segomotsi Mompati | 4% |
| Northern Cape | DC8 | NC084 | !Kheis | 4% |
| Northern Cape | DC7 | NC078 | Siyancuma | 4% |
| Northern Cape | DC7 | NC076 | Thembelihle | 4% |
| Northern Cape | DC9 | NC093 | Magareng | 4% |
| Northern Cape | DC9 | NC094 | Phokwane | 4% |
| Western Cape | DC1 | WC013 | Bergervier | 4% |
| Western Cape | DC1 | WC015 | Swartland | 4% |
| Western Cape | DC3 | WC032 | Overstrand | 4% |
| Western Cape | DC3 | WC034 | Swellendam | 4% |
| Western Cape | DC3 | WC031 | Theewaterskloof | 4% |
| Western Cape | DC4 | WC042 | Hessequa | 4% |
| Western Cape | DC4 | WC041 | Kannaland | 4% |
| Western Cape | DC5 | WC051 | Laingsburg | 4% |
| Western Cape | DC5 | WC052 | Prince Albert | 4% |
| Western Cape | DC1 | DC1 | West Coast | 4% |

| PROVINCE | DISTRICT CODE | MUNICIPAL CODE | NAME OF MUNICIPALITY | % |
|---------------|---------------|----------------|---------------------------|-----|
| Eastern Cape | DC10 | EC101 | Dr Bayers Naude | 7% |
| Eastern Cape | DC14 | EC142 | Senqu | 7% |
| Eastern Cape | DC14 | EC145 | Walter Sisulu | 7% |
| Eastern Cape | DC44 | EC441 | Matatiele | 7% |
| Free State | DC16 | FS163 | Mohokare | 7% |
| KwaZulu Natal | DC27 | KZN272 | Jozini | 7% |
| KwaZulu-Natal | DC27 | DC27 | Umkhanyakude | 7% |
| KwaZulu-Natal | DC43 | KZN436 | Dr Nkosasana-Dlamini Zuma | 7% |
| Limpopo | DC36 | LIM362 | Lephalale | 7% |
| Northern Cape | DC6 | NC067 | Khai-Ma | 7% |
| Northern Cape | DC7 | NC072 | Umsobomvu | 7% |
| Northern Cape | DC7 | NC075 | Renosterberg | 7% |
| Northern Cape | DC8 | NC085 | Tsantsabane | 7% |
| Northern Cape | DC8 | NC086 | Kgatelopele | 7% |
| Northern Cape | DC45 | NC453 | Gamagara | 7% |
| Northern Cape | DC45 | NC452 | Ga-Segonyana | 7% |
| Northern Cape | DC45 | DC45 | John Taolo Gaetsewe | 7% |
| Western Cape | DC1 | WC012 | Cederberg | 7% |
| Western Cape | DC3 | WC033 | Cape Agulhas | 7% |
| Western Cape | DC5 | WC053 | Beaufort West | 7% |
| Western Cape | DC3 | DC3 | Overberg | 7% |
| Western Cape | DC5 | DC5 | Central Karoo | 7% |
| KwaZulu Natal | DC27 | KZN271 | Umhlabuyalingana | 10% |
| North West | DC39 | NW397 | Kagisano/Molopo | 10% |
| Northern Cape | DC6 | DC6 | Namakwa | 10% |
| Northern Cape | DC6 | NC061 | Richtersveld | 10% |
| Northern Cape | DC6 | NC062 | Nama Khoi | 10% |
| Northern Cape | DC6 | NC064 | Kamiesberg | 10% |
| Northern Cape | DC6 | NC065 | Hantam | 10% |
| Northern Cape | DC6 | NC066 | Karoo Hoogland | 10% |
| Northern Cape | DC7 | DC7 | Pixley Ka Seme | 10% |
| Northern Cape | DC7 | NC073 | Emthanjeni | 10% |
| Northern Cape | DC7 | NC071 | Ubuntu | 10% |
| Northern Cape | DC7 | NC074 | Kareeberg | 10% |
| Northern Cape | DC7 | NC077 | Siyathemba | 10% |
| Northern Cape | DC45 | NC451 | Joe Morolong | 10% |
| Western Cape | DC1 | WC011 | Matzikama | 10% |

(2) A senior manager who receives a market premium allowance, rural or scarce skills allowance in terms of Notice No. 225 as published in Government Gazette No. 37500 of 29 March 2014 or Notice No. 578 as published in Government Gazette No. 38946 of 1 July 2015 is not eligible for remote allowance contemplated in sub-item (1).

