

ADDITIONAL ITEM

12.4	ADJUSTMENT OF MOTOR VEHICLE ALLOWANCE SCHEME TO EMPLOYEES ON TASK LEVEL 15 AND HIGHER
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Collaborator No:

IDP KPA Ref No: Good governance

Meeting Date: 25 AUGUST 2025

1. SUBJECT: ADJUSTMENT OF MOTOR VEHICLE ALLOWANCE SCHEME TO EMPLOYEES ON TASK LEVEL 15 AND HIGHER

2. PURPOSE

To clarify the decision of Council taken at the Special Council Meeting held on 8th August 2025 with regard to the approval of the adjustment of the car allowances paid to permanent employees from Task Level 15 and higher.

3. DELEGATED AUTHORITY

Council.

4. EXECUTIVE SUMMARY

Council, at the Special Council Meeting held on the 8th August 2025 Council resolved that;

"SPECIAL COUNCIL MEETING: 2025-08-08: ITEM 8.3

RESOLVED (majority vote with 1 abstention)

That the revised Motor Vehicle Allowance Policy, attached as ANNEXURE A be approved subject to consultation with the unions."

On 20 August 2025, the Municipal Manager received an internal memorandum from the CFO indicating that the consultation with the unions was finalised and both Unions support the implementation of the Policy. **ANNEXURE A**

When the Administration started to calculate the increases referred to as per the Policy, it was found that due to some ambiguity in the wording of certain provisions, the decision of Council could not be implemented without qualifying the intention of Council's resolution. To this end, this item aims to provide clarity for the purposes of implementation. Council intention was always to provide across the board CPIX increase to all staff receiving car allowances.

5. RECOMMENDATION

- (a) that all current staff receiving a car allowance as per the approved Motor Vehicle Allowance Policy of 28 November 2018 receive a CPIX related increase calculated at 5.01% with effect from 1st August 2025, and
- (b) that the revised Motor Vehicle Allowance Policy, as attached in **Annexure "A,"** be approved, subject to consultation with the Unions and correcting the ambiguity of interpretation that's exists.

6. DISCUSSION / BACKGROUND**6.1 Background**

Council currently pays some permanent Employees a car allowance as part of their benefits. This applies to employees who used to be on the post levels 1-4 under the old Van Der Merwe job grading system. Since 01 July 2013 Council has accepted the SALGA approved TASK Job Evaluation system and although no official comparison was done between the old van der Merwe level 1 – 4 posts and the T14 and higher TASK gradings, these Employees retained their allowances as contractual to the incumbent.

With the acceptance of the new organogram on 25 October 2017 and 25 February 2019 the implementation of the organogram it has become necessary to also adjust the policies dealing with the car allowance.

During February/March 2025, IMATU enquired from the Municipality as to when the car allowance will be adjusted with the required stipulation contained in the policy as these allowances have not been adjusted since the implementation of the policy in 2018. Furthermore, IMATU referred to clause 3.3 of the Motor Vehicle Allowance Scheme that was approved by Council on the 28th of November 2018 and which states that:

“The allowance will be increased annually with effect from 01 July 2019 in accordance with a determination in the budget process”.

There is sufficient budget for the proposed increase in the 2025/2026 financial year.

At the Special Council Meeting held on the 8th August 2025 Council resolved that;

“SPECIAL COUNCIL MEETING: 2025-08-08: ITEM 8.3

RESOLVED (majority vote with 1 abstention)

That the revised Motor Vehicle Allowance Policy, attached as ANNEXURE A be approved subject to consultation with the unions.

When the administration started to calculate the increases referred to in the attached (**ANNEXURE A**) policy, it was found that due to some ambiguity in the wording of certain provisions (3.1.8, 3.3, and the transitional arrangements under 4), the decision of Council could not be implemented without qualifying the intention of Council's resolution.

