



City of Johannesburg

ESTIMATES — 1970-71

Budget Speech

of the

CHAIRMAN, MANAGEMENT COMMITTEE

COUNCILLOR

P. R. B. LEWIS

26th June 1970



City of Johannesburg

1970-71

COUNCILLOR S. MOSS (*Mayor*)

COUNCILLOR A. B. WIDMAN, M.P.C. (*Deputy Mayor*)

MEMBERS OF THE MANAGEMENT COMMITTEE

P. R. B. LEWIS (*Chairman*)

J. F. OBERHOLZER, M.P.C. (*Deputy Chairman*)

S. MOSS

A. B. WIDMAN, M.P.C.

M. L. NEPPE

M. J. POWELL (*Temporary Member*)

A. P. BURGER
(*Town Clerk*)

E. M. PENROSE
(*City Treasurer*)

City of Johannesburg

ESTIMATES, 1970-71

Summary of Estimates of Income and Expenditure for the Year ending
30th June, 1971.

INCOME

	R	R
Surplus, 30th June, 1970		2 200 692
Ordinary Income		109 527 906
Capital to be provided from:		
Consolidated Loans Fund	32 548 401	
Capital Development Fund	9 867 336	
Subsidies and Public Contributions ..	2 584 600	
Housing Loans	8 465 300	
Bantu Services Levy Fund	2 773 800	
Bantu Beer and Liquor Profit Appropriations	70 000	
Revenue Appropriations and Other Sources	1 613 500	57 922 937
		<u>R169 651 535</u>

EXPENDITURE

Ordinary Expenditure	111 484 710
Capital Expenditure	57 922 937
Surplus, 30th June, 1971	243 888
	<u>R169 651 535</u>

ESTIMATES, 1970-71

Mr. Chairman, Mr. Mayor and Fellow Councillors,

THIS is the third occasion on which it has been my privilege on behalf of the Management Committee to present for your approval the Estimates of Income and Expenditure of the City of Johannesburg. The first was in 1964, when much was made of the fact that the budget had overtopped the R100 million mark for the first time. In the six years that have elapsed the budget has grown to R169 million, or R44 million ahead of the record figure of R125 million announced a short while ago for the province of Natal.

To formulate and to determine priorities, and to manage a budget of this size at a time when finances generally are strained imposes a heavy burden on the Management Committee. Consideration may have to be given in the months which lie ahead to the establishment of an *ad hoc* committee to assist and advise the Management Committee, not only on matters falling within the purview of the annual budget, but also in the field of financial forward planning. To take matters a step further, I feel strongly that the time has arrived when the management committee system, as it applies to Johannesburg, should be reviewed in order to secure a more even spread of the work load amongst the general body of councillors.

But first things first. The Management Committee has been able to recommend that the rate levy be reduced from its existing level of 4 cents in the rand to 2.7 cents, mainly because of the higher property valuations revealed in the new valuation roll, but also as a result of careful pruning of expenditure. How the new disposition will affect the pockets of individual ratepayers, will be dealt with in later paragraphs of this address.

The New Valuation Roll

Until objections have been heard by the Valuation Court and the President of the Court has signed the new valuation roll, it must be regarded as provisional. However, the Council is legally competent with the approval of the Administrator to declare the rate on the provisional roll, and it is the intention to exercise this right.

In the compilation of the roll neither the councillors nor officials have the power to instruct or to influence the Valuer in any way. The Valuer's duty is to perform his task in conformity with the obligations imposed upon him by the Transvaal Rating Ordinance.

As was to be expected property valuations have risen steeply. In considering rating in the city we are concerned with site values only, and these have gone up overall by more than 95 per cent from the existing valuation roll figure of R543 million to over R1 057 million. While land values are generally very much higher the average increases vary appreciably from township to township, the lowest percentage increases being found in the older and less affluent parts of the city. Thus in Greymont

and Newlands values go up by no more than one-third, and in Bellevue and Kensington by two-thirds. In Auckland Park, Linden and Roosevelt Park land values have doubled, and in the central business area of the city where more than a third of the total rate income is collected, values increased on the average by 114 per cent. The figure for Selby is 120 per cent and for Craighall Park 175 per cent.

I mentioned earlier that the implications for the ratepayer of the changes that have come about would be touched upon. A quick calculation will show that the break-even point in rates payable is found where values have gone up by 48 per cent. That is to say, if the site value of a property has gone up by anything less than this percentage, the rates payable by the owner at 2.7 cents in the rand will be lower than they are at present. Thus property owners in Greymont and Newlands will pay on the average 10 per cent less and those in Orange Grove, where valuations rose by 50 per cent, will be paying much the same as they do now.

In the north-western and north-eastern incorporated areas the rate levies are to be maintained at their existing levels of 1.3 and 2 cents in the rand respectively. However, the properties in these areas are subject to the normal revaluation procedures and in all the townships affected substantial increases have been recorded, ranging from 210 per cent in Berario and 370 per cent in Fairland to 460 per cent in Kew. Increases of this order suggest that values in these areas as reflected in the existing valuation roll have been unrealistic for some time. Properties in the north-western areas were last revalued in 1966 and those in the north-eastern areas in 1964. On the other hand, the southern incorporated areas, in terms of an Administrator's proclamation, have not been revalued at this time, and rates remain pegged at their present levels ranging from 2 cents to 2.8 cents in the rand.

As I have said, values in the central city area have more than doubled. They will yield R9 395 000 of the total rate income of R27 784 000 which is to be collected from the public. An increase of 114 per cent against an overall upward movement of 95 per cent indicates that the gradual shift in the impact of the tax from residential land to the central business district, which first became evident some years ago is continuing. The aggregate land valuations of certain selected townships which are typically residential have gone up by 142 per cent since 1958. In the same period land values in areas confined mostly to business have increased by 181 per cent. There is some comfort to be found in this trend by the ordinary home owner who is unable to shift the incidence of the tax, but must bear the burden himself. Rates levied on commercial and industrial properties tend to filter through into rents, and into prices for commodities and services to be paid for by the body of citizens as a whole.

The Approximate Results for 1969-70

When last year's budget was being framed it was expected that the current financial year would commence with a surplus in hand of R1 879 000. When the accounts had been finally closed and balanced this figure improved to R2 291 000.

The approximate results for 1969-70 indicate that income will be higher by a net amount of R1 773 000 and that there will be a marginal increase of R45 000 in expenditure. Taken together, this means that the

year 1970-71 will commence with a surplus of R2 201 000 instead of the nominal amount of R60 000 forecast a year ago. A summary of income and expenditure on revenue account appears at pages 2 and 3 of the published Estimates before you. On the income side you will notice that assessment rates produced R307 000 more than was expected; the figure for Bantu liquor distribution goes up by R1.226 million, but Bantu beer is down by R524 000. Revenue from the sale of water improved by R467 000, and the income of the Traffic and Transport Departments is up by R175 000 and R129 000 respectively. The balance is made up of comparatively minor fluctuations in revenue, one way or the other.

The Main Figures in the Revenue Budget for 1970-71

The draft estimates for 1970-71 as they were first presented to the Management Committee, showed ordinary expenditure at R117 452 000. After careful consideration of priorities and with the assistance of Section 60 Committees and heads of departments, it was found possible to cut this figure back by nearly R6 million to R111 485 000.

Ordinary income excluding assessment rates, was originally shown at R79 413 000. The individual figures making up this total are sometimes conservatively based and upon reappraisal the position was improved by R570 000 to R79 983 000.

This left a difference between ordinary income and expenditure of R31 502 000, which is reduced to R29 301 000 when the surplus of R2 201 000 carried forward from 1969-70 is brought to account. At this point the Management Committee agreed to recommend to Council that a rate of 2.7 cents in the rand on the site values of rateable fixed property be levied.

The assessment rate levy will bring in R27 784 000 from the general public and R1 694 000 to cover the rates on municipal property; sundry items of revenue account for R67 000 bringing the total income to R29 545 000. This leaves an estimated surplus of R243 888 to be carried forward into 1971-72.

The Capital Estimates

Much publicity has been given to the severe curtailment of capital expenditure and the postponement of essential projects which it has entailed. Departments had originally asked for R85 million, of which R50 million was to have come from the Consolidated Loans Fund, R19 million from the Council's Capital Development Fund, R8 million from Housing Loans and the balance from miscellaneous sources of capital finance. In view of the limitations likely to be imposed by the State Treasury on capital spending, and because of the inadequacy of the Council's internal resources to meet the demands made on them, nearly R18 million had to be pruned from items provided for in the Consolidated Loans Fund and more than R9 million from the Capital Development Fund, leaving a balance of about R42 million for projects to be financed from these two sources.

At R11 609 000, the City Engineer's Department takes the lion's share of the allocation from the Consolidated Loans Fund. Its construction branch requires R5 708 000 for urban motorways from this

source, to which is added a further sum of R1 850 000 in respect of subsidies, making a total of R7 558 000. Only two more contracts remain to be advertised in order to complete the present motorway construction programme. As a result of the shortage of capital funds, the final contract in the south will be held back for 12 months, while the remaining contract in the north will be delayed for six months. The motorway system which was due to be completed during 1972, is now only likely to be finished in the year following.