- (3) A remote allowance referred to in sub-item (1) terminates when –
- (a) the employment contract of a senior manager lapses or is terminated; and
 - (b) a senior manager vacates office for any reason before the date of expiry of the employment contract, including but not limited to transfer, promotion, dismissal for misconduct, incapacity, operational requirements and retirement.

Overpayment and underpayment

11. (1) A municipality must inform all senior managers in writing about the revised cost of living adjustments and where necessary, any errors will be rectified, overpayments recovered and underpayments adjusted.

(2) The expenditure emanating from the implementation of this Notice must be defrayed from the 2018/19 budget of municipalities.

Information to be submitted to the Minister

12. (1) Every municipality must in terms of section 107 of the Act compile and submit an updated report containing the following information in respect of its senior managers to the MEC responsible for local government as at 1 July 2018:

- (a) Total approved posts;
- (b) Total filled posts;
- (c) Total vacant posts;
- (d) Name of incumbent;
- (e) Designation;
- (f) Gender;
- (g) Nature of contract (i.e. permanent or fixed term contract);
- (h) Date of appointment;
- (i) Date of expiry of contract;
- (j) Total remuneration package for 2018/19 financial year;
- (k) Any allowance(s) payable to a senior manager;
- (l) Total municipal income;
- (m) Total population;
- (n) Total municipal equitable share; and
- (o) Municipal categorisation for 2018/19 financial year.

(2) The report contemplated in sub-item (1) must be submitted to the MEC responsible for local government in the province on or before 30 November 2018 on an official letterhead of the municipality, signed by the municipal manager.

(3) The MEC for local government must submit a consolidated report to the Minister in a format to be determined by the Minister from time to time on or before 14 December 2018.

Transitional provisions

13. (1) This Notice does not affect the existing employment contract of a senior manager appointed before 1 July 2014.

(2) A municipality that does not have any municipal income is a category 1 municipality.

(3) If a municipality has no audited financial statements for 2016/17 financial year by the date of publication of this Notice, the audited financial statements for 2015/16 financial year will *mutatis mutandis* apply.

(4) A municipal council may, in exceptional circumstances and good cause shown, and after consultation with the MEC for local government, apply in writing to the Minister to waive any of the prescribed requirements as set out in this Notice. The Minister will consider each application on merit, based on circumstances and motivation provided by municipalities.

(5) For purposes of the total remuneration packages adjustment for serving senior managers, the following translation key will apply –

(a) Municipal managers:

| TRANSLATION KEY | | | | | | |
|---------------------------------|--|---|--|--|---|--|
| MUNICIPAL CATEGORI SATION | 2017/2018 | | | 2018/2019 | | |
| | TOTAL REMUNERATI ON PACKAGE (MINIMUM) | TOTAL REMUNERATI ON PACKAGE (MIDPOINT) | TOTAL REMUNERATI ON PACKAGE (MAXIMUM) | TOTAL REMUNERATIO N PACKAGE (MINIMUM) | TOTAL REMUNERATIO N PACKAGE (MIDPOINT) | TOTAL REMUNERATIO N PACKAGE (MAXIMUM) |
| 10 | R 2,437,149 | R 3,084,999 | R 3,732,849 | R 2,568,755 | R 3,251,589 | R 3,934,423 |
| 9 | R 2,091,524 | R 2,614,406 | R 3,137,288 | R 2,204,466 | R 2,755,584 | R 3,306,702 |
| 8 | R 1,805,713 | R 2,215,598 | R 2,625,484 | R 1,903,222 | R 2,335,240 | R 2,767,260 |
| 7 | R 1,562,280 | R 1,893,673 | R 2,225,066 | R 1,646,643 | R 1,995,931 | R 2,345,220 |
| 6 | R 1,351,468 | R 1,618,524 | R 1,885,581 | R 1,424,447 | R 1,705,924 | R 1,987,402 |
| 5 | R 1,179,011 | R 1,395,280 | R 1,611,549 | R 1,242,678 | R 1,470,625 | R 1,698,573 |
| 4 | R 1,071,375 | R 1,245,786 | R 1,420,196 | R 1,129,229 | R 1,313,058 | R 1,496,887 |
| 3 | R 985,303 | R 1,132,533 | R 1,279,762 | R 1,038,509 | R 1,193,690 | R 1,348,869 |
| 2 | R 937,632 | R 1,053,519 | R 1,169,406 | R 988,264 | R 1,110,409 | R 1,232,554 |
| 1 | R 903,016 | R 1,003,351 | R 1,103,686 | R 951,779 | R 1,057,532 | R 1,163,285 |

