



**ELIAS MOTSOALEDI**  
**LOCAL MUNICIPALITY**

**CAR ALLOWANCE POLICY**

**MUNICIPAL COUNCIL RESOLUTION NUMBER**

**M25/26-51**

**APPROVED AT THE COUNCIL MEETING OF 28 MAY 2026**  
**EFFECTIVE DATE 01/07/2026**

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## 1. PREAMBLE

- i. **WHEREAS** the Elias Motsoaledi Local Municipality (hereinafter “the Municipality”) is characterized by a diversity of activities, functions, duties and responsibilities so of which are carried outside the permanent working station(s).
- ii. **WHEREAS** the Municipality acknowledges that full-time and part-time councillors, senior managers and employees qualifying for car allowance to effectively carry out duties assigned to them and to this effect the use of privately-owned motor vehicle is deemed instrumental for official duties.
- iii. **WHEREAS** the municipality seeks to have regard to effective and efficient use of car allowance to councillors, senior managers and employees of the Municipality.
- iv. **WHEREAS** the provision and/or conferment of car allowance to facilitate official duties of employees, senior managers and councillors is subject to available resources, means and/or financial considerations.
- v. **WHEREAS** the municipal pool cars are also available for official duties and purposes for discharge of municipal service delivery obligations within availability of resources, prudent financial management and the municipal financial viability. (Fleet policy)
- vi. **THEREFORE**, be it enacted by the municipal council, as **Car Allowance Policy**.

## 2. DEFINITIONS

All terminology used in this policy shall bear the same meaning as in the applicable legislation.

### “Car allowance”

An amount of money allocated to a councillor, <sup>1</sup> senior manager <sup>2</sup> or employee in terms of this policy purpose of providing for privately-owned motor vehicle available for official duties and discharging of the municipal service delivery

obligations having regard to availability of resources, prudent financial management and the municipal financial viability.

**“Employee”**

The person who works for the municipality, on full time or part time, receiving remuneration and assisting in any manner to carry out or conduct the business of the employer (the municipality). “*Employed*” and “*Employment*” have meanings corresponding to that of employee.

**“Full time Councillor”**

A councillor who has been elected or appointed to an office, which has been designated as a full time in terms of section 18(4) of the Local Government: Municipal Structure Act 117 of 1998.

**“Municipality”**

Elias Motsoaledi Local Municipality being the local sphere of government as determined by section 155 (1) (b) of the constitution of the Republic of south Africa, 1996 read together with Section 12 Notice issued by the MEC (Member of the Executive Council) responsible for Local Government in Limpopo Province

**“Municipality Manager”**

The person appointed by council as the head of the administration of the municipal council and accounting officer as prescribed in terms of section 54 (A) of the Local Government: Municipal system Act 32 of 2000 read together with section 82 of the Local Government: Municipal Structures Act 117 of 1998.

**“Non-Compliance”**

**Deviating in any way from the conditions stipulated in the policy.**

**“Part-time councillor”**

A councillor other than a full-time councillor.

### **“Senior Manager”**

An official of the Elias Motsoaledi Local Municipality (EMLM) appointed in terms of section 56 and section 57 of the Local Government: Municipal System Act 32 of 2000 read together with the Local Government: Regulations on Appointment and Conditions of Employment of Senior Manager promulgated thereunder Government Notice 21 Government Gazette 37245 of 17<sup>th</sup> January 2014.

### **“Traffic Officer”**

Means a traffic officer appointed by Elias Motsoaledi Local Municipality in terms of the National Road Traffic Act, Act 93 of 1996 and the Criminal procedure Act, Act 51 of 1997, but does not include a traffic warden.