The cleansing branch is to get R1 112 000. Of this amount R831 000 comes from the Consolidated Loans Fund, and will be used mainly for the construction of new compounds and hostel accommodation. The sewerage branch needs over R3 149 000, for the most part to continue with the extensions at the Northern Works and the Klipspruit and Olifantsvlei basins, which the growth of the city and its environs has rendered essential. The branch provides a metropolitan service covering places like Randburg and Sandton, and in part Germiston, Roodepoort and Edenvale, in addition to the intervening peri-urban areas. The largest slice of the Capital Development Fund at R4 122 000, also goes to the City Engineer's Department to cover the costs of the major road programme, roads and pavements in wards and a wide range of other development works.

The Electricity Department follows closely behind with its allocation of R8 958 000, of which R7 174 000 is to come from the Consolidated Loans Fund. Although authority to build a new power station has not been granted, the department is involved in abnormal capital outlay at the John Ware switchyard to prepare for the intake of extra power from Escom. Work is continuing in the meantime on the extensions at Kelvin and on the expansion of the distribution network.

The estates section of the City Treasurer's Department provides a capital pool from which land purchases for the Council as a whole are met. It is difficult to determine what the Council will be called upon to pay in any particular year, especially where substantial settlements are involved and where protracted negotiations are under way. Altogether R5 500 000 has been set aside to meet the Council's commitments as and when they arise.

R5 532 000 had been earmarked in the Consolidated Loans Fund for the new market at City Deep, but the figure had to be cut down by about R3 265 000 to R2 267 000. The department's unallocated surplus account contributes R506 500 towards the costs. Restrictions each year on capital spending have delayed development and the new market is unlikely to be completed before 1972.

Councillors along with most citizens would like to see the work on the new abattoir speeded up as much as possible. An amount of R1 123 000 has been set aside in the Consolidated Loans Fund to continue with basic development of the site.

Only R400 000 could be retained in the programme for the council chambers at the civic centre, with the result that the building contract which will now take 3½ years to complete, will not commence until later this year. A considerable amount of wasteful expenditure would be incurred at the civic centre and the Council's services disrupted to some extent, if the project were to be delayed much longer. Work on the

administration block is well advanced and the target date for occupation is June next year. The contract price for the building is in excess of R6 million; R2 693 000 from the Consolidated Loans Fund is included in the estimates towards this project.

The capital programme of the Non-European Affairs Department has been heavily pruned in successive years and a backlog of work is building up. For 1970-71, the department had to forego close on R2 700 000 leaving a balance of R7 513 000. A feature of the department's budget is the extent to which it is called upon to provide the capital funds for the construction of State institutions. In the draft estimates provision had been made for a magistrates' court at Jabulani which was expected to cost R500 000, and a police station at Dhlamini for R400 000. These institutions would normally have been leased to the State at an economic rental. However desirable these and other projects may be for the safety and well being of the inhabitants of Soweto, the Council is itself desperately short of capital and they had regrettably to be removed from the programme. Approaches have been made to the State from time to time regarding the financing of projects such as these, but without success.

The bulk of the Transport Department's allocation of R1 227 000 is for the purchase of buses. In order to ensure the suitability of the buses to be purchased, a double-deck bus was imported fully assembled from Britain. It is a standard one-man operated bus which had been on the point of delivery to Birmingham's transport undertaking. Experience gained from the operation of this bus will assist in the final design of the 55 new double-deck buses which are to be added to the fleet.

I mentioned earlier that capital expenditure of about R42 million would be financed from the Consolidated Loans Fund and Capital Development Fund taken together. Of the total, the Capital Development Fund contributes nearly R10 million or no less than 23 per cent. We have, in these times, reason to be grateful for the foresight and prudence of those who were instrumental in establishing the fund in 1956. It is added to each year by direct appropriations from revenue and by the interest earned on advances to departments. At the end of the last financial year it had grown to nearly R53 million and had since its inception financed capital spending of R58 million.

Provision has been made for the expenditure of some R8 million to be financed from Government housing loans for the different population groups. Nearly one-half of the amount is to be spent on European schemes, R1 605 000 on Coloured schemes, and R2 739 000 on schemes for the Bantu. I shall deal in greater detail with the Council's plans for housing, when the accounts of the departments which control these funds come under discussion.

Loan Charges

Loan charges flow as an unavoidable consequence of capital spending. There are some features about the pattern of loan charges which I should mention at this stage. First, there are no indications that the interest rates on borrowed money are levelling off. In March of this year the Council raised loans totalling R15 million, with a yield to redemption in respect of the long-term issues of 7½ per cent, but in the short time that has since

passed, the buying rate of the Public Debt Commissioners for semi-gilt stock has moved up to 8 per cent. If overseas experience is any guide, interest rates could well advance still further and their impact on the Council's revenues will have to be watched very carefully.

Notwithstanding that interest rates are climbing to unprecedented levels, the Council has no assurance of obtaining all the funds it requires from the capital market and this factor perhaps more so than the restraint exercised by the State Treasury, may have damaging effects on essential development.

It goes without saying that all the sectors of the economy must be able to obtain their reasonable share of capital. There is no merit in encouraging the establishment of vast commercial and industrial complexes unless we are able to provide the complementary municipal services such as electricity, water, sanitation and roads.

I feel, and this was the position during 1969, that Escom takes too large a slice of the limited funds available for the public sector. Last year Escom raised public loans in the region of R85 million, against the combined total of R57 million asked for by the larger local authorities in the Republic. The pressure on the local money market may be relieved to some extent in view of the permission recently granted to Escom to raise R30 million on the German market. However, the position could again be aggravated by Iscor's advent to the market. There are strong indications that this statutory body may become an important additional competitor for capital funds.

Viewed against a background of high interest rates, the rising level of the Council's spending on unremunerative projects is disturbing. Total net loan debt rose by one-third from R193 million in 1965 to more than R256 million in 1969. During the same time the proportion of net loan debt related to unremunerative expenditure went up from R32 million to R54 million, an increase of 69 per cent. More and more is being spent on projects which produce little or no revenue to meet the costs which they generate, and these become a direct burden on the Rate Fund.

Departments are at present enjoying the benefits of the pooling arrangements of the Consolidated Loans Fund and are being charged interest on their outstanding loans at the fund's average rate of a little more than 5 per cent. But this figure is going up year after year as the older and cheaper loans are repaid. If the current market rate of 8 per cent were to be applied to the external net loan debt, annual interest charges would go up by no less than R4½ million.

The Rate Fund Departments

The expenditure of the Rate Fund departments with a few exceptions follows the normal growth pattern exhibited in the past. I should like, however, to make special mention of the accounts of the Licensing Department. Of the total licence fees to be collected, principally in respect of motor vehicles, R5 191 000 is paid over to the provincial administration leaving the department with a balance of R2 030 000. Against this sum must be charged the mounting costs of administration, with the result that the Rate Fund benefits only to the extent of R1 046 000 which hardly covers the net cost of traffic control at R931 000. Nothing worthwhile is contributed towards the rapidly growing cost of the city's road network.

The deficit of the City Engineer's construction branch which is responsible, amongst other things, for road construction and maintenance, has gone up by R825 000 to R5 849 000 from this year's figure of R5 024 000.

I believe that motorists in this country are not paying nearly enough towards the massive costs being generated by the intensified use of private motor vehicles. At present, ignoring taxes paid on the purchase price of a car the average motorist doing 10 000 miles a year pays in that period about R52 in petrol tax and R18 for licence fees, giving a total of R70, of which about R24 goes to the National Road Fund and a mere R3 comes to the Council. His counterpart in Britain pays about R190 a year in taxes to keep his car on the road.

The formula on which motor vehicle licence fees are shared in the Transvaal between local authorities and the provincial administration, was devised in 1927. It is one based on expediency; it had little validity then, and has none whatsoever in circumstances which prevail today.

It has been reported that a White Paper covering the recommendations of the Borckenhagen Committee and Schumann Commission will be dealt with by Parliament soon. No doubt the allocation of licensing revenues will form part of the many issues which are to be resolved. One cannot anticipate what the final outcome will be, but however pressing its responsibilities in other directions, it seems unlikely that the State will shut its eyes to the environmental well-being of urban populations, which comprise more than half of the country's inhabitants. Local authorities throughout South Africa find themselves in difficulty, and if municipal services are to keep pace with the country's rapid economic development, then financial relief, in one form or another, must be found.

Before leaving this section I should like to refer briefly to the accounts of some of the other rate fund departments. The deficit of the City Health Department is just over R2½ million compared with the approximate figure for this year of R2 079 000. Provision has had to be made for additional staff following on the incorporation of the areas in the south.

The cost to the Rate Fund of parks and recreation and library services taken together, amount to R5 662 000. These services provide a great deal of pleasure and relaxation to a large number of persons, but in the face of pressing demands from other directions a tight rein has had to be kept on expansion.

