

NATIONAL TREASURY

NO. 91

03 FEBRUARY 2017

**LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 -
EXEMPTION FROM REGULATIONS 15 AND 18 OF MUNICIPAL REGULATIONS ON
MINIMUM COMPETENCY LEVELS, 2007**

I, Pravin J Gordhan, hereby in terms of section 177(1)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), exempt municipalities and municipal entities from regulations 15 and 18 of the Municipal Regulations on Minimum Competency Levels, 2007, published under Government Notice R493 in Government Gazette 29967 of 15 June 2007 ("the Regulations"), as set out in the Schedule.

PRAVIN J GORDHAN
MINISTER OF FINANCE

SCHEDULE**Exemption**

1. Subject to the conditions in paragraph 2, municipalities and municipal entities are exempted from regulations 15 and 18 of the Regulations, in that a municipality or a municipal entity may-
 - (a) continue to employ an official (herein called "an existing official"); and
 - (b) appoint a person (herein called "a new appointee"),who does not meet the minimum competency level in the unit standards for each competency area as required for the position in terms of the Regulations.

Conditions

- 2.1 When applying paragraph 1, a municipality or municipal entity must implement the following conditions:
 - (a) in the case of-
 - (i) an existing official, the official must attain the minimum competency level in the unit standards for each competency area within 18 months from the date of publication of this Notice; and
 - (ii) a new appointee, the official must attain the minimum competency level in the unit standards for each competency area within 18 months from the date of appointment; and
 - (b) in the case of-
 - (i) an existing official, the condition contemplated in subparagraph (a)(i) must be included as a performance target in that official's performance agreement, if such agreement is required. If no such agreement is required, the municipality or the municipal entity must conclude an agreement with the official giving effect to the condition; and

- (ii) in the case of a new appointee, the condition contemplated in subparagraph (a)(ii) must be included-
 - (aa) in the appointee's employment contract which must also state that, if the required minimum competency levels in the unit standards for each competency area are not attained within the period mentioned in subparagraph (a)(ii), the employment contract will terminate automatically within one month after the applicable period; and
 - (bb) as a performance target in the appointee's performance agreement, if such agreement is required.
- 2.2 A municipality or municipal entity must address any failure by an existing official or new appointee to attain the required minimum competency levels in the unit standards for each competency area within the applicable period stipulated in paragraph 2.1(a), in accordance with the applicable labour legislation and policies and procedures of the municipality or municipal entity.
- 2.3 A municipality or municipal entity must, in terms of sections 83(2) and 119(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), assist existing officials and new appointees affected by this Notice to attain the required minimum competency level in the unit standards for each competency area within the applicable period stipulated in paragraph 2.1(a).
- 2.4 A municipality or municipal entity must post the performance agreements including the personal development plans, referred to in paragraph 2.1(b), on the official website of the municipality or municipal entity or any other website which the municipality or municipal entity uses for its postings, in terms of section 75 of the Municipal Finance Management Act, 2003.
- 2.5 A municipality must-
 - (a) submit a report to the National Treasury on the implementation of the conditions referred to in paragraph 2.1(a), in respect of the municipality and each of its entities in such format and on such dates as the National Treasury determines; and
 - (b) on a monthly basis, submit to the National Treasury and the relevant Provincial Treasury a report with details of-
 - (i) employment contracts of officials appointed by virtue of this Notice;
 - (ii) registration with accredited training providers; and
 - (iii) progress made in attaining the minimum competency levels.
- 2.6 The report envisaged in paragraph 2.5(b) must be tabled at each municipal council meeting to enable the council to-
 - (a) enforce the Regulations and this Notice; and
 - (b) institute corrective action as may be required.