

ADDITIONAL ITEM LIKELY TO BE BROUGHT UP UNDER
'GENERAL' AT MEETING TO BE HELD ON 18TH APRIL
1967.

No Down

COPIES TO :

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M.L. Neppe,
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207.


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Town Clerk,
Clerk of the Council,
City Treasurer,
City Engineer,
Chairman, Staff Board,
Deputy Clerk of the Council.

1. INCORPORATION OF THE SOUTHERN AREAS.

See attached.





DRAFT REPORT.

THE INCORPORATION OF THE SOUTHERN AREAS.

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General
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MANAGEMENT COMMITTEE. (18.4.67)

TOWN CLERK'S DEPARTMENT.

INCORPORATION OF THE SOUTHERN AREAS.

INTRODUCTION.

In an interview which members of the Management Committee had with him on the 5th December 1966, the Minister of Community Development urged the Council to incorporate Lenasia and the Nancefield - Moonshville Coloured group area into its Municipal area.

As a direct result of this interview the Management Committee, at a meeting held on the 16th January 1967, resolved that the Council's officials should report to it on all the financial and other implications which would be involved if the Council were to incorporate an area of approximately 129'3 square miles in extent which is shown bordered in red on the plan laid on the table.

A portion of the farm Klipspruit No. 318 I.R. which is better known as Pimville, was incorporated into the Municipal area in 1906 under the provisions of Section 2(1) of the Johannesburg Municipal Ordinance, 1906, and has remained part of the Municipal area since that date. The remainder of the Soweto complex which is owned by the Council does not form part of the Municipal area but falls under the Council's jurisdiction by virtue of the Bantu (Urban Areas) Act, 1945, and Section 7(b) of the Local Government Ordinance, 1939.

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In addition to the land which it owns in Soweto, the Council also owns portions of the farms Misgund No. 322, Liefde en Vrede No. 104, Rietvlei No. 101, Olifantsvlei No. 316 and Klipspruit No. 318 which constitutes altogether about 37.4% of the area under consideration for incorporation. Apart from its installations in Soweto, the Council has major sewage disposal works on the farms Klipspruit and Olifantsvlei and a large power station at Orlando. Furthermore, the Parks and Recreation Department conducts farming activities at Rietvlei and another portion of that farm has been earmarked for the proposed South Rand cemetery. If the Council expands its electricity undertaking it is likely that a new power station will be built on portion of the farm Liefde en Vrede.

The Council has on previous occasions given consideration to the extension southward of the Municipal boundary. On the 26th November 1946 (Minutes page 1472) an application by the township owners of Linmeyer for the incorporation of that township into the Municipal area, was refused because the cost of providing and maintaining a sewer system would have been extremely high and a new gravity main would have had to be laid from the township to the sub-outfall sewer serving suburbs such as The Hill and Rosettenville. In addition it was estimated that R524,000 would have had to be spent on installing sewers and making up roads in Linmeyer.. It was for these reasons and the fact that the Council had its own post-war back-log to make up that the township owners' application was refused.

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In December 1954, the residents and property owners of Mondeor petitioned the Council and the Hon. the Administrator for the incorporation of their township into the Municipal area and in March 1955 the Works and Traffic Committee received a deputation of residents of Mondeor. This application was refused on the same grounds as the Limmeyer application and because any revenue derived by the Council from Mondeor would not have compensated it for the capital outlay it would be obliged to make in providing services.

The reasons for the refusal of the Mondeor and Limmeyer applications have very largely fallen away. Both townships have been developed by the Transvaal Board for the Development of Peri-Urban Areas. The sewer reticulation schemes initiated by the Board have been planned to drain into the Council's outfall sewer to the Olifantsvlei disposal works which is at present being laid. Vacuum tanks are in use in the peri-urban areas south of Johannesburg and, by arrangement with the Council, the contents of these tanks are discharged into the Council's sewers.

DESIRABILITY OF INCORPORATION.

