

20/26/08/2003
LM 1409/08/2003

REMUNERATION POLICY

RESOLUTION

1. That the Remuneration Policy be approved as proposed and adopted as Council Policy.

2. That a confirmation of the following be done:
 - 2.1 That the Remuneration Policy embody the principle linking remuneration to performance.

 - 2.2 That there must be congruence in salaries of section 57 employees and the SALGBC employees who perform duties that can be defined as "managerial" in terms of the BCEA.

 - 2.3 Consistent with the performance management policy, managers of other levels may be subjected to a performance-based pay.

 - 2.4 That a Remuneration Committee be established to ensure the following:
 - 2.4.1 The policy is applied consistently.
 - 2.4.2 Fair consideration is given to local contextual factors.
 - 2.4.3 Good corporate governance principles are respected.

 - 2.5 Municipalities do not interfere with the salary structures of privatized entities or corporative entities.

 - 2.6 Deviation from the SALGBC on salaries must be guided by SALGA only, for the purpose of attracting scarce and specific skills.

 - 2.7 The measure of the gap between the highest paid and the lowest paid employees within the Bargaining Unit be monitored by SALGA.

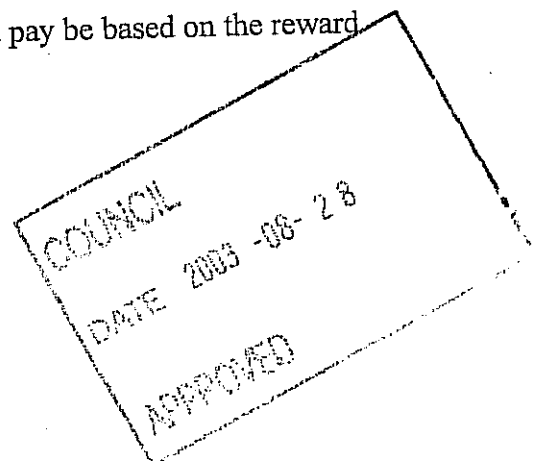
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JOB EVALUATION SYSTEM

- 2.8 The Principle of excluding Managers from the Bargaining Unit is re-affirmed.
- 2.9 Salary adjustments, increases and bonuses of Managers be completely de-linked from collective agreements.
- 2.10 To which effect, a separate job evaluation, which is the Hay Job Evaluation system/tool be determined through SALGA nationally.
- 2.11 Annual salary survey and market comparison be done by SALGA.
- 2.12 The current grading of Municipalities be utilized, on an understanding that when Categorization get finalized, the guidelines be converted thereto

DETERMINATION

- 2.13 Payment of salary to fall within salary range.
- 2.14 Positioning of a manager be based on the following factors:
- a. Previous experience;
 - b. Capabilities and skills;
 - c. Expertise; and
 - d. Affordability
- 2.15 The above factors be applied objectively and consistently.
- 2.16 Exceptional circumstances, based on affordability and attraction and retention of scarce skills, may Municipality motivate for a departure from the salary ranges to SALGA.
- 2.17 Performance related pay be based on the reward policy.

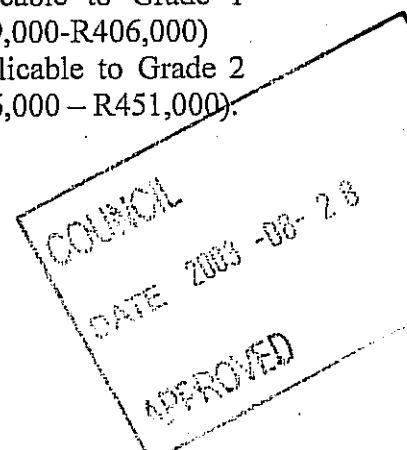


GOVERNANCE

- 2.18 Remuneration Committees be established; prescribed in the policy.
- 2.19 External expertise be sourced in to assist with the determination of remuneration in the committee.
- 2.20 External to Municipality include other Municipalities and SALGA.
- 2.21 Co-operative governance between and amongst Municipalities be highly encouraged.
- 2.22 The Executive Mayors and Mayors have authority and responsibility over the guidelines, and for good co-operative governance – it will be good practice to take advice on performance, reward and guidelines applications.

SALARY SCALE

- 2.23 The table below adopted as guideline salary scale for Managers for the current financial year.
- 2.24 Market survey be done before end of June, based on Lag Lead, behind market for six months lead it for six.
- 2.25 Revision of ranges be done in terms of actual Hay units with implementation guidelines.
- 2.26 The principle of contractual to holder to current contract applies.
- 2.27 The salary ranges pertains to the classifications of Municipalities as follows:
- a. The first range is applicable to Grade 1 Municipalities : (i.e. R329,000-R406,000)
 - b. The second range is applicable to Grade 2 Municipalities : (i.e. R366,000 – R451,000).



- c. The third range is applicable to Grade 3 Municipalities – such as Msukaligwa Municipality (i.e. R406,000 – R502,000),
- d. The fourth range is applicable to Grade 4 Municipalities – such as the District Council (i.e. R451,000 – R558,000).
- e. The fifth range is applicable to Grade 5 Municipalities (i.e. R502,000 – R620,000).
- f. The sixth range is applicable to Grade 6 Municipalities (i.e. R558,000 – R750,000).

2.28 The annual salaries of Municipal Managers and all Directors of Msukaligwa Municipality can be determined in terms of the salary range of a Grade 3 Municipality (i.e. R406 000 - R502 000 per annum) with effect from 1 July 2003 depending on the availability of funds.

SALARY RANGES		
329,000	366,000	406,000
366,000	406,000	451,000
406,000	451,000	502,000
451,000	502,000	558,000
502,000	558,000	620,000
558,000	620,000	750,000

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