### **“Traffic Vehicle”**

Means a vehicle driven by a Traffic Officer that complies with the minimum specifications of the municipality and is clearly identified with the approved blue light, siren and traffic insignia provided by EMLM

## **3. LEGISLATIVE FRAMEWORK**

3.1. **Constitution of the Republic of South Africa Act, 1996** state that: “Public Administration must governed by the democratic values and principles enshrined in the constitution, including the following principles:

- a) A high standard of professional ethics must be promoted and maintained,
- b) Efficient, economic and effective use of resources use be promoted,
- c) Transparency must be fostered by providing the public with timely, accessible and accurate information”.<sup>3</sup>
- d) Sections 152 (1) (b) of the supreme constitution, neatly entitled “object of local government” goes at lengths to state that one of the objects of local government is “to ensure the provision of services to communities in a sustainable manner”.

### **3.2. The Local government: Municipality Finance Management 56 of 2003**

states that

- a) senior managers and other officials of a municipal exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure:
  - i. That the system of financial management and internal control established for the municipality is carried out diligently.
  - ii. That the financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently".<sup>4</sup>

### **3.3. The Local Government: Municipal Finance Management 56 of 2003**

further stating that:

- a) The accounting officer of the municipality is for the maintenance of those assets.
- b) That the accounting officer must for the purpose subsection (1) take all reasonable steps to ensure
- c) That the municipality has and maintains a system of internal control of assets and liabilities, including and asset and liabilities register, as may be prescribed".<sup>5</sup>

### **3.4. Remuneration of Public Office Bearers Act 20 of 1998**

- a) The Municipality may provide a monthly cell phone allowance to Councillors, provided that such allowance shall not exceed the upper limits as determined and gazetted annually by the Minister responsible for Cooperative Governance and Traditional Affairs for the applicable financial year.
- b) "A councillor... may structure his or her basic salary to provide for motor vehicle allowance;
- c) If a councillor structure a vehicle allowance, the councillor must provide proof of ownership of a private vehicle to the municipality and have the vehicle available for official duties;
- d) A councillor who uses a privately-owned vehicle for execution of official duties on behalf of the municipality, may be reimbursed for official kilometres travelled... not exceeding the applicable tariffs as prescribed by the national department responsible for transport and in terms of the municipal council's policy".

### 3.5. **Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014**

- a) Regulations 39 of the Local Government: Regulations on Appointment and Conditions of Employment of senior Managers promulgated thereunder Government Notice 21 Government Gazette 37245 of 17<sup>th</sup> January 2014 reads in relevant part:
- i. A senior manager must have a motor vehicle available for the proper performance of his or her own duties of the vehicle.
  - ii. If a senior manager utilises his or her own private vehicle to carry out official duties, he or she must be compensated for the kilometres travelled in respect of the official trip in accordance with the relevant policy of municipality.
  - iii. Official distance travelled may be claimed in accordance with the relevant policy of the municipality, but may not exceed the applicable tariffs prescribed by the Department of Transport monthly for the use of privately owned vehicles".<sup>6</sup>
  - iv. For purposes of claiming motor vehicle and maintenance allowance, a senior manager must keep a logbook acceptable to the South African Revenue Services reflecting the official and private kilometres travelled per month".
- b) Further statutory matric and policy framework having effect on car allowance include, as listed herein below:
- i. Labour Relations Act 66 of 1995
  - ii. Basic Conditions of Employment Act 75 of 1997
  - iii. Income Tax Act 58 of 1962
  - iv. Municipal Systems Act 32 of 2000
  - v. Municipal Structures Act 117 of 1998
  - vi. Elias Motsoaledi Local Municipality – Delegations of Authority
  - vii. Collective Agreements: South African Local Government Bargaining Council (SALGBC)
  - viii. National Road Traffic Act, Act 93 of 1996
  - ix. Criminal procedure Act, Act 51 of 1997,

#### **4. SCOPE AND APPLICATION**

This policy applies to employees, senior managers and councillors of the Elias Motsoaledi Local Municipality.

#### **5. OBJECTIVES OF THE POLICY**

5.1. The objectives of this are:

- a) To regulate conferment of car allowance within the available means and resources for employees, senior managers and councillors who need to utilise car allowance for proper execution of the official duties; and
- b) To manage the car allowance in the municipality.