From a planning point of view it is now eminently desirable that not only Mondeor and Limmeyer but also the other townships immediately south of Johannesburg's southern boundary should be incorporated into the Municipal area.

The reasons for this are:

:- (1) (a)

- (1)(a) Because of the high cost of land north of Johannesburg, people in the middle-income group who would normally live in the northern suburbs are beginning to build their homes in newly proclaimed townships south of the Municipal boundary, where land is cheaper. Another factor which has influenced this southward movement is travelling distance. Townships north of Johannesburg which cater for middle-class people are spreading to points up to twelve miles from the city centre and travelling costs are correspondingly high. Good building land can be obtained south of Johannesburg within six miles of the city centre.
- (b) This movement southward has resulted in a spate of applications for the establishment of new townships outside the municipal area. There is reason to believe that virtually all the stands in some townships still to be proclaimed have already been sold. The Council is now engaged in building a main outfall sewer from the south-eastern suburbs southward and then westward to the Olifantsvlei disposal works. It is anticipated that the completion of this sewer in about four years time will result in even more residential townships being established in the strip of land three to four miles wide between the southern municipal boundary and the sewer pipeline because these townships could be connected to the sewer without difficulty. Some of the new townships provide for shopping centres and flats in locations

:- which ...

which have been chosen without any regard to the situation of similar amenities in adjoining townships. The haphazard or unrelated establishment of traffic generating centres renders the planning of main traffic routes to the city most difficult. Furthermore, the provision of certain services, notably the supply of water is based on purely local requirements. These services become uneconomic and their installations become inadequate as soon as township development on adjoining land takes place.

- (c) Incorporation into the Municipal area of the land on which this development is taking place and on which future townships will be established will be a factor of great importance in overcoming the problems which are already presenting themselves because of haphazard development. The preparation and implementation of an overall development plan for this region by one controlling authority such as the Council would regulate development and provide services on a regional basis.

- 2. Much of the land in the area under consideration for incorporation is owned by the Council but is separated from the Municipal boundary by township development and farm land. From the Council's point of view it is most desirable that the land which it owns should be brought under its control now and not be subjected to the risk of being incorporated at some future date into the area of jurisdiction of any other existing

local authority or a local authority which might be created for this area. By incorporating its land now, the Council can, in due course, develop it without reference to any other local authority. Any disputes in regard to the levying of rates on the land by such a local authority would also be avoided.

3. Some of the land south of Johannesburg is hilly and unsuitable for township development. It is essential that these hills should be acquired and preserved as open spaces for Johannesburg's growing population. However townships are being developed on this land and in some cases stands have frontages onto roads with gradients as steep as 1:7. If this land is not reserved for open spaces, nature reserves and the like it will soon be used for township development and a most valuable amenity will be lost for all time. Upon incorporation however these hills could be preserved as open spaces by zoning them as such in terms of the Town Planning Scheme.

4. The great majority of the residents of the townships immediately south of the municipal boundary work in Johannesburg, which is their nearest centre of employment, and travel to and fro each day. Johannesburg is their natural shopping centre, not only for durable goods but also for soft goods and foodstuffs which are purchased in the city's department stores and at shopping centres in the southern suburbs. With the exception of two drive-in

cinemas and one or two pleasure resorts, there are really no places of public entertainment for Whites in the area and they have to come to Johannesburg for their entertainment.

This community of interest was mentioned in 1954 by the residents of Mondeor in their petition for the incorporation of that township into the municipal area. They said:

"Mondeor has always been regarded, for all practical purposes, as a suburb of Johannesburg and almost all the property owners in the township purchased their stands on the assumption that Mondeor would eventually be naturally incorporated into the municipal area. Furthermore, almost in its entirety, the population of Mondeor carry on business or are employed in Johannesburg. Their entertainment is sought there and Johannesburg is their natural shopping place. Most of the school-going children of Mondeor attend schools in the Municipal area."

