



Presentation on the Upper Limits for LG Senior Managers

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Background to the Upper Limits Regime

- ▶ It was introduced as a result of the 2014 Regulations
- ▶ Regs issued by Minister under Sec 120 and 72 of LG Systems Act.
- ▶ Prior to that was the 2007 Regs
- ▶ Prior to that Municipalities could employ and determine the Salaries of Senior Managers on their own.
- ▶ The 2014 Regs introduced a 3 variable system of appointing Senior Managers viz
 - ❑ Relevant Qualification
 - ❑ Years of Relevant Experience
 - ❑ Result of Competence Testing

Background to the Upper limits....Cont

- ▶ Upper Limits must be declared by the Minister in March every FY
- ▶ Annual Upper Limits to be used by Municipalities to alter the salaries of SMs
- ▶ Upper limits will provide for a cost of living adjustment for SMs
- ▶ Municipalities can no longer use their discretion in deciding on Salaries of SMs

2014 Regs and Upper Limits

- ▶ Divides the appointment into 4 levels
- ❑ Basic = Does not meet the Minimum Requirements
- ❑ Competent = Qualification + 5 years + Competent Score
- ❑ Advanced = Qualification + 10 years + Advanced Score
- ❑ Superior = Qualification + 15 years + Superior Score

Challenges with the Upper Limits

- ▶ CFO position not measured ito of the 2014 Regs
- ▶ Annexure B(5) of 2014 Regs says CFO measured ito 2007 Regs
- ▶ Gov Notice 493 of 2007 separates Municipalities into 2 viz
- ▶ Low Capacity Mun CFO = NQF 6 Qualification or MFMP/CPMD
SAQA ID 48965
- ▶ High Capacity Muni CFO = NQF 7 or Chartered Accountant
- ▶ How does this happen considering the critical nature of CFOs role in LG?

Challenges Cont....

- ▶ 2014 Regs introduced a situation where Line 3 Managers may earn more than SMs who are their supervisors.
- ▶ SM may not earn the same due to competency outcomes .
- ▶ Some SM Managers may earn more than MMs due to competency outcomes eg.
- ▶ Category 3 Mun MM at Minimum= R937 632
- ▶ Category 3 Mun SM at Maximum = R 1046 101
- ▶ TOTAL DIFFERENCE = R108 469 with MM earning less

Challenges Continued

- ▶ 2014 Regs propose the consideration all 3 variables deciding the appointment of a SM, viz
- ▶ Qualifications + Experience + Competency Testing Results = SMs Categorization for salary purposes.
- ▶ Apparently the Testing Companys only pick one variable which is the test results and disregards all the others that take years to accumulate.
- ▶ Testing Companys themselves don't seem to be independent and objective.
- ▶ They seem to be singing the " cost-cutting tune" at the expense of the SM

Upper Limits Challenges Cont...

- ▶ Highly experienced and educated Managers with a track record are getting Minimum Results
- ▶ How does this happen to a person with 3 consecutive “ Clean Audits” and a track record of reviving “ Dead Municipalities”?
- ▶ When do we get to appreciate our high achievers in the profession?
- ▶ What is the experience and knowledge in LG of the persons marking the competency testing?
- ▶ How does a person with an M- Degree or PhD in LG score minimum in the competency test?
- ▶ Does a Psychologist know all?

Upper Limits

- ▶ 2014 Regs advise against appointment of persons at Basic Level
- ▶ 2017/18 Upper limits allow for a “ Good Cause Shown” clause
- ▶ Municipalities can apply to the Minister. (item 13)
- ▶ Application on Good cause has to approved by the Minister

Challenges Cont....

- ▶ The Competency Results are valid for a year
- ▶ What happens the following year?
- ▶ Do we all go for a new Competency testing or do we keep the SM at the level of their score as at the date of employment?
- ▶ If the understanding is that the results are valid for a year, then it becomes illegal to use them beyond that, either way.
- ▶ This technically means it is mandatory for all SMs to go for competency testing before the new Upper limits for the year are implemented by Councils.

Upper Limits Challenges.... Cont

- ▶ Frequent testing will provide an opportunity for pay progression for Senior Managers.
- ▶ Managers may be appointed at Minimum but may finish the term at Advanced or Superior depending on Developmental Programmes in their Municipalities.
- ▶ When new Upper Limits are released SMs must be given an opportunity to do the test so that they may benefit from the new scales.

Challenges Continued

- ▶ SMs whose contracts are renewed have been disadvantaged
- ▶ Some SMs have lost R350k - R450K p.a. in salaries
- ▶ What about the life style, the bond, the school fees?
- ▶ What about Pension - Reg 37(1) .Med Aid - Reg 38(1) – Motor Vehicle –Reg 39(1)- All these are mandatory for all SMs.
- ▶ Is it legally permissible and fair to renew my employment contract at less favourable conditions?
- ▶ Has it ever happened in the Public Service in the Democratic South Africa?
- ▶ The ILGM must test this in a courts of our land

ChallengesCont...

- ▶ Upper limits provide for 3 categories viz
- ▶ Below is an example of a category 3 Municipality
- ▶

Minimum	Midpoint	Maximum
R937 632	R1053 519	R1279 762
- ▶ Is it mandatory to pay the exact amount or can we pay anything between these amounts, for as long as we do not break the threshold?
- ▶ KZN Cogta says for a SM at Competent you must pay the minimum amount.
- ▶ What about the others and where do they derive this understanding?
- ▶ What about permanent SMs?

Challenges cont...

- ▶ Remote Allowance criteria not clear
- ▶ Some rural/ remote municipalities excluded
- ▶ LM with with bigger towns included and more remote areas included e.g Kokstad vs Umzumbe in KZN
- ▶ MMs remain AOs irrespective of whether they are on Minimum , Midpoint or Maximum
- ▶ The Expectation of the law from MMs is still the same irrespective.

Conclusion and Recommendations

- ▶ The ILGM must be assertive and play its role in the professionalization process,
- ▶ We must stop being spectators if we want to become champions of our own destiny
- ▶ We must flex our muscle and for this we do not need numbers but only a political will and determination.
- ▶ We must realize that no one will fight and win this war for us.
- ▶ We do not need to change our character and become a union but we should not fail to see an unfair labour practice, in particular when it is being practiced on us.
- ▶ We must challenge the Regs and the Upper limits in then courts .

The End

Thank You