#### **6. POLICY CONTENTS AND CAR ALLOWANCE QUALIFYING POSITIONS AND POSTS**

6.1 Car allowance for councillors, senior managers and employees

6.1.1. All councillors and senior managers receive a total remuneration package from the municipality which remuneration does or may include a car allowance structured according to the applicable individual needs within the total annual remuneration package.

6.1.2. A councillor has the discretion and may include a car allowance in the total annual remuneration package. If a councillor structure a vehicle allowance, the councillor must provide proof of ownership of a private vehicle to the municipality and have the availability.

6.1.3. A senior manager must have a motor vehicle available for the proper performance of his or her functions duties: provided that s/he must secure his or her own financing for the vehicle and required to include car or a travel allowance in his or her annual total remuneration package according to the applicable individual needs. A senior manager must provide proof of ownership of a private to the municipality and have the vehicle available for official duties.

6.1.4. Qualifying employees shall be granted Car Allowance, subject to compliance with all applicable policy requirements and approval processes of the Municipality.

- a) Job description
- b) Application form

6.1.5. Deputy Senior Managers, Middle or Divisional Managers and the posts or positions below Middle/ Divisional Managers qualify to receive a car allowance of 25% of their basic salary as follows:

<b>Position / post</b>	<b>% car allowance to be received</b>
Full time and part time Councillors	According to the applicable individual needs within the total annual remuneration package
Municipal Manager	According to the applicable individual needs within the total annual remuneration package
Senior Manager	According to the applicable individual needs within the total annual remuneration package
Deputy Senior Managers	25% of employee basic salary or minimum R6000,00 whichever is greater,
Middle / Divisional Managers	25% of employee basic salary or minimum R6000,00 whichever is greater,
Approved position or posts below Middle / Divisional Managers as determined in terms of the post advertisement	25% of employee basic salary or minimum R6000,00 whichever is greater,
New post below Middle / Divisional Managers as determined in terms of the post advertisement	25% of employee basic salary or minimum R6000,00 whichever is greater,
Traffic Officers (excluding Traffic Wardens)	33% of employee's basic salary

6.1.6. The payment of a car allowance to approved qualifying officials shall be calculated at 25% (twenty-five percent) of the approved employee's gross salary. However, where the calculated car allowance amounts to less than R6 000.00 per month, the employee shall be paid a fixed car allowance of R6 000.00 per month. Such allowance shall remain linked to the approved incumbent occupying the position until the employee resigns or vacates the post.

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6.1.7. Traffic Officers who qualify for a car allowance shall receive an allowance equivalent to thirty-three percent (33%) due to the operational nature and requirements of their duties. The additional eight percent (8%) granted to Traffic Officers, compared to other municipal employees, is attributed to the fact that they do not claim SNT and other conditions listed as per clause 8 of this policy.

- a) Traffic officers with travelling allowance are compelled to use their own vehicles when performing council duties and this must include the full duration of his/her shift.
- b) Clause 8 of this Policy is applicable in circumstances as mentioned in "6.1,6,2
- c) The municipality shall avail magnetic stickers for the branding of the vehicles and the Traffic Officers are compelled to affix the magnetic stickers to their vehicles whilst on duty and executing council duties. Vehicles that do not display the required branding; will not be considered as Subsidy vehicles and dealt with as mentioned in Clause 8 below.
- d) It is the duty of the Traffic Officers that receive a vehicle allowance, to ensure all relevant tools required for the execution of their duties are installed in or on the vehicle during working hours and removed when off duty.
- e) The tools in (6.4.) above will include any equipment relevant and required for the execution of duties by traffic officers.
- f) Traffic Officers that receive vehicle allowance are compelled to utilize their own subsidized vehicle during execution of their duties and may not utilize a municipal vehicle or travel with other Traffic Officers unless authorized by the Manager: Public Safety.
- g) Traffic Officers may not transport any private individual during execution of their duties, without prior authorization of the immediate supervisor, Superintendent Traffic or Manager: Public Safety. This excludes offenders arrested by the Traffic Officer in the execution of his/her duties and or public in distress.
- h) Officials that receive vehicle allowance are responsible for all maintenance, fuel, repairs and licensing costs relating to their subsidy vehicle.
- i) Officials that receive a vehicle allowance are required to provide their own substitute vehicle during an incident where their vehicle is in for maintenance or repairs.