This statement is still true, not only of Mondeor but also of the residents of other townships in its vicinity. There is undoubtedly a strong common bond between the residents of these townships and Johannesburg citizens. In fact, they refer to themselves as Johannesburg people and the municipal boundary is a very

arbitrary boundary indeed. This common bond and community of interest is an added reason in favour of the incorporation of the White settlements south of the municipal boundary.

It must also be borne in mind that the area which forms the subject of this report already contains specific group areas for large concentrations of Bantu, Indian and Coloured people and may, in the near future, contain a Chinese group area as well. The inhabitants of these areas constitute the bulk of Johannesburg's labour force. They commute daily between their homes and their places of employment in the city and its environs. This brings them very much under Johannesburg's influence and they patronize its stores in large numbers. There is no doubt that these people also have a considerable community of interest with Johannesburg.

The fact that so many non-White people of different racial groups live in a concentrated area South-West of the city- (when considered in the light of the anticipated large-scale settlement of White families in the South about 3500 acres will be needed by 1985 to provide housing for them in this area) serves to emphasise strongly the importance of planning properly for the provision of the amenities and facilities which

each group needs and of ensuring that any points or areas of possible conflict are avoided.

PROVISION OF SERVICES:

The problems involved in taking over existing services and in providing additional services where necessary have been dealt with by the departmental heads concerned. A summary of their comments follows. These comments have been framed on the basis that the northern areas, or a substantial portion of them might be incorporated into the municipal area. It is quite clear that there are no technological reasons why both the northern and the southern areas should not be incorporated. However, the shortage of staff being experienced in the local government field will be a limiting factor in the efficiency of services which will be provided.

(1) LICENSING:

The Licensing Department is the registering authority for all motor vehicle owners in the area proposed for incorporation but it has no responsibility in the fields of trade and dog licensing. Upon incorporation the Council's share of motor licences paid would increase from 1/20th to 1/6th. Additional staff will be needed to deal with the collection of dog tax and trade licences but the resulting extra expense will be exceeded by the increase in revenue from licence fees.

:- (2) Markets ...

(2) MARKETS:

The Produce Market already operates on a regional basis and the residents of the southern areas are supplied with fruit and vegetables from his Market. Consequently, the incorporation of these areas will have no effect on the Market Department even when the Market is moved to the City Deep site. No financial implications resulting from incorporation are foreseen.

(3) ABATTOIRS:

As in the case of the Produce Market, the majority of the people living in the Southern areas are supplied with meat through the Newtown abattoir which operates on a regional basis. Consequently the incorporation of these areas would not effect the Abattoir and Livestock Market Department from the point of view of production.

There are about 32 dairy farms in the southern areas which supply milk to Johannesburg and the dairy herds on these farms are under the veterinary supervision of the Council. There are, in addition, a number of farms in these areas which do not supply Johannesburg with milk and are subject to veterinary control by the Transvaal Board for the Development of Peri-Urban Areas. These would have to be supervised by Johannesburg if incorporation were to take place but no significant extra expenditure is foreseen.

:- (4) TRANSPORT: ...

(4) TRANSPORT:

The only transport services which the Council provides in the southern areas is a regular bus service for Whites between the City and Linmeyer and a school bus service for children attending the Marist Brothers College in Linmeyer. The regular bus service mentioned above is subsidized to the extent of R1400 a year by the Transvaal Board for the Development of Peri-Urban Areas and on incorporation this subsidy would be lost.

Other public transport services for Whites are operated by the South African Railways and the Greyhound Bus Services. The Coloureds, Indians and Bantu are served by regular train services and by buses operated by P.U.T.C.O.

The transport operators mentioned above are, by virtue of the motor carrier certificates which they hold, protected against competition so long as their services are, in the opinion of the Local Road Transportation Board, satisfactory and sufficient to meet the reasonable needs of the residents of the areas which they serve. Thus there is very little possibility of the Council being granted the right to run any additional services to the southern areas should they be incorporated. On the contrary, it would probably be in the Council's interests to subsidize the Greyhound Bus Services to operate services for the White

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residents. The Electricity Department is at present paying a subsidy of R2400 a year to this Company for a transport service between the City and Power Park/Orlando Power Station, of which R480 is recovered from African Explosives and Chemical Industries Limited which also has employees living in Power Park.