The Rand Airport is to spend R205 000 in 1970-71, and with income at R167 000 a deficit of R38 000 will be transferred to the Rate Fund. These figures are small in relation to those of most of the Council's other departments, and they do not reflect the intense activity which is taking place there. In 1962 the number of take-offs and landings was 28 000; by 1965 the figure had increased to 80 000, and last year they topped the 100 000 mark for the first time. The figure for Jan Smuts Airport is in the region of 27 000.

THE MISCELLANEOUS FUNDS

European Housing

Up to the end of last year, the Government had approved housing loans for European schemes in Johannesburg to the extent of more than

R17½ million. 785 Houses had been built in South Hills and sold; 1 350 houses in several schemes were being let, as were 716 flats and 112 cottages for the aged. An ambitious programme has been set down for 1970-71. Housing at Bellavista Estate, Bellavista South, Haddon and the second stage of Claremont will be completed at a cost of nearly R1 million. The total cost of these schemes will then have exceeded R5 million. Further development of Claremont, and at Klipriviersberg, Vredepark and Jeppes-town will cost R1 272 000, towards a total final cost of R6 622 000. On the drawing boards are schemes to the value of about R18 million, the largest of which is the extensive housing development at Farm Elandsfontein which will cost nearly R13 million.

On the revenue side, a deficit of nearly R450 000 in relation to a turnover of R1 068 000 must be viewed with concern. It should be borne in mind that the shortfall is transferred to the Rate Fund, to be carried there by ratepayers many of whom may be in no better financial position to do so than the tenants who are being subsidized by the Council. In view of the massive scale of housing now being planned and undertaken, overall policy will have to be carefully watched in order to avoid a situation where deficits on a large scale are transferred to the Rate Fund. Rents are fixed at the time when a new scheme is embarked upon, and they tend to get out of step with rising costs over the years. Moreover, there is a tendency afterwards to add amenities and services the costs of which are not permitted to be brought to account when a scheme is approved by the National Housing Commission.

Coloured and Asiatic Division

Of the R1 605 000 housing loan allocation for the Division R185 000 is for the completion of 134 flats at Riverlea, and R245 000 for the flats at Westbury. 650 Houses are to be constructed at Olifantsvlei, and R325 000 has been earmarked to make a start on the project. The Oriental Bazaar at Fordsburg takes a further R600 000 towards its final cost of R10 million.

The deficit of the Division on revenue account moves up by 21 per cent from R585 000 this year to R708 000 in 1970-71. R368 000 of the shortfall arises from losses on the older economic and sub-economic housing schemes. Attention is being given to ways and means of reducing the deficit. The southern incorporated territory includes Lenasia which is an Indian group area, and Nancefield and adjoining areas which are set aside for the Coloureds. A great deal of work still needs to be done there and it is difficult at this time to measure the impact on the accounts of the Division. On the other hand, the shortage of labour has created more employment opportunities for Coloureds and the chances for greater earning power. Moreover, the implementation of the Physical Planning and Utilization of Resources Act, 1967, may further serve to improve the position of Coloureds.

In administering this Act prime consideration appears to have been concentrated on the limitation of the use of Bantu labour and employers are now resorting to augmenting their labour force by employing Coloureds. In these circumstances there appears to be full employment for Coloureds at higher wages and it may be possible to increase rentals in the Coloured townships to offset in part the rising deficits.

Proposals to grant a greater degree of local autonomy to the Coloured community are at present being studied. However, difficulties are foreseen in demarcating a clearly defined area which will serve as a Coloured local authority. Whatever the situation in other parts of the country may be, in Johannesburg the Coloured communities are found within settled European areas giving rise to serious problems in the determination of the financial and executive responsibility for common services. It is questionable moreover whether such a local authority will financially be able to stand on its own feet.

The Non-European Affairs Department

A large part of the proposed capital outlay of the Non-European Affairs Department is for housing. R1 089 000 has been earmarked for hostels in various townships and R1 050 000 goes towards the housing schemes at Pimville, Molapo, Mapetla and Emdeni. Completion of these schemes will go some way towards easing the housing shortage but will not eliminate the backlog that has been building up.

The Bantu Revenue Account has caused a great deal of uneasiness since a slackening off in the sale of Bantu beer was first noticed in December last year. Sales for 1969-70 are almost R1 million short of expectations. The estimate for 1970-71 was framed on the basis that turnover will stabilize at its present level but there is no certainty that it will do so. In the meantime market research is being carried out to establish the reasons for the falling off in sales. In contrast, the sales of European liquor continue to grow. Sales for 1969-70 were estimated at R5 million, but the figure now seems more likely to be in the region of R6 300 000 rising to R6 400 000 in 1970-71. However, 80% of the profit on liquor distribution is paid over to the State so that the increased sales here do little to help finance the Bantu Revenue Account.

The profits from Bantu beer flow into the Bantu Revenue Account, and mainly as a result of the deterioration in beer sales the deficit of the main account goes up from R740 000 to R1 250 000. Rising costs of administration have been a contributory factor towards the worsening position. I have expressed the view before that, moral issues aside, the extensive dependence of the Bantu Revenue Account on beer profits is financially unsound. The situation will have to be carefully watched and where it is deemed necessary charges for services may have to be reviewed.

Rents at R4 535 000 form the largest single item of income in the main Bantu Revenue Account. As I have mentioned, it is a condition attached to housing loans that rents must be calculated in relation to estimated costs of each housing scheme as it comes into being. The result has been that the rental structure over the years has become something of a patchwork, often operating unfairly between one township and another. A report on a rationalized rental structure is being prepared and it may fairly be assumed that rents generally will go up. However, the Council has never been a harsh landlord, and special cases of hardship will be sympathetically looked at as they always have been.

Last year the Administrator required that his approval be sought in the future before any deficits on the Bantu Revenue Account are transferred to the Rate Fund.

The Provincial Administration maintained that this was a legal requirement, but this legal view was disputed on behalf of the Council. The matter has now been settled by agreement on official level between the Department of Bantu Administration and Development, the Provincial Administration and the Council to the effect that the power of approval in this connection will be exercised by the Minister of Bantu Administration and Development upon consideration by him of the Bantu Revenue Account Estimates which are in any event subject to Ministerial approval.

The Trading Undertakings

The operating results of the Council's trading undertakings must be viewed with some concern. Altogether they contribute no more than R929 000 to the Rate Fund, compared with a figure of R1 875 000 six years ago. The Electricity Department's increased contribution of R2 150 000 is more than wiped out by the deficit of R2 276 000 on public transport. The abattoir makes a token contribution of R12 000, while produce market surpluses are retained in the department to finance expenditures incidental to marketing. The surplus of the Water Branch for 1970-71 is R964 000 compared with the figure of R725 000 for the current year. You will have noticed that the small decline of 0.13 cents per kilolitre in the cost of water purchased from the Rand Water Board is to be passed on to the consumers. It will not make a significant difference to householders, but the action is in accordance with an undertaking given to consumers.

At its meeting last month the Council agreed to alter the allocation of the Electricity Department's profits with effect from 1970-71. It is not unreasonable to expect the department's contribution to the Rate Fund to keep in step with its capital growth. To achieve this end, an amount equivalent to $1\frac{1}{4}$ per cent of capital outlay will be transferred to the Rate Fund, and the balance remaining will be used by the department to finance capital expenditure for which provision has been made in the estimates.

The previous formula had been adopted in 1966 when at the same time it was decided to apply for borrowing powers to erect a new power station at Liefde and Vrede. The formula provided for a share of the profits to be paid into the Capital Development Fund to be used in due course to finance in part the new power station.

In April 1969, almost exactly three years after the first application to establish a new power station, the Administrator turned down the Council's request for the third time. I do not wish to raise in this address all the elements of the dispute, but it was my sincere belief at that time, and still is today, that the Council acted in the best interests of the rate-payers and the consumers of electricity when it tried so persistently to retain complete local generation of electricity.

Agreement has been reached amongst officials regarding Escom's tariff for bulk supplies to the Council. Salient points in the draft agreement are, first, that electricity will be supplied at Escom's standard bulk supply tariff, but a special discount amounting to about 7 per cent of the total bill will be given to Johannesburg for taking supply at 275 000 volts. This requires the city to make its own arrangements for transforming

the voltage down to 88kV. Second, the Council may operate its own generating plant to its best advantage and will be given the benefit of diversity between different points of supply. Lastly, in terms of a mutual standby provision, the Council will not pay maximum demand charges on the first 56 megawatts it takes each month excluding the three winter months.

The Electricity Department has served the Council very well indeed. The tariff for supplies has been in force since 1959; a tariff that does not increase over five years performs well, and one that remains unchanged over ten years is remarkable. In the years 1959 to 1969, the department contributed R11 134 000 to the Rate Fund, and yet the tariff for domestic supplies was easily the lowest in the country.

It is difficult to forecast the future operating results of the department with any real degree of accuracy. On the one hand high density development on the scale, for example, of the Carlton Centre and the Trust Bank will substantially boost the department's revenue. On the other hand the department is faced, amongst other things, with the costly reticulation and uneconomical supply of the southern incorporated areas, and with the reinforcement and substantial renewal of networks and equipment installed before 1940. On present indications expenditure is rising at a faster rate than income and the tariff may have to be reviewed before 1976.