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- j) The substitute vehicle for Traffic Officers must comply with the minimum requirements as specified in "clause 7" below.
- k) Traffic Officers are compelled to equip the substitute vehicle with the required equipment provided. (Blue light, siren, magnetic insignia, etc.)
- l) Officials that receive vehicle allowance are not eligible for time off to take their vehicle for repairs or maintenance and must ensure they do this during their off time.

6.2 Some employees qualify to receive a car allowance of twenty-five percent (25%) of their annual basic salary, for the purchase of a private motor vehicle to use in official duties, based on their duties as per the post advertisement(s).

6.3 A councillor or senior manager that elected to include a car or travel allowance within the total remuneration package structure package structure, or an employee who receives a car allowance, must meet the following requirements:

6.4 At all times provide motor vehicle of suitable type and condition for the proper discharge of duties.

a) A logbook acceptable to the South African Revenue Service (SARS) must be kept according the official and private kilometres travelled.

b) The car or travel allowance shall be included in the IRP5 for purposes of accounting to SARS; and

c) On income Tax Assessment, a councillor, senior manager or employee receiving car or travel allowance must account to SARS for the use of the travel.

6.5 Qualification requirements to a reimbursement for travel shall in accordance with the municipal Subsistence and travelling Policy.

6.6 A councillor, senior manager or employee in receipt of car allowance, may in exceptional circumstance and upon good cause shown, and with the approval of the relevant approval authority, utilise the municipal-owned vehicle for official purposes: provided that prudent financial management is exercised to ensure that provision of motor vehicle does not undermine the need to prioritise service delivery does not undermine the need to priorities service delivery and sustain viability of the municipality.

6.7 If a councillor, senior manager, or employee in receipt of car allowance, uses a municipal-owned motor vehicle for official purposes, s/he shall not be reimbursed for kilometres travelled.

## **7. CONTROL MEASURES ON EMPLOYEE RECEIVING CAR ALLOWANCE**

- 7.1 Employees must provide proof of ownership of a private motor vehicle to the municipality and have the vehicle available for official duties prior to payment of car allowance by the employer.
- 7.2 Employees must inform their Department Head immediately if they do not have a vehicle available so that the affected employees' car allowance can be stopped until such vehicle is available / provided. This provision shall not apply to councillors and senior managers who are subject to individual needs' structuring of their annual total remuneration package.
- 7.3 In the event that it can be shown that the employee has received the car allowance without having the requisite vehicle available, the overpayment of the allowance for the identified non-qualifying period must be recovered from the employee's salary.
- 7.4 Employees may be requested to provide proof of car ownership as and when necessary, on annual basis if there is fraud and corruption suspicions.
- 7.5 Furthermore, the employee may face disciplinary action and / or incapacity proceedings relating to their non-compliance with this provision and inability to perform their duties due to them not having the requisite vehicle. Where they continued to receive car allowance without complying with the above requirements they must be charged with fraud.
- 7.6 Employees who are in receipt of existing car allowance which they enjoyed from their previous post and who are placed or appointed to promotional posts that do not have car allowance attached to them shall have their existing car allowance discontinued from the time that they take up the duties of the new post unless the appointment or replacement letter to the new post provides otherwise.