5. FIRE AND AMBULANCE SERVICES:

The Southern areas are low-risk areas because they are suburban and semi-rural in character. No fire services operate in Linmeyer and Mondeor.

A major Fire station in the Turffontein area is planned to replace the existing station and will be able to cope adequately with the area directly south of Johannesburg until 1985 at least.

A new fire and ambulance station is under consideration for the Bantu areas. Upon incorporation, however, a new station will have to be planned between now and 1985 to serve the Nancefield - Moonshville complex and Lenasia. The capital cost of this project is estimated at R204,000.

The immediate result of incorporation would be the need to purchase four ambulances to serve the area and to engage the necessary staff.

6. LIBRARIES:

The Library Department does not render a service in the peri-urban areas around Johannesburg but residents of these areas who work in Johannesburg and their children make use of the Council's lending libraries.

At present the Transvaal Public Library Service provides a library depot at Mondeor, Baragwanath, Kibler Park and Eikenhof. A library has been provided at Lenasia. The depots are run by volunteer workers and are visited every second month by professional librarians.

The existing services should, upon incorporation, be continued and gradually expanded into full Branch Libraries. After they have been converted into Branch Libraries it would cost about R73,000 a year to run them in rented premises.

It is estimated that capital expenditure of R215,000 on the provision of library services would have to be spent in the incorporated area up to 1985. This estimate includes the cost of land, buildings and equipment for Branch Libraries and the extension of the Branch headquarters at Mayfair.

7. NON-EUROPEAN AFFAIRS:

The possible incorporation of the southern areas is of considerable importance to Johannesburg because of its effect, both direct and indirect, on its Bantu labour force and because it will facilitate Bantu administration in both the existing municipal area and the southern areas.

The Non-European Affairs Department at present renders a service to the residents of Diepkloof and Meadowlands through sub-offices of the Municipal Labour Branch at Dube and Orlando West. In addition this Branch has, for some time past, dealt with the influx and employment matters relating to the inhabitants of these two areas.

Bantu residents of the southern areas are allowed to make use of the Council's cemetery at Doornkop. Bantu employees of the Baragwanath Hospital are housed in the Council's townships and an agreement is at present being negotiated between the Council and the Transvaal Board for the Development of Peri-Urban Areas for the Bantu employed in a large section of the southern areas to be housed in these townships.

Incorporation would bring with it advantages, such as the elimination of technical boundaries, which will result in the reduction of the number of many petty offences, uniformity in the application of legislation and policy and centralised unified control.

No serious disadvantages arising from incorporation are foreseen even if the southern areas are incorporated as well. Initially, the introduction of the Council's standards of Bantu Administration may be costly but once the anticipated composite fee is levied on all Bantu employees the financial picture will adjust to the Council's advantage.

It is estimated that in the first full year of operation following upon incorporation an income of R50,000 would be received against an expenditure of R152,066. In addition R80,000 would be spent on administrative offices, sportsfields and stadia and street beautification.

Over a period of seventeen years, that is until 1985, approximately 7000 houses will have to be provided to cater for the natural increase in the Bantu population. At current land and building costs about R4,500,000 from housing funds and R520,000 from loan funds will be required.

ASIATICS AND COLOUREDS:

In the interview which the Council's representatives had with the Minister of Community Development on the 5th December 1966, the Minister made it quite clear that the Department of Community Development would continue to develop Lenasia as would an ordinary township owner should that locality be incorporated into the municipal area. The position in regard to the Nancefield/Moonshville Coloured complex is more obscure, but the Department of Community Development is expropriating land and building houses there. On the assumption that both Lenasia and Nancefield are retained by the Department, the administration costs incurred by the Council should not exceed R10,000 in the first year of operation. If the Department's assets are transferred to the Council, then administration costs would be about R150,000 a year in the initial stages.

Up to and including 1985 it is estimated that R2,300,000 will have to be spent in the areas on the provisions of parks, sportsfields, administrative offices and the like.