A disastrous fire occurred at Kelvin power station in March 1969 and only prompt action by the station staff, the contractors on site and the Kempton Park and Fairview fire brigades, confined the damage to the new turbine and boiler control panels. It is a tribute to the department and others concerned that the restoration work was completed in time to meet the 1970 winter load. The estimated cost of restoration is about R850 000.

The Transport Department's deficit has risen from R500 000 in 1964-65 to the present figure of R2 276 000 in spite of every effort made to improve the situation. The Management Committee views the department's present difficulties in a serious light, and has appointed an *ad hoc* committee to give its full attention to problems arising in the field of public transport. The Council's proposal to supplement its running staff by employing on certain routes Coloured drivers under the control of male White bus supervisors, who will also act as conductors and be paid the wages of one man operators, is still *sub judice* the Industrial Tribunal.

The abattoir and produce market provide services of a regional character and ideally should be self-supporting. Large scale capital sums on which loan charges have to be met are being spent at City Deep in advance of commencement of operations. Vigilance is required to ensure that tariffs are timeously adjusted to meet these charges, in addition to others which arise at the existing sites of operation.

At a recent meeting of councillors and officials with the Minister of Agricultural Economics and Marketing and the Abattoir Commission, certain important matters of policy were agreed upon. First, the Minister was told that Johannesburg was chary of investing a large amount of capital in a new abattoir without a firm guarantee from the State that the new abattoir would not be exposed to the possibility of uneconomic operation or even redundancy as a result of the establishment near Johan-

nesburg of competing municipal and private abattoirs. The Minister gave the assurance that the Council could rely on the Abattoir Commission to protect the economy of the new abattoir by controlling the development of neighbouring abattoirs and by adjusting tariffs to meet changed circumstances. Second, the Minister indicated his agreement in principle that money borrowed to develop the new abattoir should bear interest at the rate current when such money was borrowed, and not at the average rate charged on advances from the Consolidated Loans Fund. Furthermore, land for the abattoir would be leased by the Council to the Abattoir Department at a rental based on the interest rates on the Council's capital outlay. The residual value of land on which the Newtown abattoir is established could be ignored when calculating the cost of the new abattoir. Similar conditions are to apply to the new market at City Deep.

The railways administration has announced a plan to establish a containerization depot to the east of the abattoir site. This could mean the loss of an area intended eventually for allied traders. On the other hand, it would mean that the railways administration would itself undertake the construction of a main line around the periphery of the abattoir site, leaving the Council to finance the cost of link railway lines only.

Salaries and Wages

The scope of the Council's activities keeps pace with and at times moves in advance of the city's commercial and industrial development. For this reason and in the existing economic climate there is a degree of inevitability about the Council's mounting wage bill. But it is not unreasonable to expect it to maintain a fairly constant relationship to the Council's other expanding outlays. However, there are indications that emoluments are going up at a higher rate than ordinary expenditure.

Prices and charges of various kinds continue on their upward way and it is to be expected that sooner or later there would be a sympathetic movement in the paypacket, but it should be no more than that unless the output, the work load or the range of responsibility of the individual has increased proportionately.

Difficulties are experienced in maintaining staff during periods of economic expansion. Increases were granted to the Council's employees at the beginning of this year, but they appear not to have attracted new employees to the service or even to have halted the outward flow. Further proposals for substantial salary and wage increases with effect from the beginning of the new financial year have been framed and will be put to the Council later this month.

The Management Committee views the rapidly rising wages bill with concern. The reasons for the situation which faces us are not far to seek. There are just not enough workers to go around and the Council finds itself in senseless competition with other municipalities and with private enterprise. If a greater degree of self-restraint were imposed by employers all around it might go a long way towards alleviating the wasteful turnover in staff and in the long term would react in favour of the economy and ultimately to the material welfare of the employees themselves.

Electronic Data Processing

There are now more than 32 financial and statistical systems operational on the Council's computer, as well as a large number of non-financial programmes for the City Engineer's and Electricity Departments. Amongst other things, water, electricity and gas charges involving 130 000 accounts are being computed and billed; assessment rates and sanitary fees for 120 000 properties are printed out half-yearly; European and Bantu payrolls are prepared for more than 28 000 employees; licensing records are being kept and annual advice notes sent out in respect of nearly 290 000 motor vehicles; great strides have been made in computerizing the Council's entire financial accounting system. These are but a few examples of the matters now being dealt with by the Electronic Data Processing Branch of the City Treasurer's Department. There can be no doubt that the computer has gone a long way towards meeting the manpower shortage in the department.

The computer's central processing unit has now been enlarged in order to accommodate new and more sophisticated applications and to give additional support where and when required. Looking further into the future, the ultimate objective of planning is to develop a management information system based on the computer in order to assist and rationalize the processes of decision-making.

The Newly Incorporated Areas

The city has incorporated about 26 square kilometres (ten square miles) of territory on its north-eastern and north-western borders, and an area nearly ten times as large in the south. The southern area includes 57 square kilometres (22 square miles) covering Soweto, which although always administered by the Council was outside its municipal area. For reasons which are not clear, the areas administered by the Bantu Resettlement Board are expressly excluded from the incorporation. The total area of the city is now just short of 518 square kilometres (200 square miles). Incorporation involves complex financial settlement, not only with the Transvaal Board for the Development of Peri-urban Areas, but with the neighbouring authorities and with the Electricity Supply Commission.

The Council is not unaware of its responsibilities towards these new areas, but in places where standards have lagged considerably behind those in the established parts of the city, it cannot be expected that they will be brought to the same levels overnight. Development will proceed in an orderly fashion and as fast as the availability of manpower and financial resources will allow. The northern areas comprise closely knit and well developed communities, which fit neatly into the city's pattern but much still needs to be done in the south.

Planning for the South

The incorporation of the southern areas, and the release for other development of vast tracts of mining ground, has brought about the opportunity for bold and imaginative planning of the southern half of the city.

Johannesburg's development has been lopsided. The business area has been established for the most part north of the proclaimed mining area. The residential development is mainly to the north and east, with limited growth to the south. The mining ground that is now to become available for other purposes will serve to knit the central business district

to the southern areas of the city. On one mine property alone, namely part of Crown Mines, it will be possible to house a population equal to that of the town of Springs, that is to say some 40 000 to 45 000 people. In addition there will be 132 hectares (327 acres) of open space, including a golf course covering about 81 hectares (200 acres). The developers hope to revitalize this area and to make it the future "garden" of the city. It should also be noted that when this mining area is deproclaimed, about 65 square kilometres (25 square miles) of land will become rateable and will serve to restore in some measure the revenues which the Council has lost as a result of the expropriation of large tracts of land for educational, motorway and other purposes.

It is interesting to note in passing, that the mines within the Johannesburg municipal area which are now coming to the end of their lives, produced nearly 118 million ounces of gold which, at 35 dollars an ounce is valued at nearly R3 000 million.

The Council has plans to establish a large regional park alongside the Klip river, which now forms part of the southern boundaries of the city. A barrage is to be built which will form an artificial lake, and the whole area is to be developed to provide recreational facilities for the people of Johannesburg. Also in the south but beyond the city's boundaries the Minister of Planning has agreed to the establishment of a nature reserve and recreational area in the region known as Suikerbosrand, which starts near Heidelberg and continues along a range of hills towards Johannesburg. Various Reef municipalities and Johannesburg will contribute towards the cost of the scheme, the city's share being R1 380 000 payable at R46 000 a year for 30 years.

Building Development in the City

Turning from the countryside to the city centre, I should like to mention the changing pattern in building construction that is taking place there. The town planning regulations which were amended a few years ago, encourage property developers to set their buildings as far back from the street frontage as possible, and in return they are allowed bonus bulk on the upper floors. This has had a fundamental effect on the type of building that is being erected today. If you examine many of the buildings under construction, you will find that they are prestige blocks where the ground floor area contains fountains and gardens, and that there is more air and light around the building. Open spaces are being created in the heart of the city.

But this high-density development has also created serious problems for the Council. The Carlton Centre will serve to illustrate the point. There could be as many as 10 000 people on this 2.4 hectares (six acre) block at any one time during the day. The complex is expected to use 1 364 kilolitres (300 000 gallons) of water a day, but in order to cater for peak hours, the sewerage system had to be enlarged to accept sewage at the rate of 3 978 kilolitres (875 000 gallons) daily. Gas consumption will be the equivalent of that normally used by 7 000 domestic ranges. None of this was foreseen when the sewer and gas mains were laid down many years ago.

Refuse removal on the scale envisaged has also posed a problem. The Centre is to install a machine capable of compacting 458 cubic metres (600 cubic yards) of rubbish into 115 cubic metres (150 cubic yards) of

dry refuse, which the Council will remove at night in purpose-designed vehicles with special containers.