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## 8. MINIMUM SPECIFICATIONS OF TRAFFIC VEHICLES

- 8.1. Traffic vehicles may not be older than two years and not more than 50 000 km when purchased. (without written consent of the Manager: Public Safety),
- 8.2. Traffic vehicles must be white in colour,
- 8.3. Traffic vehicles may not be imported vehicles and must at least be registered as "New" or "Code 2" vehicles,
- 8.4. Traffic vehicles must be suitably designed / configured and equipped for its intended use (In other words it must be designed that the equipment supplied by EMLM can be uniformly fitted as required, f. e. the blue light and siren on the roof and magnetic signage on areas identified by the Manager: Public Safety),
- 8.5. Traffic vehicles must be registered in Limpopo Province and display the "L" registration plate,
- 8.6. Traffic vehicles must be presented on a weekly basis for inspection and must always be kept clean and in a roadworthy condition and will be inspected by the relevant supervisor and or Manager: Public Safety from time to time,
- 8.7. All the equipment supplied by the Municipality (e.g. magnetic signage, blue light & siren, radio and other related equipment) must be displayed on the vehicle when on duty, as required by the Manager: Public Safety.
- 8.8. The Traffic Officers are to ensure that all equipment as mentioned above, are always in good working order and report any defect, damage or loss of equipment within 24 hours,
- 8.9. Equipment issued to Traffic Officers as mentioned above that are reported lost or damaged due to negligence, will be replaced by EMLM and the cost thereof retrieved from the Traffic Officer at the end of the month. The Municipal Manager will appoint a committee consisting of at least (2) two members to investigate and determine the negligence

and report to the Municipal Manager within (7) working days after the incident was reported.

**9. CALCULATION OF VEHICLE ALLOWANCE WHEN TRAFFIC OFFICERS REQUIRE MUNICIPAL VEHICLE**

The "Allowance Payable" is applicable when the Traffic Officer must, for some reason or the other, utilize a municipal vehicle or travel with a colleague without authorization from the Manager: Public Safety, or is absent from work without approved leave. Traffic Officers that receive the approved vehicle allowance will receive it based on complying with the conditions of this Policy.

When a Traffic Officer did not utilize his/her subsidized vehicle for reasons as mentioned above, the calculated allowance formula will be as follows:

*(This clause does not apply to Traffic Officials that are on official approved leave - They will receive their normal vehicle allowance of 33% of their Basic Salary)*

ABBREVIATIONS

- WD = Working Days (Days of the month to be worked)
- A = Allowance (33%)
- ADW = Actual Days Worked with Subsidized Vehicle
- APD = Allowance Per Day
- APH = Allowance Per Hour
- APMD = Allowance Payable for the Month regarding days
- APMH = Allowance Payable Monthly regarding Hours

When a Traffic officer does not utilize his/her approved Traffic vehicle during his/her working hours and failed to obtain prior approval from the Manager Public Safety, the hours and days not utilizing the vehicle will be calculated and deducted from his/her monthly vehicle allowance.

Calculating the Allowance payable to Traffic Officers not utilizing their subsidized vehicle the whole month is as per the formula noted below:

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### CALCULATION:

To calculate the allowance payable where the approved vehicle for which a Traffic Officer receives a vehicle allowance is not utilized certain days of the month.

- $APD = A \div WD$  (e.g.  $R 10\,748.10 \div 22$  days)  
= R 488.55 allowance p/day
- $APMD = APD \times ADW$   
= (e.g.  $R 488.55 \times 12$  days)  
= R 5 862.60 Allowance per month regarding days

To calculate the allowance payable where the approved vehicle for which a Traffic Officer receives an vehicle allowance is not utilized certain hours of during a working day:

- $APH = APD \div 8$  hours  
= (e.g.  $488.55 \div 8$ )  
= R 61.07 allowance per hour

Determine the hours the officer did not work (it must be noted in writing) and multiply it by the APH and then subtract the APH from his monthly allowance.