It is possible that a Chinese group area will be established at Willowdene. However, there is no certainty about this and in the circumstances it has ^{not} been taken into consideration.

8. Health Services.

The City Health Department provides rodent and mosquito control in the southern areas and monitors the quality of water in rivers, wells and boreholes. Residents are allowed to make use of the Fever and Waterval hospitals and some of them use the Department's clinics and immunization services.

No insurmountable problems will arise if either or both the northern and southern areas are incorporated. Incorporation of the south would, however, have some distinct advantages from a public health viewpoint. Smog control and milk pasteurization could be enforced and the Department would be in a position to exercise stricter control over midwives, nursing homes and institutions for the aged. The incorporation of Meadowlands and Diepkloof would facilitate field application of health services and the establishment of a better co-ordinated tuberculosis control service.

Full and immediate responsibility would have to be assumed for infectious disease control, environmental health services, tuberculosis services and the control of midwives and nursing homes. The initial nett cost of providing these services will be about R190,560. Additional vehicles and equipment would have to be

/ purchased

purchased at an estimated cost of R74,900.

The building-up of health centres due to the natural increase in population would result in capital expenditure of the order of R453,800 by 1985.

9. Traffic Control.

This is at present the responsibility of the Provincial Administration but upon incorporation the Council would have to assume full responsibility immediately. No difficulty is foreseen in engaging the necessary non-White staff but White personnel may be difficult to recruit. No other difficulties arising from incorporation are foreseen but an immediate benefit would be that more uniform traffic control would result.

The estimated expenditure for the first complete year of operation in the south is R108,050. Capital expenditure in the area until 1985 is estimated at R180,000.

10. Parks.

A few small neighbourhood parks have been laid out in the south. Additional facilities would have to be provided but this could be done gradually over a period of years. Incorporation would provide the opportunity to establish much-needed regional parks and would therefore be welcomed by the Parks and Recreation Department.

Expenditure during the first year after incorporation is estimated at R81,933 of which R61,933 will be used for maintenance and the balance for equipment and capital works. Over a period of three to four years the maintenance charges could rise to R180,000 a year and the capital charges will also increase as more facilities have to be provided.

Capital expenditure over a seventeen year period

/until

until 1985 is estimated at R700,000. . . . Playing fields and facilities such as swimming baths and tennis courts will have to be built and a new district headquarters, together with a nursery, glasshouses and staff accommodation will be necessary.

11. Electricity Supply.

The total area under consideration for incorporation is 129.25 square miles of which the Council is licensed to supply 36.3 square miles, including the Bantu residential areas. Electric current is already supplied by the Council to Limmeyer, Oakdene and Mondeor and the residents of these townships pay a 25% surcharge because they live outside the municipal area. This surcharge would fall away upon incorporation taking place.

The balance of the southern areas which have electricity reticulation, notably notably Aeroton, Meredale and Kibler Park, are supplied by Escom, which also supplies current in bulk to Lenasia.

Standards of reticulation and distribution networks vary considerably between the respective systems and it is likely that, in the event of incorporation taking place, heavy expenditure would have to be incurred in improving the distribution networks. Furthermore, Escom's existing reticulation assets in the southern areas would have to be purchased.

The incorporation of either or both of the northern and southern areas would be an embarrassment to the Electricity Department in view of the chronic shortage of staff which that Department is experiencing.

If the Council were to be given the right to supply the whole of the area under consideration, a large proportion of the consumers would be Coloureds and Asiatics. Because these people have no self-contained source of economic viability it is unlikely that supply could be provided on a payability basis. The rural

/ areas

areas must be regarded as "sub-economic" business.

In brief, from the point of view of electricity supply, the southern areas are likely to be highly uneconomic and will absorb untold capital, labour and materials. This outlook would alter radically if an industrial area similar to Alrode at Alberton could be established as a "buffer" between the White and non-White residential areas in the south. This would justify the provision of electrical installations which could supply not only the industries but also the residential areas on either side.