Stores and Materials

The Council buys stores and materials to the value of more than R6 million each year. Some disturbing features in regard to our buying arrangements have come to light. The trend in commerce and industry is for large organizations to amalgamate with others, or to take over smaller units, in order to rationalize and to reduce competition. Often only one tender is received when goods are ordered. Also, it has been found that uniform tender prices are received for a number of commodities through the apparent co-operation of tenderers. In other instances again, a large number of firms are asked to quote but very few tenders are received. Some time ago the Minister of Economic Affairs directed the Board of Trade and Industries to investigate these and other matters relating to trading in terms of the Regulation of Monopolistic Conditions Act, 1955. The Council has made representations to the Board which at the present time is still continuing with its investigations.

There is another matter which may conveniently be mentioned at this stage. The Council has not escaped the net cast by sales taxation; the taxes are absorbed into selling prices, and it is difficult to determine with any degree of accuracy their impact on the Council's expenditure, but the amount involved must be considerable. Then too, local authorities unlike State departments and the provincial administrations, are not exempt from customs and excise duty. To illustrate the point, the Council recently purchased a new mayoral car for R7 100 and had to pay an additional R7 100 to cover the customs duty. These are avenues which could profitably be explored when financial assistance to local authorities is being seriously considered.

Conclusion

In preparing this address, I have been at pains to highlight rather than to gloss over our problems. The city's finances remain fundamentally sound, principally because the Council has never hesitated to come to grips with its problems as and when they arise. In conclusion, I would tender my thanks to my colleagues on the Management Committee, and to councillors generally and to heads of departments, for their ready and valuable assistance at all times, and especially in the compilation of this budget.

P. R. B. LEWIS,
Chairman, Management Committee.

AGGREGATE EXPENDITURE FIGURES RELATED TO THE NET REVENUE BUDGET

COMPARISON APPROXIMATE RESULT, 1969-70, WITH BUDGET, 1970-71

1	2	3	4	5	6	7	8	9
	Public Service Sections		Internal Service Sections		Totals			
	Approximate Result 1969-70	Estimate 1970-71	Approximate Result 1969-70	Estimate 1970-71	Approximate Result 1969-70	Estimate 1970-71	Increase (Col. 7 minus Col. 6)	
	R	R	R	R	R	R	R	%
Emoluments:								
A European	A 23 535 695	30 712 821	A 4 683 457	5 519 288	A 28 219 152	36 232 109	A 8 012 957	28.40
B Other	B 11 240 911	12 436 689	B 2 528 242	2 652 339	B 13 769 153	15 089 028	B 1 319 875	9.59
C Total	C 34 776 606	43 149 510	C 7 211 699	8 171 627	C 41 988 305	51 321 137	C 9 332 832	22.23
D Miscellaneous Expenses ..	D 47 497 878	50 278 226	D 6 299 986	6 801 549	D 53 797 864	57 079 775	D 3 281 911	6.10
E Repairs and Maintenance ..	E 9 722 997	10 561 883	E 1 565 291	1 658 773	E 11 288 288	12 220 656	E 932 368	8.26
F Loan Charges	F 22 905 975	25 467 542	F 877 076	1 151 805	F 23 783 051	26 619 347	F 2 836 296	11.93
G Contributions to Capital Outlay	G 1 248 987	1 545 702	G 142 668	209 313	G 1 391 655	1 755 015	G 363 360	26.11
H Extraordinary Expenditure ..	H 7 923 530	7 027 922	H —	—	H 7 923 530	7 027 922	H (-) 895 608	(-)11.30
J Gross Prime Totals	J 124 075 973	138 030 785	J 16 096 720	17 993 067	J 140 172 693	156 023 852	J 15 851 159	14.02
K Deduct Redistributions ..	K 25 960 676	27 504 324	K 16 096 720	17 993 067	K 42 057 396	45 497 391	K 3 439 995	8.18
L	L 98 115 297	110 526 461			L 98 115 297	110 526 461	L 12 411 164	12.65
M Grants-in-Aid					M 968 378	958 249	M (-) 10 129	(-) 1.05
N					N 99 083 675	111 484 710	N 12 401 035	12.52

ESTIMATES, 1970-71

ADDENDUM TO THE BUDGET SPEECH

The Main Figures and Explanatory Details of Income and Expenditure of Departments

THE purpose of this addendum and its annexures is to supplement the general statement of affairs made in the budget speech itself by setting out income and expenditure on revenue account under departmental headings, and by detailing the main features of capital expenditure provision for 1970-71. Departments have been grouped according to the committees of the Council responsible for their operation.

Aggregate Expenditure Figures Related to the Net Revenue Budget

On the page immediately preceding this addendum is a summary of the Estimates designed to indicate the make-up of the budget by type of expense, and to show how that expense is tending to vary between one year and the next. Columns 4 and 5 in the table reflect the approximate result for 1969-70 and the estimate for 1970-71 of the so-called "Internal Service Sections"—those sections of the municipal organization which do work or perform services within their own sections and for other branches or departments, and whose cost is fully recouped from the sections for which the work is done or the service performed. The expenses relating to the other activities of the Council are classified as belonging to the "Public Service Sections", and the relative figures for 1969-70 and 1970-71 are shown in columns 2 and 3 respectively.

Aggregate ordinary expenditure, as reflected in line N of the summary, shows an expected increase of R12.4 million or 12.5%, which is in keeping with the general pattern of rising costs and expansion. The make-up of this overall growth is reflected under the various headings of expenditure and will be discussed in the paragraphs that follow.

Line C reflects an increase in total emoluments of 22.2% or R9.3 million. The relative figures for 1969-70 were 13.6% or R5.3 million. The detailed estimates for all departments go up generally in this respect, although not in equal proportions. Provision is made for normal annual increments and for reorganizations, which are considered by the heads of departments to be in the interests of good management.

Miscellaneous expenses, indicated in line D of the summary, are expected to be more by 6.1% or R3.3 million. The reasons are examined in the references to the individual departmental estimates.

The amount provided for repairs and maintenance follows the usual growth pattern which is shown as 8.3% in line E, and compares favourably with the 8.7% rise for the 1969-70 financial year. No further comment is necessary if it is remembered that this item of expenditure tends to move in sympathy with the capital expenditure of previous years and increases as buildings and plant became older.

Line F shows that loan charges will advance by R2.8 million, being 11.9% more than the approximate result for the current year. Loan charges are directly influenced by the Council's capital expenditure programme.

These charges will continue to go up appreciably in years to come as a result of the extensive capital works still to be executed.

Contributions to capital outlay, line G, are expected to go up by 26.1% or R363 000. The various reasons for this are dealt with in discussing the detailed departmental estimates.

Line H represents extraordinary expenditures. These include contributions by departments to various funds such as a tariffs stabilization fund, the Produce Market Unallocated Surplus Account, and the Capital Development Fund. The decrease of R895 608 or 11.3% may be attributed mainly to the new method of allocation of electricity profits which comes into effect from 1st July, 1970, and in terms of which the contribution in relief of rates is to be 1¼% of the total capital outlay of the department. This new method has the effect of augmenting the contribution to the Rate Fund by R754 500 with a corresponding reduction in the amount available for capital purposes. In addition, a substantial decline of R295 758 in the Produce Market surplus is forecast for 1970-71.

Grants-in-Aid account for R958 249 as reflected in line M and is 1.05% less than for the current year. The individual payments for European welfare schemes appear on page 37 of the Estimates, for Bantu on page 72 and for Coloured schemes on page 67.

MANAGEMENT COMMITTEE

City, Duncan and Selborne Halls (Vote No. 015)

Revenue Estimates, 1970-71:

Expenditure	R162 725
Income	16 000

It is expected that revenue expenditure relating to the City, Duncan and Selborne Halls will rise by R10 699 next year. Salaries, wages and allowances will account for R4 027, provision being made for a full establishment, normal increments and concomitant allowances. Miscellaneous expenses will advance by R1 582 to meet small increases in various expense accounts. The cost of repairs and maintenance is expected to go up by R5 000 to meet the cost of essential electrical repairs. The reconstruction of the City Hall is not to be carried out for the meanwhile and in consequence there is no provision under this vote for capital expenditure in 1970-71. Loan charges will therefore remain fairly static, except for a slight increase of R90.00.

Income from the letting of the City Hall goes up by R4 500 as a result of the decision to defer reconstruction.

City Treasurer's Department (Vote No. 085 and 090)

Revenue Estimates, 1970-71:

Expenditure	R2 283 390
Income	376 010
Capital Expenditure, 1970-71	5 840 000

In addition to central financial administration, the City Treasurer's Department provides specialized services to every other department of the Council. These services include electronic data processing, electricity, gas and water accounting, insurances, stores control and buying. The total costs involved, which for 1970-71 will amount to R3 374 157 are recovered in full from the departments in proportion to the use they make of the services.

The estimates of the general section and that of the Estates Branch are included amongst the Rate Fund departments. The deficit for 1970-71 at R1 907 380 is R373 730 more than that for the current year, and is mainly accounted for under the headings of loan charges and emoluments.

Sundry rent accruals are expected to improve by R3 800. For the rest, income for next year is expected to be more or less on a par with the approximate result for 1969-70.

