

Salaries scale upwards

FOR MAYORS, MANAGERS & COUNCILLORS



Lindiwe Msengana-Ndlela, Director-General, DPLG

Photo: PictureNet

National government recently gazetted new and bigger remuneration packages for municipal councillors. The proposal sees a big jump in salaries for all office-bearers, especially part-time councillors. However, some dangers lurk in the changes for rural councils and voters in poorer communities.

KEY POINTS

- The proposed new remuneration package represents a big raise in councillors' salaries.
- Part-time councillors benefit the most, with salaries more than doubling from R45,000 to R112,000.
- Allowances for councillors, both full- and part-time, may not exceed 25% of the annual total remuneration package.

The Constitution entitles each municipality to set its own salaries, yet the national government can impose an upper limit for municipal remuneration packages. As Lindiwe Msengana-Ndlela, the Director General of the Department of Provincial and Local Government (DPLG), notes, the new proposal is to remunerate the political leadership of councils “in terms of the functions of that municipality, the population and the needs that should be addressed”.

This new remuneration scheme creates a ‘points system’ for six grades, which determines the maximum salaries of municipal office bearers.

Scaling up

Total municipal income (millions of rands)	Points
R0 m–R10 m	8.3
R10 m–R50 m	16.7
R50 m–R200 m	25.0
R200 m–R1 500 m	33.3
R1,500 m–R2 000 m	41.7
More than R 2 000 m	50.0

Total population (one thousand people)	Points
0–50	8.3
50–100	16.7
100–250	25.0
250–550	33.3
550–1 800	41.7
More than 1 800	50.0

Grade of municipality	Points
1	0–16.7
2	16.7–33.3
3	33.3–50.0
4	50.0–66.7
5	66.7–83.4
6	83.4 and above

Municipalities are categorised from grades one to six. A municipality's grade is determined by two factors: its total municipal income and its total population. The first step is to allocate 'points' for municipal income, on the scale shown in the first table on the left. The second step is to give points based on the total population in a municipality's boundaries, as shown in the second table. Finally, a municipality's grade is given by adding its income and population points, as the third table shows.

In the new system, municipalities range from grade 1 (the smallest and poorest municipalities) to grade 6 (the metros). The

exceptions are districts, which are given the same grading as their highest graded local municipality. Also, local councils without any municipal income are deemed to be grade 1.

For richer, for poorer

The higher a municipality's grade, the higher the maximum total annual remuneration packages for councillors, meaning mayors, speakers and other municipal office bearers can earn more in more populous and wealthy municipalities. Below is the maximum remuneration (in rands) that a full-time councillor can receive per year.

Grade (full-time)	Executive Mayor, Mayor	Speaker, Deputy Mayor, Deputy Executive Mayor	Members of: Executive and Mayoral Committees, Whip, Sub-council Chairperson
1	R373 678	R298 942	R280 259
2	R384 894	R307 915	R288 671
3	R411 057	R328 846	R308 293
4	R426 811	R341 449	R320 108
5	R499 937	R399 950	R374 953
6	R680 152	R544 122	R510 114

Part-time councillors have a lower maximum annual remuneration, as follows:

Grade (part-time)	Executive Mayor, Mayor	Speaker, Deputy Mayor, Deputy Executive Mayor	Members of Executive and Mayoral Committees	Other part-time members
1	R205 523	R164 418	R154 142	R112 103
2	R211 692	R169 353	R158 769	R115 468
3	R226 081	R180 865	R169 561	R123 317
4	R234 746	R187 797	R176 060	R128 043
5	R274 965	R219 972	R206 224	R149 981
6	R374 084	R299 267	R280 563	R238 053

These amounts indicate the total expenditure package of a councillor or office bearer. The payment may be structured so that a portion of the amount is paid as allowances.

Structuring of payment

The gazette notice also sets out changes to councillors' allowances for travelling, housing, cell phones and the like.

Allowances for councillors, both full- and part-time, may not exceed 25% of the annual total remuneration package. This includes vehicle maintenance and operating costs for up to 500 km per month. All greater distances must be claimed under the applicable privately owned vehicles tariffs of the Department of Transport. These benefits do not apply when the vehicle was provided by a municipal council, unless it is for the mayor or executive mayor. Councillors can use council-owned vehicles when performing a ceremonial function if the council permits. A council can contribute no more than 15% of the councillor's salary to his/her pension fund. Contributions to a medical aid scheme are limited to two-thirds of the membership fee up to R1 014 per month (provided, in the case of part-time councillors, that they are not otherwise members of such a scheme).

Extra money

All councillors may include a housing allowance in their annual total remuneration package. A maximum cell phone allowance of R1 057 per month is available to full-time councillors, while Grade 6 mayors and executive mayors have up to R2 115 per month. Part-time councillors, in contrast, have a monthly limit of no more than R660. Both full- and part-time councillors on official and ceremonial duties may be reimbursed for all actual, reasonable out-of-pocket expenses.

Appointed district councillors

A number of councillors are appointed to a district council. A councillor so appointed or elected as mayor, executive mayor, speaker, member of a mayoral committee, member of an executive committee, or part-time member of a district council, is entitled to the difference between the annual total remuneration package they are receiving as a member of the

local council and that of the office held in the district council. If, however, a councillor earns more in their local capacity than in their district capacity, then (s)he receives a fixed amount of no more than R521 per sitting of the district council or any of its committees.

Paying councillors

The proposed new remuneration package represents a big raise in councillors' salaries. Part-time councillors benefit the most, with salaries more than doubling from R45 000 to R112 000. Some critics have questioned this big raise for part-timers who, according to an Idasa report, have hurt public participation by not attending consultative meetings. This claim aside, higher salaries will ease the tension over salaries between full- and part-time councillors. Perhaps with more equal pay, part-time councillors can better fulfil their important duties.

The eThekweni mayor, Obedi Mlaba, warns that a major problem for many rural municipalities is the financial strain they will face in paying higher salaries from tiny tax bases. These municipalities are also likely to exceed the national government target of wages and allowances representing 30% of the overall municipal budget. National government has justified the increased wages as necessary 'to attract, retain and remunerate councils adequately' in rural municipalities. As Minister Sydney Mufamadi has made clear, the performance of the incumbent and not necessarily the size of the municipality's revenue must determine the salary. National government intends to support cash-strapped municipalities to pay the increased salaries. This year's budget gave R600 million to the DPLG for implementing the new remuneration scales in poorer councils, including grade 1 councils without adequate revenue.

Comment

Of some concern is the impact of the national government on municipal governance. Where a councillor's salary comes from the residents' pockets, councillors are truly accountable to that community. However, where councillors are increasingly being paid by the national government, the direct accountability link to the community may be weakened. Local communities should therefore ensure that the national paymaster does not become a local taskmaster.

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