



**BREED VALLEY**  
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

**TRANSPORT ALLOWANCE POLICY  
- REVISED 2019 -**

|                        |                       |
|------------------------|-----------------------|
| <b>Policy Number:</b>  | <b>Approved Date:</b> |
| <b>Effective Date:</b> | <b>Review Date:</b>   |

Notwithstanding the review date herein, this policy shall remain effective until such time approved otherwise by Council and may be reviewed on an earlier date if necessary.

**Why Have a Policy?**

The purpose of this policy is to create a uniform policy throughout the sector that is adequate for all employers and employees who qualify for a transport allowance throughout the sector with due regard to the already prevailing positions in some municipalities.

## THE POLICY

### 1. PREAMBLE

The purpose of this policy is to create a uniform policy throughout the sector that is adequate for all employers and employees who qualify for a transport allowance throughout the sector with due regard to the already prevailing positions in some municipalities.

The implementation of this policy shall always be guided by the provisions of the Municipal Finance Management Act to ensure adequate accountability and responsibility.

The policy shall be utilized as a framework document that provides for the minimum conditions in order to cater for the varying municipal positions in this regard.

### 2. DEFINITIONS

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

### 3. LEGAL FRAMEWORK

Local Government: Municipal Finance Management Act, No. 56 of 2003

### 4. SCOPE AND APPLICATION

- 4.1 This transport allowance policy will apply to all employees appointed on a permanent basis on TASK levels T15 and above who by the nature of their duties are involved on managerial levels and who are compelled to utilize their private vehicles in the completion of their official duties on a regular basis.
- 4.2 Employees who are already participants on this scheme since the implementation of the transport policy.
  - 4.2.1 The transport allowance offered to employees on TASK level T14 who were eligible in terms of the previous conditions of this transport allowance policy will be *contractual to incumbent*.
  - 4.2.2 When the employee terminates their services with Breede Valley Municipality, the newly appointed employee on TASK level T14 will no longer be eligible.
- 4.3 Employees who are participants on the Essential User scheme who due to the nature of their positions are required by the Employer to utilise a private vehicle available are excluded from this policy.
- 4.4. Employees as Municipal Manager and Senior Managers reporting directly to the Municipal Manager appointed in terms of Section 56 and 57 of the Municipal Systems Act No 32 Of 2000, are excluded from this policy.

## **5. OBJECTIVES OF POLICY**

- 5.1 The policy shall be utilized as a framework document that provides for the minimum conditions in order to cater for the varying municipal positions in this regard.
- 5.2 To provide guideline to regulate the allocation of a *market related* fixed transport allowance and reimbursement of actual official travel for employees who qualify for participation in the revised Transport allowance policy.
- 5.3 To attract and retain competent employees by providing a fringe benefit in addition to the cash component of their remuneration.
- 5.4 To provide employees on TASK levels T15 and above with the necessary resources for them to execute their responsibilities with the utilisation of a privately-owned vehicle.

## **6. QUALIFYING CONDITIONS**

Eligible employees in terms of this policy must adhere to the following qualifying conditions:

- 6.1. An employee who receives a fixed transport allowance must always have a privately-owned vehicle available for the execution of official duties.
- 6.2 In order to qualify for a fixed transport allowance, employees should be in possession of valid driver's licence.
- 6.3 No official transport will be made available to employees who receive a fixed transport allowance for the execution of their official duties.
- 6.4 All claims for official trips will be dealt with, in line with the approved Subsistence and Travel policy.
- 6.5 No claims may be submitted for trips between the employee's residence and place of work.
- 6.6 The choice and type of vehicle to be used by an employee who receives a fixed transport allowance should comply with the purpose and requirements for the execution of the employee's official duties.

## **7. DETERMINATION OF APPLICABLE FIXED TRANSPORT ALLOWANCE**

- 7.1 Employees who received a transport allowance, prior to the introduction of this policy are eligible to receive a transport allowance as a fringe benefit in addition to their salaries and will be regarded as *contractual to incumbent*.

7.2 Eligible employees in terms of this policy will be paid the following market related transport allowance for travelling within the boundaries of Breede Valley Municipality:

| <b>TASK levels</b> | <b>Market related transport allowance</b>                         |
|--------------------|---|
| TASK 17 and above  | R17 536.00  |
| TASK 16            | R15 818.00  |
| TASK 15            | R14 095.00  |
| TASK 14            | R10 928.00, only for positions currently contractual to incumbent |

7.3 The fixed transport allowance will be subject to an increase annually on 01 July based on the average CPIX of the preceding 12 months, as determined by the Bargaining Council.

## **8. GENERAL**

8.1 Employees are to provide proof of availability of suitable vehicles on the request of management and/or Human Resources. **Alternatively**, the affected employees' transport allowances must be stopped until such vehicle is available/ provided.

8.2 Employees must inform their employer (the employing local authority/municipality) immediately if they do not have a vehicle available.

8.3 In the event that it can be shown that the employee has received the transport 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.

8.4 Further, they may face disciplinary action and/or incapacity proceedings relating to their noncompliance with this provision and inability to perform their duties due to them not having the requisite vehicle and where they continued to receive the allowance without complying with the above qualifying requirements they must be charged with fraud.

8.5 The Municipal Manager shall approve of any employees' in receipt of permanent transport allowances, who are required to be transferred by the Local Authority to other posts to which no transport allowances are attached, or whose duties change to the extent that their posts no longer justify transport allowances being attached to them, to continue to be paid the fixed cost portion of the allowances for the duration of outstanding fixed periods or payments of their existing vehicle financing agreements for their current vehicles purchased in terms of the this scheme, or until the agreement or commitment is terminated/expires for any reason whatsoever.

Affected employees may not renegotiate or reschedule the agreements in any way to have the effect of extending the agreements and/or commitments/obligations in terms thereof to cause allowances to continue to be paid for longer than they otherwise would have been.

If such agreements should terminate at an earlier time due to whatever reason the employees concerned must inform their management immediately and the transport allowance must be discontinued forthwith.

- 8.6 Employees in receipt of transport allowances in their current posts and who apply for and are appointed to new posts, to which transport allowances are attached shall receive the fixed transport allowance of the new post in which they have accepted the offer of employment.

## **9. TRANSITIONAL ARRANGEMENTS**

- 9.1 An employee who received a fixed transport allowance prior to 25 June 2015, will continue to receive the transport allowance in terms of his/her former scheme. When the employee terminates their services with Breede Valley Municipality, the newly appointed employee in the position will be placed on the new arrangements in terms of this policy.

- 9.2 Employees on existing transport allowance schemes which are less favourable will be provided an once off opportunity to move to the new fixed transport allowance scheme.

## **10. IMPLEMENTATION AND MONITORING**

This policy will be implemented and effective once recommended by the Local Labour Forum and approved by Council.

## **11. COMMUNICATION**

This policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

## **12. POLICY REVIEW**

This policy will be reviewed annually and revised as necessary.

## **13. BUDGET AND RESOURCES**

The financial and resource implication/s related to the implementation of this policy should be qualified and quantified.

## **14. ROLES AND RESPONSIBILITIES**

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

## **15. PENALTIES**