Of the capital provision for the general section of the department, an amount of R180 000 has been earmarked for loans to officials to purchase motor cars required in connection with their duties and R28 000 for the purchase of departmental motor vehicles. The Estates Branch requires R5 520 000 for the purchase of land for various Council departments, R51 000 for alterations to the Non-European Affairs Department building, R20 000 towards the cost of erecting four houses at Power Park, and R41 000 for final additions to the third and fourth floors of the Non-European Affairs head office building in Albert Street.

Of the total capital provision, R3 293 500 will be financed from the Consolidated Loans Fund, R2 046 500 from the Capital Development Fund, R180 000 from the Council's Special Funds and R320 000 from Public Contributions.

Council's General Expenses (Vote No. 100)

Revenue Estimates, 1970-71:

Expenditure	R5 785 039
Income	1 110

The estimates of the Council's General Expenses Account include mayoral and corporate outlays, special subsidies and provisions for contingencies. The estimated disbursements for 1970-71 reveal an increase of R4 692 067 over the current year. Revision of salaries and wage scales accounts for R4 500 000 of this amount. In addition, R64 000 has been set aside to meet the cost of subsidizing housing loans for European employees.

Organisation and Methods Division (Vote No. 125)

Revenue Estimates, 1970-71:

Expenditure	R148 958
---------------------	----------

The estimated expenditure in the year to come is R11 771 more than the approximate result for 1969-70. R11 061 has been provided for additional emoluments, and R1 000 to cover travelling and subsistence expenses for an overseas study tour to investigate personnel management problems. There will be a net saving of R500 on the advertising of vacant posts.

Staff Board (including Staff Administration and Investigations) (Vote No. 175)**Revenue Estimates, 1970-71:**

Expenditure	R483 509
---------------------	----------

Expenditure for 1970-71 exceeds that of the current year by R45 888. Provision to the extent of R38 036 more has been made for normal annual increments, the filling of vacant posts and reorganization. A net increase of R7 085 in miscellaneous expenses is accounted for mainly by higher departmental charges, locomotion allowances and costs of printing and stationery. An additional amount of R13 075 is set aside for subsidized education and training and is rechargeable to other departments of the Council.

Clerk of the Council's Department (Vote No. 180)**Revenue Estimates, 1970-71:**

Expenditure	R1 076 306
Income	400

Capital Expenditure, 1970-71	3 448 600
---	------------------

The estimated expenditure on revenue account reflects a rise of R266 295 over the approximate result for the current year. Salaries, wages and allowances will go up by R79 387 to cover vacant posts, normal increments and reorganization, while miscellaneous expenses grow by R23 658. Loan charges are expected to mount by R160 000 because of the department's extensive capital programme.

The capital estimates include R2 692 600 for the administration block, R400 000 for the new Council Chambers, R275 000 towards furniture and R30 000 for the library building at the Civic Centre. R30 000 is required for the initial development of the new magistrate's court site, R20 000 for the purchase of pictures and works of art, and R1 000 for South African paintings.

Valuation Department (Vote No. 195)**Revenue Estimates, 1970-71:**

Expenditure	R253 350
Income	6 000

The expenditure for 1970-71 is estimated at a figure R8 095 over the expected result for 1969-70. The necessity to augment and reorganize the establishment in order to provide more up-to-date valuations, and to cope with the additional work arising from the incorporation of the southern area, entails higher expenditure. Emoluments are expected to go up by R15 110, while printing and stationery costs and rents rise by R1,500 and R1,385 respectively. Provision has also been made for the costs of Valuation Court sittings to the extent of R3 000. Departmental charges, on the other hand, will be R13 815 less than the amount being spent this year.

Income from the sale of valuation books and certificates will be in the region of R6 000.

Coloured and Asiatic Division (Vote No. 210)

Revenue Estimates, 1970-71:

Expenditure	R1 637 424
Income	929 000
Capital Expenditure, 1970-71	1 972 000

Revenue expenditure goes up by R151 550 in 1970-71, and the net cost to the Rate Fund amounts to R708 424, i.e. R123 550, or 21 % more than for the current year. Deficits continue to mount on the older economic and sub-economic housing schemes such as Coronationville—R65 900, Noordgesig—R86 400, Riverlea—R107 450 and Western—R107 900, thereby accounting for R367 650 of the new net cost. As a result of extensive housing projects, gross expenditures and incomes tend to expand considerably from year to year. Loan charges alone are expected to advance by R56 000, while emoluments, miscellaneous expenses, repairs and maintenance and contributions to capital outlay will likewise be greater by R53 000, R22 450, R14 000 and R6 000 respectively.

Income will be augmented by R21 000, when new housing schemes become available for occupation next year. An additional amount of R7 000 is to be transferred from the maintenance reserve fund.

Amounts have been earmarked in the capital estimates to complete 134 flats at Riverlea and 216 flats at Westbury for which R185 000 and R20 000 are required respectively. R600 000 is needed as a further instalment on the Oriental Bazaar in Fordsburg which is expected eventually to cost R10 000 000. New housing schemes to be started during the ensuing year are 384 flats and 174 houses at Westbury requiring R225 000 during 1970-71, and 650 houses at Olifantsvlei for which R325 000 has been set aside. R50 000 will be spent on the purchase of land for housing schemes and R200 000 for further development of the civic centre in Newclare.

It is also intended to provide tenants in the various housing schemes with improved community services, such as floodlights at tennis courts, sportsfields and another swimming pool in the Riverlea-Bosmont area. The provision and development of facilities in the newly incorporated areas of Nancefield and Lenasia, which include cemetery development, recreation facilities and civic centres in these areas will require R194 000.

The following is an analysis by activity of the total capital expenditure provision of the Division for 1970-71:

Administration	R7 000
Amenities	16 000
Housing	1 684 000
Recreation	265 000
	<u>R1 972 000</u>

Of the above total R317 000 will be financed from the Consolidated Loans Fund, R50 000 from the Capital Development Fund and R1 605 000 from Housing Loans.

HEALTH AND AMENITIES COMMITTEE

Art Gallery (Vote No. 005)

Revenue Estimates, 1970-71:

Expenditure	R93 511
Income	200
Capital Expenditure, 1970-71	75 000

Revenue expenditure next year will exceed the approximate result by R14 087. Staff expenses will absorb R7 166 after vacancies have been filled and allowances made for normal increments. Miscellaneous expenses go up by R1 321, repairs and maintenance by R3 900, and loan charges by R1 700.

Of the amounts provided for capital expenditure, R15 000, to be financed from the Consolidated Loans Fund, will be spent on preliminary expenses for the new Art Gallery, and R60 000, financed from the Capital Development Fund, on the purchase of pictures and works of art.

City Health Department (Vote No. 065)

Revenue Estimates, 1970-71:

Expenditure	R4 520 210
Income	2 001 550
Capital Expenditure, 1970-71:	544 000

Gross revenue expenditure is expected to be R601 220 higher than for the current year, arising for the most part from the additional responsibilities involved in the incorporation of the areas to the south of the City. General reorganization of the establishment, the need for the staff to be augmented, and normal increments, cause emoluments to rise by R464 750. Miscellaneous expenses go up by R89 340, repairs and maintenance by R11 760 and loan charges by R40 700.

Income for 1970-71 will increase by R71 350 mainly because many of the new posts to be created are subject to part-refund. Charges for the hospitalization of tuberculosis cases are to be higher, and the subsidy received in respect of curative and midwifery services conducted on behalf of the provincial administration will be more than for the year now ending.

The amount provided in the capital estimates will be financed from the Consolidated Loans Fund: R386 000, from the Capital Development Fund: R108 900, and from subsidies and public contributions: R49 100. The programme includes, inter alia, R183 000 for the completion of the new disinfecting station complex, R100 000 for a new laboratory, R20 000 for preparatory work in connection with the establishment of health centres at Lenasia and Kliptown, R40 000 for subsidiary clinics at Triomf, Claremont, Bellavista and Yeoville, and R25 000 for an additional mobile X-ray unit to operate in the urban areas. The balance of the capital provision—R176 000, covers items such as motor vehicles, furniture, plant and machinery, laboratory equipment, public conveniences, alterations and additions to clinics, health centres and alterations to the fever hospital.

Parks and Recreation Department (Vote No. 130)

The estimates of the various activities of the Parks and Recreation Department for 1970-71 may be summarized as follows:—

<i>Branch</i>	<i>Revenue Estimates</i>			<i>Capital Expenditure</i>
	<i>Income</i>	<i>Expenditure</i>	<i>Deficit</i>	
	R	R	R	R
Parks and Horticulture ..	46 170	1 684 340	1 638 170	305 900
Recreation Facilities ..	112 780	1 055 073	942 293	270 900
Zoological	59 240	482 237	422 997	115 000
Cemeteries	137 000	452 520	315 520	21 000
Swimming Pools	69 700	639 270	569 570	85 000
TOTALS	424 890	4 313 440	3 888 550	797 800

Total income will be less than the approximate result for the current year by R6 600. Allowance has been made for lower income, to the extent of R15 000, from cemetery fees. Swimming pool admission fees and sundry income on the other hand, are shown to rise substantially during the ensuing year.

The implications for the department following on the incorporation of the southern areas, has contributed to the growth of R353 990 in gross expenditure. Additional emoluments account for R213 560 while miscellaneous expenses go up by R88 670, and repairs and maintenance by R37 650.

