

MOPANI DISTRICT MUNICIPALITY



HUMAN RESOURCES

TRANSPORT ALLOWANCE POLICY

2025/2026

TABLE OF CONTENTS

ITEM	DESCRIPTION	PAGES
1.	Preamble	3
2.	Objective	3
3.	Scope of the policy	3
4.	Definitions	3
5.	Legal mandate	4
6.	Administration of the policy	4
7.	Policy Content (Body of the policy)	4
7.1	Requirements of participations	4
7.2.	Eligibility and participation	5
7.3.	Car allowance below level 5	6
7.4.	Vehicle type and specification	7
7.5.	Vehicle maintenance	7
7.6	Revocation of car allowance	8
7.7.	The vehicle to be used	9
7.8	Formula for calculating reimbursement	9
7.9	Renewals	9
8	Availability of the policy	10
9.	Default	10
10.	Inception date	10
11.	Review of policy	10
12.	Authority	11
13.	Adoption by the Council	11

1. PREAMBLE

1. To regulate granting of transport allowance to the employees of Mopani District Municipality. To create a uniform policy that is adequate for all employees who qualify for a transport allowance within the Municipality.

2. OBJECTIVE

- 2.1 The objective of the Transport allowance policy is to provide uniform guidelines, conditions and limitations in the applications of the policy and the basis of compensation payable to employees who qualify for a car allowance scheme.
- 2.2 To motivate staff members to own vehicles as to perform business of the municipality effectively.

3. SCOPE OF THE POLICY.

- 3.1 The policy applies to all employees of Mopani District Municipality.
- 3.2 Variations to the policy may be considered in special circumstances, but all variations require the prior approval of the Council.

4. DEFINITIONS

- 4.1 "Transport" means carry people or goods from one place to another
- 4.2 "Allowance" means something that is permitted within a set of regulations or for a specific purpose
- 4.3 "AA Rates" means table that guide as to how much it is likely to cost the average private user to run a car.
- 4.4 "Ad Hoc Travelling" means exceptional traveling when occasional official trips have been taken undertaken by means of a private vehicle.
- 4.5 "Annual salary" means salary offered to an employee excluding all benefits.
- 4.6 "Engine capacity" means the volume of all cylinders in a car's engine in cubic centimetres (cc) or in litres.
- 4.7 "Official kilometres" means the kilometres travelled by an employee for official purposes within the entire MDM jurisdiction and outside the MDM jurisdiction excluding trips between place of work and home.

- 4.8 "Participant" means an employee who is appointed on a permanent or temporary basis in a transport allowance bearing position.
- 4.9 "Private vehicle" refers to an employee's own transport requested for official duties.
- 4.10 "MDM" means Mopani District Municipality
- 4.11 "Field workers" means someone who works outside the office and travels to different locations.
- 4.12 "Nature of work" means the type of work that employee performs as per job description

5. LEGAL MANDATE

- 5.1 Constitution for the Republic of South Africa
- 5.2 Municipal Finance Management Act 97 of 1995
- 5.3 Basic Conditions of Employment Act 75 of 1997
- 5.4 SALGBC Salary & Wage Collective Agreement.
- 5.5 National Road Traffic Management Act, no 93 of 1996
- 5.6 Local Government: Municipal Staff Regulations, Government Gazette No 45181

6. ADMINISTRATION OF THE POLICY

- 6.1 Responsibility and authority to implement this Policy is with the Municipal Manager or his / her delegated official/s.
- 6.2 This responsibility includes communication of the Policy and related procedures.
- 6.3 Any questions should be directed to the office of the Director: Corporate Services.

7. POLICY CONTENT

Requirements for participation

- 7.1 All employees receiving a Transport allowance must comply with the following criteria:
- 7.2 The employee must have a valid driver's license
- 7.3 The use of private vehicle is required for the execution of his/her duties.

- 7.4 No employee participating in the Transport allowance shall be permitted to utilize the MDM pool vehicles, as either driver or passenger.
- 7.5 The total official kilometres distance travelled, must be available.
- 7.6 All new employee who qualify for car allowance scheme should submit their vehicle contract within one month of inception of their duties.
- 7.7 All employees benefiting from the car allowance scheme are obligated to submit their vehicle contracts at the beginning of every new financial year.
- 7.8 There shall be no employee who include a residual/balloon instalment in his/her vehicle contract.

