

**NATIONAL COUNCIL OF PROVINCES**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER 249**

**DATE OF PUBLICATION: 30 JULY 2010**

**Mr R A Lees (DA-KZN) to ask the Minister of Finance:**

- (1) Whether the National Treasury has been approached by the KwaZulu-Natal provincial treasury for (a) guidance, (b) a directive or (c) any other request which regulates the circumstances in which municipalities may grant (i) bursaries, (ii) scholarships or (iii) study loans to (aa) municipal councillors or (bb) relatives of municipal councillors; if so, what are the relevant details regarding the content and details of this document;
- (2) whether the National Treasury has (a) formulated a reply and (b) sent its response to the KwaZulu-Natal provincial treasury; if not, why not; if so, (i) what are the relevant details regarding the content and details of this document and (ii) when was it sent;
- (3) whether a copy of this document will be made available to the public; if not, why not; if so, what are the relevant details?

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**REPLY:**

- (1) Yes, the National Treasury has been approached by the Kwazulu-Natal provincial treasury requesting guidance on whether municipalities can provide study loans or bursaries to councillors in terms of the Municipal Finance Management Act (MFMA), 2003 (Act 56 of 2003). The National Treasury provides guidance to all municipalities on the MFMA through issuing Circulars, conducting workshops and writing correspondence.
- (2) Yes, a response has been formulated and was forwarded to the Kwazulu-Natal Provincial Treasury.

The assistance and guidance that was provided in this instance related to compliance that is required in terms of section 167 of the MFMA. Section 167 regulates matters relating to Councillors' remuneration, benefits and allowances.

In addition, guidance was also provided in terms of MFMA Circular 8. This Circular provides detailed guidance and explanation on matters relating to loans, benefits and allowances provided to councillors and municipal officials. Our response was further guided by the Public Office-Bearers Act, 1998 (Act No. 20 of 1998) which provides for the remuneration package of councillors including all benefits and allowances.

- (3) No, the response to this specific question is treated as a confidential internal communication between the National and Provincial Treasury and as such does not warrant being made public. Furthermore, the MFMA and its supporting documents, including circular 8, are located on the National Treasury's website and are therefore already in the public domain. A copy of circular 8 is attached for your information.