



# PROVINCIAL TREASURY

Provincial Government of the Western Cape

## LOCAL GOVERNMENT FINANCE

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**REFERENCE:** T12/2/1  
**ENQUIRIES:** Mr E Johannes

### TREASURY CIRCULAR MUN 43 OF 2010

THE MAYOR, CITY OF CAPE TOWN: MR D PLATO  
THE MAYOR, WEST COAST DISTRICT: MRS H KITSHOFF  
THE MAYOR, MATZIKAMA MUNICIPALITY: MR P BOK  
THE MAYOR, CEDERBERG MUNICIPALITY: MS J MOUTON  
THE MAYOR, BERGRIVIER MUNICIPALITY: MR J LIEBENBERG  
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR J SKEI  
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN  
THE MAYOR, CAPE WINELANDS DISTRICT: MR B CHABAAN  
THE MAYOR, WITZENBERG MUNICIPALITY: MS M GILDENHUYES  
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MS C MANUEL  
THE MAYOR, STELLENBOSCH MUNICIPALITY: ALDERMAN PM SWARTZ  
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MR C NTSOMI  
THE MAYOR, LANGEBERG MUNICIPALITY: MR SJ NGONYAMA  
THE MAYOR, OVERBERG DISTRICT: MS E MARTHINUS  
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR C PUNT  
THE MAYOR, OVERSTRAND MUNICIPALITY: MR T BEYLEVELDT  
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR R MITCHELL  
THE MAYOR, SWELLENDAM MUNICIPALITY: MR J JANSEN  
THE MAYOR, EDEN DISTRICT: MR F STEMNET  
THE MAYOR, KANNALAND MUNICIPALITY: MR N VALENTYN  
THE MAYOR, HESSEQUA MUNICIPALITY: MR CP TAUTE  
THE MAYOR, MOSSEL BAY MUNICIPALITY: ALDERLADY M FERREIRA  
THE MAYOR, GEORGE MUNICIPALITY: MR B PETRUS  
THE MAYOR, OUDTSHOORN MUNICIPALITY: MS D DE JAGER  
THE MAYOR, BITOU MUNICIPALITY: MR LL MVIMBI  
THE MAYOR, KNYSNA MUNICIPALITY: MS E BOUW-SPIES  
THE MAYOR, CENTRAL KAROO DISTRICT: MR T PRINCE  
THE MAYOR, LAINGSBURG MUNICIPALITY: MS R MEYER  
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MS M BENJAMIN  
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MS J JONAS

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR A EBRAHIM  
THE MUNICIPAL MANAGER, WEST COAST DISTRICT: MR H PRINS  
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR DG O'NEILL  
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR G MATHYSE  
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: MS C LE ROUX  
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR J FORTUIN  
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ  
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT: MR M MGAJO  
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON  
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: DR S KABANYANE  
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MR D DANIELS  
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR A PAULSE  
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR SA MOKWENI  
THE MUNICIPAL MANAGER, OVERBERG DISTRICT: MR R BUTLER (ACTING)  
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR HSD WALLACE  
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: ADV W ZYBRANDT  
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR R STEPHENS  
THE MUNICIPAL MANAGER, SWELLENDAM MUNICIPALITY: MR M STEENKAMP (ACTING)  
THE MUNICIPAL MANAGER, EDEN DISTRICT: MR M HOOGBAARD (ACTING)  
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR KR DE LANGE  
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS  
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: DR M GRATZ  
THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR G RAS (ACTING)  
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR N PIETERSEN  
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR L NGOQO  
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR J DOUGLAS  
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT: MR S JOOSTE  
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR P WILLIAMS  
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MS J FORTUIN  
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J BOOYSEN

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR M RICHARDSON  
THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT: MR J KOEKEMOER  
THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR LJ BRUWER  
THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR F LÖTTER  
THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR JA VAN NIEKERK  
THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR J VAN COLLER (ACTING)  
THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR K COOPER  
THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT: MR JG MARAIS  
THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR R ESAU  
THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR CM PETERSEN  
THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR M BOLTON  
THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS  
THE CHIEF FINANCIAL OFFICER, BREEDE RIVER/WINELANDS: MR CF HOFFMANN  
THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT: MR O MCKENZIE  
THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR S JACOBS  
THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MR H KLEINLOOG  
THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H SCHLEBUSCH  
THE CHIEF FINANCIAL OFFICER, SWELLENBAM MUNICIPALITY: MR J DE JAGER (ACTING)  
THE CHIEF FINANCIAL OFFICER, EDEN DISTRICT: MR NB DELO  
THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR BT LALOR  
THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN  
THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR HF BOTHA  
THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR M CUPIDO (ACTING)  
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR K JORDAAN  
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR D LOTT  
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR G EASTON  
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT: MR CJ KYMDELL  
THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD  
THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR J VAN DER WESTHUIZEN  
THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR D LOUW