(b) Managers directly accountable to municipal managers:

| TRANSLATION KEY | | | | | | |
|--------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| MUNICIPAL CATEGORISATION | 2017/2018 | | | 2018/2019 | | |
| | TOTAL REMUNERATION PACKAGE (MINIMUM) | TOTAL REMUNERATION PACKAGE (MIDPOINT) | TOTAL REMUNERATION PACKAGE (MAXIMUM) | TOTAL REMUNERATION PACKAGE (MINIMUM) | TOTAL REMUNERATION PACKAGE (MIDPOINT) | TOTAL REMUNERATION PACKAGE (MAXIMUM) |
| 10 | R 1,949,720 | R 2,468,000 | R 2,986,279 | R 2,055,005 | R 2,601,272 | R 3,147,538 |
| 9 | R 1,673,220 | R 2,091,524 | R 2,509,830 | R 1,763,574 | R 2,204,466 | R 2,645,361 |
| 8 | R 1,444,570 | R 1,772,478 | R 2,100,387 | R 1,522,577 | R 1,868,192 | R 2,213,808 |
| 7 | R 1,249,824 | R 1,514,940 | R 1,780,053 | R 1,317,315 | R 1,596,747 | R 1,876,176 |
| 6 | R 1,097,024 | R 1,305,982 | R 1,514,940 | R 1,156,263 | R 1,376,505 | R 1,596,747 |
| 5 | R 973,759 | R 1,145,598 | R 1,317,437 | R 1,026,342 | R 1,207,460 | R 1,388,579 |
| 4 | R 884,770 | R 1,022,855 | R 1,160,941 | R 932,548 | R 1,078,089 | R 1,223,632 |
| 3 | R 813,635 | R 929,869 | R 1,046,101 | R 857,571 | R 980,082 | R 1,102,590 |
| 2 | R 769,844 | R 864,994 | R 960,143 | R 811,416 | R 911,704 | R 1,011,991 |
| 1 | R 741,423 | R 823,805 | R 906,184 | R 781,460 | R 868,290 | R 955,118 |

Short title and commencement

14. This Notice is called the upper limits of total remuneration packages payable to municipal managers and managers directly accountable to municipal managers and takes effect from 1 July 2018. The Notice replaces Government Gazette No. 41173 of 10 October 2017.

WARNING!!!

To all suppliers and potential suppliers of goods to the Government Printing Works

The Government Printing Works would like to warn members of the public against an organised syndicate(s) scamming unsuspecting members of the public and claiming to act on behalf of the Government Printing Works.

One of the ways in which the syndicate operates is by requesting quotations for various goods and services on a quotation form with the logo of the Government Printing Works. Once the official order is placed the syndicate requesting upfront payment before delivery will take place. Once the upfront payment is done the syndicate do not deliver the goods and service provider then expect payment from Government Printing Works.

Government Printing Works condemns such illegal activities and encourages service providers to confirm the legitimacy of purchase orders with GPW SCM, prior to processing and delivery of goods.

To confirm the legitimacy of purchase orders, please contact:

Anna-Marie du Toit (012) 748-6292 (Anna-Marie.DuToit@gpw.gov.za) and

Siraj Rizvi (012) 748-6380 (Siraj.Rizvi@gpw.gov.za)

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