Of the proposed capital expenditure, R255 500 will be financed from the Consolidated Loans Fund and R542 300 from the Capital Development Fund.

The Parks and Horticultural section is to spend R120 000 on mechanical equipment. The balance is required for a wide range of horticultural development projects throughout the city, and for the provision of additional facilities and services.

Capital expenditure on recreation during 1970-71 will include outlays on new and improved facilities at various recreation centres. Items of note on the programme, are the recreation centres at Crown Gardens and Westdene requiring R80 000 and R17 000 respectively, and a new tennis pavilion costing R21 000 for the Mondeor Tennis Club. Zoo development will require a further R115 000, while two new cremators and extensions and improvements to the Braamfontein crematorium will cost R17 000. R4 000 has been earmarked for road improvements and water reticulation in cemeteries.

The capital expenditure of the Swimming Pools section includes R40 000 for the re-design and improvement of the Ellis Park swimming pool, R30 000 for the completion of the Roosevelt Park district pool and R15 000 to commence the construction of a district pool at Ochse Square.

Public Library and Africana Museum (Vote No. 155)

Revenue Estimates, 1970-71:

Expenditure	R1 817 800
Income	44 750
Capital Expenditure, 1970-71	85 000

Gross ordinary expenditure reflects a rise of R202 720 over the approximate result for the current year. Higher staff expenses account for R83 212, and increased costs of miscellaneous items of expenditure for R108 530.

The capital expenditure programme of R85 000 will be financed from the Capital Development Fund, and provides for R20 000 to be spent on equipment for the library garage underground stack, R40 000 on the completion of the suburban branch library at Sandringham, R5 000 on conversions and building additions at the photographic museum, R10 000 on new general equipment, and finally, R10 000 on building alterations at the central city library block.

European Housing (Vote No. 205)

Revenue Estimates, 1970-71:

Expenditure	R1 517 300
Income	1 068 000

Capital Expenditure, 1970-71 4 252 300

Expenditure is expected to rise by R246 950 principally as a result of the administration and management expenses involved in newly completed schemes. Loan charges have to be paid while schemes are being developed and these alone will be greater by an amount of R164 000.

Income will be augmented by R172 300 comprising for the most part the rentals from newly completed schemes. The deficit of R449 300 which will be transferred to the Rate Fund is R74 650 more than the loss for the current year.

It will be seen from the capital expenditure programme that it is proposed to spend R2 264 000 on approved housing schemes, R1 317 300 on schemes still in the planning stage and R540 000 on the purchase of land. A further R55 000 has been earmarked mainly for miscellaneous aesthetic improvements and amenities, and R76 000 for office accommodation, workshops and Bantu quarters.

Abattoir and Livestock Market Department (Vote No. 310)

Revenue Estimates, 1970-71:

Expenditure	R1 393 300
Income	1 405 300

Capital Expenditure, 1970-71 1 139 300

The income for 1970-71 will be much the same as that for the current year, except for a marginal growth of R24 600. Higher industrial effluent charges will account for R12 000, while an additional R7 200 will accrue from the sale of by-products which shows a steadily upward trend over the past few years.

Ordinary expenditure next year will exceed that for the year now ending by R150 010. Emoluments go up by R69 370, while higher industrial effluent charges are principally the cause of an increase of R15 840 in miscellaneous expenses. An additional amount of R99 700 is required to cover loan charges which are largely accounted for by capital expenditure at City Deep.

The capital estimates include an amount of R1 123 300, to be financed from the Consolidated Loans Fund, for expenditure at the City Deep abattoir site, involving, *inter alia*, R332 000 for planning and design costs, R385 000 for layout and R381 000 to cover the department's share of the cost of the Heidelberg Road/Vickers Road interchange. The balance of the provision, namely R16 000, will be financed from the Capital Development Fund and will meet the final contractual commitments in respect of the new sheep slaughter floor at the Newtown abattoir.

NON-EUROPEAN AFFAIRS COMMITTEE

Non-European Affairs Department (Vote No. 220)

The estimates on revenue account and the capital expenditure provisions of the department are summarized as follows:

Section	Revenue Estimates			Capital Expenditure
	Expenditure	Income	Deficit	
	R	R	R	R
Bantu	10 380 035	9 129 800	1 250 235	7 315 800
Bantu Beer	4 407 000	4 407 000	—	77 000
Liquor Distribution	5 977 400	5 977 400	—	120 000
	20 764 435	19 514 200		7 512 800
To be met by Rate Fund			1 250 235	

Ordinary expenditure for the department as a whole shows an upward trend to the extent next year of R1 109 396. Total emoluments go up by R703 500. Of this increase the Bantu section accounts for R537 000 and the Bantu Beer section and Liquor Distribution account for R127 000 and R39 500, respectively. Miscellaneous expenses will rise by R133 796.

The operating costs of the Bantu section will be more by R339 496 and that of liquor distribution by R57 500. Bantu beer expenses come down, however, by R263 200, mainly because less Bantu beer ingredients and cartons are to be purchased and lower excise duty paid, following on the expected falling off in the sales of beer during 1970-71. Repairs and maintenance go up by R59 900, contributions to capital outlay by R23 100, and loan charges by R189 100.

Income from Bantu registration fees advances by R400 000 to R1 000 000, principally on account of the fees now payable in respect of Bantu women.

The sale of Bantu beer and husks will realize income which is R233 000 less than in the current year, following on decreased production. Revenue from the sale of European liquor, on the other hand, will increase by R100 000 to a new total of R6 400 000.

One-third of the profits on Bantu beer, namely R532 000, is applied in defraying expenditure on recreation and social welfare, while the balance of R1 064 000 is transferred to the main account in reduction of housing deficits. The surplus of the Liquor Distribution Branch will be R538 500 of which R430 800 (80%) is to be paid to the Department of Bantu Administration and Development.

After allowing for the transfers and adjustments mentioned above, the deficit of the Bantu section is shown as R1 250 235 for the ensuing year, reflecting an increase of R510 596 over the results for the current year.

The capital programme provides for normal development as well as improved facilities and amenities. The bulk of the proposed outlay (R2 739 000) in the Bantu section is to be financed from Housing loans. The programme includes schools (R200 000); hostels at Orlando West, Lifateng, Mapetla, Eastern Bantu Township and Dube (R1 089 000), and housing schemes at Pimville, Molapo, Mapetla and Emdeni (R1 050 000). Other major projects, for the most part in Soweto, which are to be financed from the Consolidated Loans Fund and the Capital Development Fund, include the electrification programme—R300 000, improvements to administration offices—R48 000, two post offices—R40 000, a fire station—R100 000, pre-school institutions—R86 000, storm water drainage—R75 000, construction of roads—R226 000, mobile plant and equipment—R40 000, a new communal hall—R70 000, construction and alterations to business premises—R100 000, a new swimming pool at Orlando East—R65 000, and the erection of a central administration block for the Klipspruit/Pimville complex—R50 000.

Numerous projects are to be financed from the Bantu Services Levy Fund, the main road to Soweto, being by far the largest single item and accounting for R1 347 000. The total cost of the road is expected to be R5 458 000.

The programme of the Bantu Beer Section provides, amongst other things, for motor vehicles at a cost of R30 000 and a new beer garden costing R40 000. The estimates for the Liquor Distribution Account include R100 000 for the erection of two additional bottle stores in Soweto.

The overall capital expenditure programme of the department will be financed as follows:

Consolidated Loans Fund	..	..	..	..	R1 639 000
Capital Development Fund	..	..	..	..	216 000
Housing Loans	..	..	..	..	2 739 000
Subsidies and Public Contributions	..	..	..	..	75 000
Bantu Services Levy Fund	..	..	..	..	2 773 800
Bantu Beer and Liquor Profit Appropriations	..	..	..	..	70 000
					<u>R7 512 800</u>

Non-European Housing Division (Vote No. 565)

Revenue Estimates, 1970-71:

Expenditure	R1 393 000
-------------	----	----	----	----	----	------------

The total expenditure, which shows a nominal increase of R38 200, will be incurred in respect of the following items for which provision has been made in the estimates of the Non-European Affairs Department:

- (a) 1 485 Houses at Emdeni Extension.
- (b) Dube Hostel Extension (1 100 beds).

- (c) Senaoane Swimming Bath.
- (d) Mapetla Hostel (5 200 beds).
- (e) Zola Communal Hall.
- (f) 16 Schools and 87 Classrooms.
- (g) 1 500 Houses Zones 3 and 4.
- (h) Fire Station and Ambulance Depot (Jabulani).

PLANNING AND TECHNICAL SERVICES COMMITTEE

City Engineer's Department (Vote Nos. 025, 030, 035, 040, 045, 050, 055, 058, 390 and 410-445)

The estimates of income and expenditure on revenue account of the various sections of this department are summarized as follows:

Branch	Revenue Estimates			
	Expenditure	Income	Surplus	Deficit
	R	R	R	R
Administration	466 337	1 950	—	464 387
Building Survey	270 700	236 000	—	34 700
Cleansing	3 579 100	3 967 000	387 900	—
Construction	6 008 105	159 551	—	5 848 554
Forward Planning	362 400	—	—	362 400
Land Survey	103 600	—	—	103 600
Sewerage	5 572 000	5 572 000	—	—
Town Planning	592 200	116 500	—	475 700
Water	6 293 385	7 257 000	963 615	—
TOTALS	23 247 827	17 310 001	—	5 937 826

The revenue estimates indicate that the net cost to the Rate Fund of the various branches of the department will increase by R953 403 in the forthcoming year, to a total of R5 937 826.