- $APMH = A - (APH \times \text{hours not worked})$   
= (e.g.  $R 61.07 \times 5$  hours not worked with vehicle = R 305.35)  
=  $R 10\,748.10 - R 305.34$  (5 hours not worked)  
= R 10 442.75 Allowance payable after deducting hours not worked with approved vehicle

### **10. USAGE OF COUNCIL VEHICLES BY TRAFFIC OFFICERS WITH VEHICLE ALLOWANCE**

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All Traffic Officers that receive a travelling allowance are compelled to use their own vehicles when performing council duties and prohibited to utilize council vehicles without written authorization by the relevant divisional Manager and Manager: Fleet.

## **11. TRANSITIONAL ARRANGEMENTS AND NEW POSTS**

- 11.1. Employees who are in receipt of existing car allowance at the time of review of this Policy continue to be in receipt of the car allowance subject to compliance with the requirements of this Policy.
- 11.2. When a post below Middle / Divisional Managers become vacant or is new on the organogram, the employer shall review and through the advert determines whether the post would receive a car allowance having regard to the nature of the post and attendant duties. This would enable the applicants to apply knowing upfront whether the travel allowance is attached to the post applied.
- 11.3. If the advertised post below Middle / Divisional Managers does not specify "Car allowance" attached therein and refer in general terms to "other allowance or allowance where applicable", it shall be deemed to exclude car allowance.

## **12. IMPLEMENTATION AND MONITORING**

This Policy shall be implemented and monitored by the Municipal Manager or his or her delegate assignee.

## **13. COMMUNICATION**

This Policy will be communicated to all municipal employees using the full range of communication methods available to the Municipality

## **14. BUDGET AND RESOURCES**

The financial and resource implementation of this Policy should be qualified and quantified by the Budget and Treasury Office as well as the Corporate Services Human Resource Management.

## **15. ROLES AND RESPONSIBILITIES**

The Municipal Manager or his / her delegate assignee accepts overall responsibility for the implementation and monitoring of the policy. The Municipal Manager or his / her delegate assignee accepts overall responsibility for the implementation and monitoring of the policy.

## **16. CONSEQUENCES FOR NON-COMPLIANCE**

Non-compliance to any of the stipulations contained in this policy will be regarded as misconduct, which will be dealt with in terms of the applicable Disciplinary Code.

## **17. DISPUTE RESOLUTION**

17.1. If there is a dispute about the interpretation or application of this Policy, the disputant or aggrieved party shall refer the dispute grievance to:

- a) employer, in terms of the applicable Grievance Procedure.
- b) South African Local Government Bargaining Council, if the dispute falls within its jurisdiction, for conciliation.
- c) arbitration, if the dispute remains unresolved with parties to the dispute consenting to arbitration; and
- d) competent court(s) in terms of the applicable laws of the Republic of South Africa.

## **18. APPLICATION OF THIS POLICY WHEN IN CONFLICT WITH THE NATIONAL OR PROVINCIAL LEGISLATION OR APPLICABLE COLLECTIVE AGREEMENT**

If any conflict relating to a matter dealt with in this Policy arises between this Policy and the provisions of the national or provincial legislation or applicable collective agreements for employees falling within the SALGBC (South African Local Government Bargaining Council), the provision of the national or provincial legislation or applicable collective agreements for employees falling within the SALGBC prevail.

## **19. POLICY REVIEW**

This Policy shall be reviewed and revised as and when required.

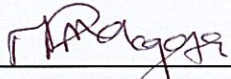
## **20. EFFECTIVE DATE**

THE Policy shall be effective forthwith from the 01/07/2026

## SHORT LIFE

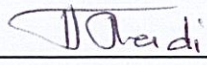
This Policy shall be called the Car Allowance Policy (CAP).

### 21. SIGNATORIES

  
\_\_\_\_\_  
Ms. NR Mahlakwane Pr Tech Eng  
Municipal Manager

19/06/2026

Date

  
\_\_\_\_\_  
The Mayor  
Cllr. Tladi MD

19/06/2026

Date