If the suggested incorporation of the south does come about, the existing position in regard to electricity supply will have to be maintained until agreement is reached with Escom on the future supply of the localities which it now serves. The General Manager of the Electricity Department feels very strongly that the Council should not be obliged to take over the distribution of electricity generated by Escom but should itself be given the right to generate and distribute current for these areas.

12. Sewerage.

By agreement with the Transvaal Board for the Development of Peri-Urban Areas, the Council accepts into its sewers for treatment at the Klipspruit and Olifantsvlei Works all sewage emanating from those townships and institutions in which sewerage schemes have been installed by the Board, including vacuum tank services.

Because the Council owns and operates the sewage purification works it would be to its advantage to exercise direct control over the sewerage systems in the southern areas to prevent serious stormwater ingress into the sewers as well as the illegal discharge of industrial effluents which are costly to treat.

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If incorporation comes about it will be necessary to continue vacuum tank services in certain townships until these townships can be connected to the South-Eastern Outfall Sewer which is now being constructed. The necessary vehicles for this purpose will be transferred to the Council by the Transvaal Board for the Development of Peri-Urban Areas.

The completion of the Outfall Sewer referred to above will encourage township development in the south as has been mentioned previously in this report. Money will be needed for the reticulation of these townships but the major part of the reticulation costs in new townships will be provided by the township owners. Any contributions the Council may have to make will, over a period of time, be recovered through a tariff structure. It is estimated that R5 million will be required for sewerage reticulation purposes up to 1985.

13. Water Supply.

The existing residential areas are supplied with water by the Rand Water Board. The water mains vary in size. It will probably be necessary gradually to replace those which have diameters of less than 4" in order to meet fire fighting requirements.

Although the costs of reticulating new townships will be borne by the township owners, booster mains and reservoirs additional to the two now in use will be needed. An estimated R2 million will be required up to 1985 for these purposes.

14. Roads and Stormwater Drains.

As at the 31st January 1967, the Transvaal Board for the Development of Peri-Urban Areas was committed to an expenditure of R210,770 for road construction financed from Endowment funds. The

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balance of R116,583 remains for allocation.

The provision of roads and stormwater drains in new townships will be provided to a large extent from endowments but maintenance and tarring will have to be done on funds provided by the Council for these purposes. An estimated R5,500,000 will be required for roads and stormwater drains and these will have to be allocated on a "Ward Programme" basis.

There are fairly considerable sections of National and Provincial roads in the area under consideration for incorporation. As is the case with other roads of this type within the existing municipal area, the Council will be responsible for their maintenance but part of the expenditure incurred will be recovered in the form of subsidies.

15. Refuse Removal.

The Council provides refuse removal services at Orlando Power Station and Power Park. Upon incorporation about 7,200 additional removal services on a bi-weekly basis will have to be provided.

The Transvaal Board for the Development of Peri-Urban Areas uses Coloured drivers and Bantu labourers on the removal services which it provides at present. The vehicles which it uses will be transferred to the Council. These vehicles together with its vacuum tankers, have in effect, been paid for and it is possible that they will be transferred to the Council free of compensation provided the Council accepts any outstanding loan debts where applicable.

No particular problems are envisaged in taking over and maintaining the refuse removal services.

/ GENERAL

GENERAL CONSIDERATION REGARDING SERVICES.

(a) Dolomite.

In the area under consideration for incorporation there is an area of approximately 37 square miles underlaid by dolomitic rock formations. It is essential to control the zoning of this area to ensure safe development.

(b) Staff.

Each department, without exception, has emphasised the difficulty in which it will find itself if it is unable to recruit the staff necessary to undertake the provision of services in both the northern and southern areas. There is an acute shortage of personnel at present. The efficiency of the services provided by the Council will be seriously impaired if the necessary staff cannot be engaged.

However, this is a feature common to all local government authorities and there is no reason to believe that the Council would be worse off than other bodies in this respect. Additional staff will have to be appointed. The Council should undertake to employ all Peri-Urban officials presently employed in the south who may wish to join the Council's service and without prejudice to their existing rights.