The Municipal Manager clarified that Council's intention was to increase all current Employees, who are recipients of a car allowance, with a CPIX increase with effect from 1st August 2025 and that the revised policy be consulted with the Unions. It is therefore proposed that the recommendations under paragraph 5 above reflect the intention of Council and that the mandate be granted that any ambiguity as identified be corrected during the consultation with the Unions.

The policy will be submitted to the Council for notification once consulted and agreed to.

6.2 Discussion

In order to attract skills and qualified Employees in more senior positions the administration needs to use additional benefits, such as a car allowance to attract the best possible candidates for vacancies. Investigations at nearby and comparative municipalities have revealed that a car allowance is one of the benefits offered to Employees on TASK levels 15 and above.

As Council wants to attract the best possible candidates for the positions it is essential that we offer applicants for jobs comparable benefits with neighbouring municipalities as we compete with them for the best candidate.

6.3 **Financial Implications**

Sufficient budget is available in the 2025/2026 financial year.

6.4 **Legal Implications**

Employees who currently receive an allowance and whose posts fall within the mentioned post grades are entitled to receive such increases as part of their conditions of service stipulations.

The Vehicle Car Allowance is a benefit that can be negotiated at a municipal level.

6.5 **Staff Implications**

Affects staff who receive the motor vehicle scheme allowance.

6.6 **Previous / Relevant Council Resolutions:**

Special Council Meeting: 2025-08-08: Item 8.3.

6.7 **Risk Implications**

Currently, there are no risk implications.

6.8 **Comments from Senior Management:**

Senior Management supports the recommendation that the car allowances be adjusted in line with the provisions made in the applicable policy and the available budget.

ANNEXURE:

Annexure A: Internal memorandum from the CFO

FOR FURTHER DETAILS CONTACT:

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Report Date	21st August 2025

ANNEXURE A



MEMORANDUM

Addressees of Memo: Municipal Manager

From : CFO

Date : 20 August 2025

Subject : Finalisation of Union Consultation on Revised Motor Vehicle Allowance Policy & Recommendation for Implementation

PURPOSE OF MEMORANDUM

The purpose of this memorandum is to inform the Municipal Manager that the consultation process with the recognised unions, SAMWU and IMATU, regarding the Revised Motor Vehicle Allowance Policy has been successfully concluded.

Both unions have confirmed their agreement with the policy. This memorandum seeks approval for the implementation of the revised policy as per the Council's resolution.

BACKGROUND

On 08 August 2025, Council resolved that the Revised Motor Vehicle Allowance Policy (Annexure A) be approved, subject to consultation with the relevant trade unions before implementation.

Following this resolution:

- IMATU submitted a formal mandate dated 18 August 2025, confirming its support for the revised policy and requesting immediate implementation.
- SAMWU confirmed its acceptance of the revised policy in a letter dated 19 August 2025.

The consultation process has now been finalised and both unions support the implementation of the policy.

DISCUSSION

The revised Motor Vehicle Allowance Policy ensures proper alignment with the TASK grading system, standardises allowances, and keeps Stellenbosch



MEMORANDUM

Municipality competitive with neighbouring municipalities. The policy also provides for annual CPI-linked adjustments effective 1 July 2026.

Attached for reference:

- Annexure A: Revised Motor Vehicle Allowance Policy
- Annexure B: IMATU Mandate Letter (18 August 2025)
- Annexure C: SAMWU Acceptance Letter (19 August 2025)
- Annexure D: Council Resolution – Adjustment of Motor Vehicle Allowance Scheme

RECOMMENDATION

It is recommended that:

1. The Municipal Manager notes that consultation with SAMWU and IMATU has been successfully concluded.
2. The implementation of the revised Motor Vehicle Allowance Policy be authorised with effect from August 2025.
3. Payroll be instructed to update employee allowances accordingly for the 2025–2026 financial year.

Kevin Carolus

Chief Financial Officer

Approved 	Decline
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Geraldine Mettler

Municipal Manager