8. ELIGIBILITY AND PARTICIPATION LEVELS

Subject to the provisions of this policy, Transport allowances will be available to the following post levels and positions:

- 8.1 Section 54 & 56 Managers structure their total remuneration packages to include Transportation allowances in accordance with provisions of their contract of employment and SARS regulations.
- 8.2 Post level 2 receive a Transport allowance to purchase a vehicle not bigger than 3500cc in engine capacity
- 8.3 Post Level 3 receive a Transport allowance to purchase a vehicle not bigger than 3000cc in engine capacity
- 8.4 Post level 4 employees receive a Transport allowance to purchase a vehicle not bigger than 2500cc in engine capacity
- 8.5 Post level 5 employees receive a Transport allowance to purchase a vehicle not bigger than 2000cc in engine capacity. Qualification is automatic for post level 2, 3, 4 and 5
- 8.6 Transport allowance will increase in line with the SALGBC negotiated basic salary increases annually.

- 8.7 The Municipal Manager shall designate an official participating in the Transportation allowance scheme as either field worker or non-field workers.
- 8.8 All Officials who qualify for Transport Allowance will be limited to 3000 (Three thousand) kilometres per month.
- 8.9 Should an employee require exceeding their monthly limit, he or she shall make a request in writing to the Municipal Manager for the approval of the additional kilometres.
- 8.10 Transportation allowances of positions whose salaries are paid on a total –cost-to – company basis are built into the annual total remuneration package. Therefore, employees acting in these positions shall not be entitled to any further payment over and above the difference paid in salary.
- 8.11 An employee appointed procedurally as prescribed in the “**MDM Acting on Higher Position Policy**” to act in a position that is entitled to Transportation allowance for a period exceeding one calendar month, shall be entitled to a Transportation allowance and official travel reimbursement.

9. TRANSPORT ALLOWANCE BELOW LEVEL 5

- 9.1 An employee occupying a post below level 5 may be considered for allocation of a Transport allowance, if the Senior Manager for that employee makes an application motivating for the allocation of the allowance based on the functions and duties of the employee, subject to approval by the Municipal Manager.
- 9.2 The use of a three-month trial period will be used in order to aggregate the kilos travelled and it to determine the car allowance amount.
- 9.3 It is proposed that temporary employees in positions that qualify for a transport allowance be given a transport allowance
- 9.4 Employees that were migrated to a lower position should continue receiving the transport allowance for the higher position. The employee should not be worse off
- 9.5 A Transport allowance allocated to employees in terms of Clause 7.3.1 above shall be calculated based on cascading from the amounts in Clause 7.1 in account.

9.6 Allocation of a Transport allowance to an employee in terms of this policy may be reviewed and revoked if duties performed by the concerned employee or their job description change such that the employee is no longer required to use their private vehicle to fulfil their official duties.

10. VEHICLE TYPES AND SPECIFICATIONS

- 10.1 All vehicle purchased must be within the specifications determined from time to time by the Municipal Manager. Including registration, licensing and roadworthy certificate.
- 10.2 An employee who desires to purchase a vehicle outside the specification must apply in writing to the Municipal Manager, which application must be recommended by the relevant Senior Manager.
- 10.3 All vehicles be fitted with ABS brakes, dual airbags and air conditioning and Non-Compliance thereto, shall result in non-payment.
- 10.4 Technicians and field workers are strictly required to purchase off-road 4x4 and / or 4x2 LDV (bakkies) for purposes of this policy
- 10.5 Newly appointed employees that have vehicles shall receive the transport allowance and continue paying for these vehicles until the vehicles are paid up
- 10.6 All vehicles must be comprehensively insured which includes a courtesy car clause; (i.e. courtesy car to be provided in the event of an accident)
- 10.7 Alarm, immobiliser, and tracking system are to be fitted to the vehicle if not already factory fitted.
- 10.8 The municipality reserves the right to inspect the vehicle of the employee receiving Transport allowance for purposes of reconciliation/confirmation of any claims for reimbursement for official travel claimed.

11. VEHICLE MAINTENANCE

- 11.1 A participating employee (vehicle owner) is responsible for all maintenance and regular services of the vehicle.
- 11.2 A participating employee (vehicle owner) must keep the vehicle clean in order to maintain the municipality's good corporate image.