T THE HEAD OFFICIAL: PROVINCIAL TREASURY (DR JC STEGMANN)  
THE HEAD: BRANCH FISCAL AND ECONOMIC SERVICES (MR H MALILA)  
THE HEAD: BRANCH GOVERNANCE AND ASSET MANAGEMENT (MR TC ARENDSE)  
THE HEAD: PUBLIC POLICY SERVICES (MR A PHILLIPS)  
THE HEAD: PUBLIC FINANCE (MR H MALILA) (PRO TEM)  
THE HEAD: FINANCIAL GOVERNANCE (MR A REDDY) (ACTING)  
THE HEAD: ASSET MANAGEMENT (MR TC ARENDSE) (PRO TEM)  
THE CHIEF FINANCIAL OFFICER (MR A GILDENHUY)  
THE SENIOR MANAGER: ACCOUNTING SERVICES: PROVINCIAL GOVERNMENT (MR N VAN NIEKERK) (ACTING)  
THE SENIOR MANAGER: ACCOUNTING SERVICES: LOCAL GOVERNMENT (MR A REDDY) (PROTEM)  
THE SENIOR MANAGER: CORPORATE GOVERNANCE (MR B VINK)  
THE SENIOR MANAGER: BUDGET MANAGEMENT: PROVINCIAL GOVERNMENT (MS M SHERATON)  
THE SENIOR MANAGER: BUDGET MANAGEMENT: LOCAL GOVERNMENT (MR ML BOOYSEN)  
THE SENIOR MANAGER: PROVINCIAL GOVERNMENT FINANCE (MS A PICK)  
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP ONE) (MR F SABBAT)  
THE SENIOR MANAGER: LOCAL GOVERNMENT FINANCE (GROUP TWO) (MR M SIGABI)  
THE SENIOR MANAGER: PUBLIC FINANCE POLICY RESEARCH AND MODELLING (MS C HORTON)  
THE SENIOR MANAGER: IMMOVEABLE ASSET MANAGEMENT (MR NB LANGENHOVEN)  
THE SENIOR MANAGER: MOVEABLE ASSET MANAGEMENT (MS N EBRAHIM)  
THE SENIOR MANAGER: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A BASTIAANSE)  
THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS A SMIT)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: FINANCIAL MANAGEMENT

THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT

THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS - NATIONAL TREASURY (MR J HATTINGH)

**COUNCILLOR REMUNERATION: RE-DETERMINATION OF UPPER LIMITS WITH EFFECT FROM 1 JULY 2010: GOVERNMENT NOTICE NO. R.1196 DATED 10 DECEMBER 2010**

1. The National Minister for Provincial and Local Government, Mr S Shiceka, re-determined the upper limits of salaries, allowances and benefits of different members of municipal councils with effect from 1 July 2010. This upward adjustment is contained in Government Notice No. R 1196 dated 10 December 2010, and was published in Government Gazette No. 33867
2. The current arrangement between the Department of Local Government and the Provincial Treasury regarding the assessment of increases in councilor remuneration is that the Provincial Treasury undertakes an affordability assessment and advise the Department of Local Government of the outcome accordingly.
3. The affordability assessment includes amongst others, an assessment of the budget, the in-year monitoring and collections trends over a particular horizon. It has happened in the past that in certain cases the Provincial Treasury had to request additional information from municipalities to be able to draw logical conclusions and make informed decisions.
4. In certain cases the requested information has not been readily available which impacted on the turnaround time of these assessments and subsequently the payment date of these allowances.
5. In an attempt to circumvent possible delays around the affordability assessments and subsequent approvals/non-approvals, municipal managers (accounting officers) are required to complete the attached affordability verification certificate and return it to the Provincial Treasury by no later than Wednesday, 15 December 2010. It is important that the certificate be signed by the Municipal Manager.

6. A hard copy of the signed verification certificate must be faxed to (021) 483 4411 or an electronic version emailed to [mfma@pgwc.gov.za](mailto:mfma@pgwc.gov.za) . In the event of any additional queries that you may have, please contact Mr E Johannes at telephone no. (021) 483 4229.
7. The finalisation of the affordability assessments and subsequent approvals are dependent on your swift response.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Fabbat', is written over a light blue horizontal line. The signature is stylized and somewhat cursive.

**MR F SABBAT**  
**SENIOR MANAGER: LOCAL GOVERNMENT FINANCE**  
**DATE: 13 DECEMBER 2010**

# AFFORDABILITY VERIFICATION CERTIFICATE

## COUNCILLOR REMUNERATION: RE-DETERMINATION OF UPPER LIMITS WITH EFFECT FROM 1 JULY 2010: GOVERNMENT NOTICE NO. R.1196 DATED 10 DECEMBER 2010

I, \_\_\_\_\_ Accounting Officer of  
\_\_\_\_\_ (name of the municipality), hereby  
certify that:

(mark as appropriate)

**Adequate provision** has been made in the 2010/11 budget for the said  
increases in councillor remuneration including the back pay.

There is **inadequate provision** in the 2010/11 budget for the said  
increases in councillor remuneration including the back pay and that the  
shortfall will be funded from the accumulated surplus or savings (delete  
the inappropriate).

Based on the current financial performance and collection trends that the  
increases in councillor remuneration are affordable.

The information submitted above, is to the best of my knowledge accurate.

Print name: \_\_\_\_\_

Accounting Officer of \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Municipal Stamp
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