



# MAKHADO LOCAL MUNICIPALITY

## CAR ALLOWANCES POLICY, 2020/2021

(Approved by Council Resolution-----)

*Vision: "A dynamic hub for socio-economic development by 2050"*

*Mission: "To ensure effective utilization of economic resources to address socio-economic imperatives through mining, agriculture and tourism"*

### **Values**

1. Distinctiveness (Uniqueness, Excellence)
2. Progressiveness (Open Minded)
3. Dynamic (Energetic, Lively, Self-Motivated)
4. Culpability (Accountability and Responsibility)
5. Efficacy (Effectiveness and Efficiency)
6. Adeptness (Expertise and Proficiency)

### **Seven (7) Strategic Objectives**

1. Promote Community Participation and Environmental Welfare
2. Invest In Local Economy
3. Advance Spatial Planning
4. Invest in Human Capital
5. Good Governance and Administrative Excellence
6. Sound Financial Management and Viability
7. Accessible Basic and Infrastructure Services

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## CAR ALLOWANCE

### 1. PREAMBLE

The policy deals with the payment of the Car allowance to employees of Makhado Municipality required to utilize private transport in the execution of official duties, and shall be applicable to Makhado Municipality.

### 2. OBJECTIVES IF THIS POLICY

The objectives of the policy are to provide for the following:

- 2.1.1 Uniform guidelines, condition and limitations in terms of how the policy is to be run:
- 2.1.2 Sufficient flexibility to the policy in order to allow Council to frame internal rules to provide for the unique circumstances:
- 2.1.3 The basis of compensation and policy benefits in respect of the employees who utilize private transport and / or whether prior arrangements have been made with an employee to utilize private transport for official purpose.

### 3. DEFINITIONS

For the purpose of this policy the following definitions shall apply.

- 3.1 “**Official distance**” means the distance in kilometres travelled by an employee in his/her employer’s service, excluding between place of work and residence.
- 3.2 “**Days**” indicate number of working days that an employee performs duty in the Municipality.
- 3.3 “**Car allowance Policy**” means this policy as agreed upon.

### 4. POLICY PARTICIPATION

- 4.1 This policy provides for participation by all employees of this local Municipality except the Municipal manager and Section 56 employees, who with the approval of the Council utilize private car in the execution of official duties.

### 5. POLICY STIPULATIONS

- 5.1 Post Level 1 and 3 qualify automatically for a monthly car allowance without proof of distance travelled. No official car will be provided to such incumbents.
- 5.2 This policy provides for participation by all other employees of Makhado Local Municipality with the proposal by the Director of the relevant Department recommendation by the Committee appointed by the Municipal manager and approval by the Municipal manager.
- 5.3 An employee will be required to travel for a period of three (3) calendar months using a council supplied vehicle or own car prior the application and the log book should be kept and attached to the application before the final approval by the Municipal Manager.
- 5.4 The average kilometres should not be less than the minimum kilometres which is allocated to qualify employee which are as follows:  
Incumbents on post level 4 = 900KM  
Incumbents on Post Level 5 = 900KM  
Incumbents on Post Level 6 and 7 = 900KM

## 6. MONTHLY FIXED CAR ALLOWANCE

All employees (excluding Municipal Manager and Managers reporting directly to the Municipal Manager in terms of Section 56 of the Municipal Systems Act, No. 32 of 2000) shall receive a monthly fixed car allowance of 30% of basic salary and such an allowance shall be an added benefit to the basic salary.

### 6.1 FOR CLASSIFICATION PURPOSE, THE FOLLOWING FORMS OF CAR ALLOWANCE ARE IDENTIFIED

- 6.1.1 Incumbents who qualify automatically for monthly car allowance, without proof of distance travelled or submission of log sheet.
- 6.1.2 For journeys outside the boundaries of Makhado Municipality, the employee will be compensated in accordance with the prescribed Department of Transport rate Tariff for total running cost for the distance travelled. This will also apply to the excess kilometres travelled within the boundary of Makhado Municipality.
- 6.1.3 It is thus a requirement for participation in the car Allowance policy that suitable own car must be available for the execution of official duties.
- 6.1.4 The payments of a fixed monthly car allowance to the various incumbents are however subject to the following conditions:
  - 6.1.4.1 That no official car will be provided to such incumbents:
  - 6.1.4.2 Residence to place of work trips does not form part of official trips.
  - 6.1.4.3 That all other requirements contained in this policy are complied with.
  - 6.1.4.4 Vehicles purchased under car allowance must be suitable for the incumbents to perform his duties.

## 7. RUNNING COSTS

### 7.2. *Employees with Car Allowance*

The employees who qualify for policy participation due to the nature and the requirements to perform Council duties utilizing their own private motor vehicle must submit a monthly logbook (log sheet) to the office of the Director approved by the Municipal Manager, Should they exceed their fixed monthly allocated kilometres.

## 8. PAYMENT OF CAR ALLOWANCE DURING LEAVE OF ABSENCE

- 8.1 A motor vehicle allowance shall be paid to employees who are on authorized leave.
- 8.2 An employee shall not be paid car allowance for an unauthorized continues period of absence from duty in excess of 25 working days. In the event the car allowance has been paid erroneously such allowance will be covered I the following month.
- 8.3 An employee on maternity leaves shall be paid car Allowance at a normal rate.
- 8.4 Should an employee be transferred by the Municipal Manager to a post for which no travelling allowance has been authorized, the Council shall pay such employee his/her monthly car allowance until the car is fully paid.

## 9. EMPLOYEE'S RESPONSIBILITY

- 9.1 The employee in the receipt of the car allowance shall be responsible for the payments of his/her motor licences fees impact of his/ her private car that he/ she is required to execute official duties with.
- 9.2 It is the responsibility of an employee to submit a contract of sale when purchasing a car in an event of new application or replacement.

**10. IMPLEMENTATION AND REVIEW**

The policy shall be implemented once adopted by Council and shall be reviewed annually.