12. REVOCATION OF TRANSPORT ALLOWANCE

- 12.1 Should an employee who occupies a position that entitles him/her to car allowance be transferred at his own request to another position not entitled to any car allowance, no car allowance shall be payable from date of transfer.
- 12.2 Should an employee who occupies a position that entitles him/her to Transport allowance be transferred by the municipality to a position not entitled to any Transport allowance without any requesting, such transfer the municipality shall give such employee a termination notice period equivalent to the period for repayment of the balance owing on the vehicle unless the vehicle is written off or disposed or paid off.
- 12.3 Should an employee who occupies a position that entitles him/her to a Transport allowance be transferred by the municipality to a position not entitled to allowance as a result of a disciplinary process, the municipality shall give such employee (01) month's written notice of the retraction of the transport allowance.
- 12.4 Should an employee who occupies a position that is otherwise not entitled to a transport allowance be allowed to receive any transport allowance through permission of the Municipal Manager due to the special nature of the work they perform, and such special work is removed from their job, the municipality shall give the employee three (03) month's written notice of the retraction of the Transport allowance.
- 12.5 Should an employee who occupies a position that entitles him/her to a car allowance be moved to another position that as a result of organizational restructuring by the municipality to a position not entitled to any transport allowance or to a position with a lesser amount of transport allowance as determined by this policy, the municipality shall give such employee a termination notice period

equivalent to the repayment of the balance owing on the vehicle unless the vehicle is written off or disposed of, or paid off.

13. THE VEHICLE TO BE USED

- 13.1 An employee who is eligible to receive Transport allowance will be expected to always make available their private vehicles for official travel purposes.
- 13.2 The vehicle that is to be used in the Transport allowance scheme in terms of this policy shall be in acceptable state and not older than 7 years from the date of purchase or more than 200 000KM
- 13.3 Time frame for the vehicle involved in an accident and how the reports are submitted
- 13.4 Liability clause for the date of purchase must be reviewed because it must be from date of liability.
- 13.5 Drivers licence for the people living with disability.
- 13.6 In order to participate in the scheme or whenever an employee is receiving Transport allowance desire to the vehicle through which their wish to participate in the scheme, he or she must submit to Corporate Services (HR) the details of the vehicle that include the model, engine capacity and registration.
- 13.7 An employee appointed to act on a higher position, will be eligible for payment of Transport allowance in that position. An employee who is employed into or attains a position with a Transport allowance and already owns a vehicle, may change the vehicle immediately or if the Municipal Manager deems it reasonably practical to use the vehicle the employee already possesses, the employee has time until the vehicle is fully repaid to purchase a suitable vehicle as prescribed.

14. FORMULA FOR REIMBURSEMENT

- 14.1 The Municipality uses AA rates when reimbursing employees for official kilometres travelled.
- 14.2 The formula for paying employees for official kilometres travelled is as follows:

Kilometres travelled X Rate (cc or engine capacity)

15. RENEWAL

1. The Corporate Services shall issue a communique to all staff members of MDM's for renewal annually by submitting the contracts /purchase agreement and copies of motor licences for verification to Human Resource.

16. AVAILABILITY OF THE POLICY

1. Every employee, upon being appointed in the service of the council with this allowance, shall be supplied with a copy of this policy and shall acknowledge receipt thereof by signing a duplicate thereof. The said duplicate shall be filed on the personal file of the staff member.

17. DEFAULT

- 17.1 Disciplinary measures will be applied to any official who fail to comply with the content of the policy.
- 17.2 The enforcement of compliance is very critical in the proper implementation of agreement.
- 17.3 Any dispute arising from this policy due to interpretation of wording or phrasing must be referred to the Local Labour Forum for adjudication and the resolution from the Local Labour Forum must be incorporated into the policy.

18. INCEPTION DATE

1. This policy will come into effect on the date of adoption by the council.

19. REVIEW OF THE POLICY

1. The Policy shall be reviewed in line with the term of the council, in order to keep abreast with
2. the evolving, changing circumstances and Legislation and the Senior Manager; Corporate Services will be responsible for this matter.

20. AVAILABILITY OF THE POLICY

This policy shall be put on Mopani District Municipality's website and policy workshop for all employees shall be conducted annually after the policy has been reviewed

12. COMMENCEMENT

This policy shall come into effect on the date of adoption by Council.

13. REVIEW OF THE POLICY

The Policy shall be reviewed annually or when a need arises.

14. REPEAL.

The Policy shall repeal all previous policies formulated before its approval.

15. STAKE HOLDER'S CONSULTATION

All Stakeholder's were consulted on the 14-17 April 2025 and 13-14 May 2025.

16. ADOPTION BY COUNCIL:

Resolution NO: SCD/12/2025	Approved Date: 30 MAY 2025
Effective Date: 01 July 2025	Review Date: ANNUALLY

17. AUTHORITY


MUNICIPAL MANAGER
Mr T.J MOGANO


COUNCIL SPEAKER
CLLR N.M MASWANGANYI