(c) Valuation of Properties.

In order to facilitate the completion of the enlarged triennial roll the City Valuer has emphasised the need to have made available to him all the relevant documents and information in possession of the Transvaal Board for the Development of the Peri-Urban Areas.

FINANCIAL IMPLICATIONS:

Certain policy decisions have still to be taken, for example, whether the Council or the Department of Community Development will finance the development of the Coloured areas or the extent to which the Electricity Department will participate in the supply and distribution of power, and allowance must be made in considering the estimate of the financial implications of the incorporation of the Southern Areas for these factors.

The various departments have submitted estimates of their expected income and expenditure, which have been summarised in Annexure 'A'. Certain responsibilities will be taken over immediately and others only gradually. The scheduled expenditure is an estimate of the first full year of operation in the incorporated area, excluding Soweto where development will continue whether or not incorporation becomes a reality.

Expenditure will exceed that presently being incurred by the Transvaal Board for the Development of Peri-Urban Areas but this is largely attributable to the fact that the Library, Fire and Ambulance Services and Traffic control have been provided for on the basis of Johannesburg standards operating at full strength whereas only token services are presently being provided.

:- A tractor ...

A tractor, 5 Refuse Removal and 5 Nightsoil vehicles will be handed over to the Council for which a loan debt of R26,500 will have to be accepted. Certain other vehicles and equipment will be required in order to provide services and it would appear that for this purpose immediate capital outlay of R348,900 will be necessary excluding of course any funds for development.

Excluding capital expenditure presently taking place and expenditure which will take place before the Council assumes responsibility, a loan debt of not less than R1,911,379 will have to be taken over. Redemption dates vary between 1971 and 1993. The majority of the loans were originally for 25 years and the interest rates vary between 3½% and 7½% p.a. the majority being between 5½% and 6½%.

The capital required for development has been assessed up to the year 1985 on the basis of population and township development projections. This figure amounts to R25,176,800 but it is necessary to make certain basic assumptions. No allowance has been made for the provision of housing of any description on the grounds that policy has not been decided as yet and that in any event assistance in the form of Housing Loans will be necessary.

No provision has been made for electricity generation requirements but provision has been made for the distribution and reticulation of current.

No provision has been made for motorway or mass transit projects that might become necessary.

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The assessment rate income is stated at the amount that the Transvaal Board for Development of Peri-Urban Areas expects to collect in the current year. No adjustments have been to the rate in the rand, which varies between 1 cent and 4 cents from area to area or to valuations. Reduced to a flat rate of 3 cents on current site valuations the rate income would be R272,174.

FOR CONSIDERATION.

(70/3/12)

CMS

SUMMARISED ESTIMATE OF THE FINANCIAL IMPLICATIONS OF INCORPORATING THE SOUTHERN AREAS.

	TOTAL	LIBRARY	LICENSING	FIRE	TRANSPORT	TRAFFIC	ELEC- TRICITY	GENERAL AD- MINISTRATION	SEWERAGE	ROADS & STORMWATER	WATER	SANITA- TION & REFUSE	PARKS	M. E. AFFAIRS	CITY HEALTH
<u>EXPENDITURE</u>	1,657,240	73,000	9,948	58,040	7,600	108,050	138,610	79,583	216,547	148,054	107,882	197,667	61,933	152,066	298,260
<u>INCOME</u>	1,003,794	N11	25,230	8,000	N11	36,000	133,810	Assess. Rate 234,924 Sundry Rev. 6,880	105,000	N11	105,000	190,000	1,250	50,000	107,700
<u>IMMEDIATE CAPITAL REQUIRED</u>	348,900	3,000		18,000		35,000	100,000	18,000					20,000	80,000	74,900
<u>CAPITAL REQUIRED UP TO 1985</u>	25,176,800	215,000	4,000	204,000		180,000	8,000,000		5,000,000	5,500,000	2,000,000	100,000	700,000	2,820,000	453,800

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