Increased provision has been made in the estimates of all the branches to cover expenditure for a full financial year in respect of services supplied to the newly incorporated areas in the south. This and the general upward trend in emoluments and miscellaneous commitments, are the main reasons for the pattern of rising costs in all the branches included in the above summary.

The Cleansing Branch surplus of R387 900 which is to be transferred to the Rate Fund is R136 200 less than the figure for this year. The decline in the surplus arises from the fact that the annual rise in rate of income lags behind the growth in expenditure.

Expenditure of the Construction Branch for 1970-71 reflects an advance of R1 402 320 while income is expected to be much the same as for the current year. The salient features of increases in expenditure are found in emoluments, R322 198; miscellaneous expenses, comprising in

the main, resurfacing of roads, premix, road rolling, stores and materials and transport by contract, R362 886; and loan charges to the extent of R717 171.

The estimates of the Forward Planning Branch include an amount of R75 000 for the Transportation Report, whilst R30 000 is earmarked in the estimates of the Town Planning Branch for a Topo-Cadastral Map of Greater Johannesburg.

In the estimates of the Sewerage undertaking gross expenditure at R6 056 000 is forecast to be greater by R595 220. Increases in loan charges constitute the major rise namely, R274 900, following on the large-scale sewerage development plans. Emoluments, miscellaneous expenses and repairs and maintenance account separately for greater expenditure to the order of R163 400, R88 910 and R51 860.

The total revenue of the branch will improve by R968 000. Income from sewer fees (which constitutes 94% of revenue) will rise by R945 000, principally on account of the implementation of the new tariff, and the additional income from the incorporated areas. This will permit R940 700 to be transferred to the Sewer Stabilization Fund in 1970-71, compared with the current contribution of R440 500.

The growth of R447 354 in the Water Branch's gross expenditure is found mainly in greater staff expenses—R105 950, miscellaneous expenses R326 804 (more water purchased from the Rand Water Board accounts for R277 000), and loan charges—R49 000. Maintenance expenditure on reservoirs, on the other hand, will decline by R93 000. Improvement in revenue at R535 400 overtakes the higher expenditure by R238 518 and in consequence the contribution to the Rate Fund grows by this amount to R963 615 next year.

The department's capital expenditure programme for next year is as follows:

Cleansing	R1 112 000
Construction	10 694 000
Town Planning	50 000
Sewerage	3 259 000
Water	1 066 500
General:	
Transport and mobile plant	1 565 426
Works and Services Branch	118 500
Mechanical Workshops	6 500
	<u>R17 871 926</u>

R11 609 000 will be financed from the Consolidated Loans Fund, R4 122 426 from the Capital Development Fund, and R2 140 500 from subsidies and public contributions.

The greatest proportion (R831 000) of the amount provided for the Cleansing Branch will go towards the building of new compounds and the improvement of older ones. The largest single sum here is R475 000 required for the new compound at Antea. In addition R215 000 has been provided for the updating of refuse disposal facilities.

The programme of capital expenditure for the Construction Branch includes R7 558 000 for urban motorways, R1 500 000 for major roads, R300 000 for roads in wards and R490 000 for stormwater control. Other items of note are pavements in wards (R400 000) and road renewals (R150 000).

Important items provided for in the capital estimates of the Sewerage Branch are as follows:

First phase of the new main outfall tunnel sewer to Klipspruit purification works	R650 000
Completion of the South-East outfall sewer	460 000
New East Plant at Olifantsvlei	400 000
The Alexandra Plant	300 000
Sewer extensions and reticulations	250 000
Main outfall—Northern scheme	100 000
Extensions to works—Klipspruit Basin scheme	220 000
Link sewers and sub-outfalls—Olifantsvlei Basin	100 000
Extensions—Olifantsvlei Basin	280 000

The water Branch will require R550 000 next year for the development of reservoirs. Contracts will be awarded for new service reservoirs at Yeoville and Randjeslaagte, and a start will be made on a new reservoir to serve the Parkview/Westcliff area. In addition, expenditure totalling R323 000 is necessary to carry out work on new water mains both in the northern parts of the city and in the newly incorporated areas. R95 000 will be spent on the purchase of equipment such as meters and fittings.

Licensing Department (Vote No. 120)

Revenue Estimates, 1970-71:

Expenditure	R984 895
Income	2 030 600
Capital Expenditure, 1970-71	121 500

This department administers the licensing provisions of the Road Traffic Ordinance, the Licences (Control) Ordinance, and the Council's by-laws relating to licences and business control.

Ordinary expenditure during 1970-71 will be greater by R135 302 against an advance of R40 000 in income, derived principally from the registration and licensing of motor vehicles. The surplus which will accrue to the Rate Fund is R1 045 705, which is R95 302 less than for this year.

Items in the capital programme include R40 000 for the construction of two new pits with roof extensions, R51 000 for the relay-out of test roads and a noise level test track, and R14 000 for an additional drivers' testing area. A new switch room, brake testing machines and mechanical accessories will cost R16 500.

Traffic Department (Vote No. 190)

Revenue Estimates, 1970-71:

Expenditure	R3 404 696
Income	2 473 320
Capital Expenditure, 1970-71	710 900

Total expenditure will increase by R456 102 (of which emoluments account for R351 940) while income advances by only R160 000, so that the net cost to the Rate Fund of traffic control in the city will rise by R296 102 to R931 376 during the next financial year.

The improvement in income accrues from parking fees—R30 000, parking meter fees—R30 000, and traffic fines—R100 000.

The capital programme provides for R350 000 and R80 000 as first instalments on the numbers 1 and 3 parking garages at Braamfontein, and a further instalment of R59 000 on the extensions to Kazerne No. 2 garage. Other items are: R74 400 for a motor cycle workshop and a parking garage for departmental vehicles at departmental headquarters; R50 000 for motor vehicles; R65 000 for new traffic lights and improvements, and R15 000 for radio equipment.

UTILITIES COMMITTEE

Fire Department (Vote No. 110)

Revenue Estimates, 1970-71:

Expenditure	R1 309 888
Income	205 440
Capital Expenditure, 1970-71	128 900

The cost to the Rate Fund of operating the Ambulance and Fire Brigade services will rise by R54 318 from R1 050 130 this year to R1 104 448 in the next. Allowance has been made for an improvement of R8 300 in income in view of the greater area to be serviced after the incorporation in the south. Ordinary expenditure will go up by R62 618 after allowing for amounts to be charged out to other departments.

The capital expenditure programme provides, amongst other things, for a start to be made on the erection of the new Fairview Fire Station which will ultimately cost R596 000. R45 000 will be required as a first instalment on this project, and will be financed from the Consolidated Loans Fund. The balance of the capital provision (R83 900) is to be financed from the Capital Development Fund and the major items involved are R20 000 for a fire pump water tender and R44 000 for eight new ambulances required to replace vehicles which have completed over 100 000 miles.

Public Street Lighting (Vote No. 165)

Revenue Estimates, 1970-71:

Expenditure	R819 900
Income	4 500
Capital Expenditure, 1970-71	380 000

The revenue of this activity of the electricity undertaking is derived from charges made for electricity consumed by and the routine maintenance of street lighting equipment located beyond the municipal borders. Income for 1969-70 and 1970-71 is the same, but expenditure is expected to be greater in 1970-71 by R65 800 which will, in turn, increase the net cost to the Rate Fund from R749 600 this year to R815 400.

The amount provided for capital expenditure is reflected in the estimates of the Electricity Department, and will be financed from the Consolidated Loans Fund. R130 000 is required for additional public street lighting, and R160 000 for street lighting improvements. R90 000 is earmarked for the replacement of obsolete street light fittings.

Rand Airport (Vote No. 170)

Revenue Estimates, 1970-71:

Expenditure	R205 411
Income	167 100
Capital Expenditure, 1970-71	20 000

Additional landing fees and rents will augment the airport revenue during next year by R12 900, against which expenditure rises by R35 830. As a result, the airport will show a greater loss in the coming year. The amount carried by the Rate Fund will go up from R15 381 this year to R38 311. Additional staff expenses form the bulk of the increase in the cost of operating the airport.

An amount of R20 000, to be financed from the Capital Development Fund, has been provided for the purchase of flying aids to improve the services at the Rand Airport.

Electricity Department (Vote No. 320)

Revenue Estimates, 1970-71:

Expenditure	R21 775 000
Income	23 925 000
Capital Expenditure, 1970-71	8 957 671

The operating surplus for 1969-70 will be appropriated in terms of the formula which was adopted in 1966, but for 1970-71 a new basis will be applied which allows for a contribution in relief of rates equal to 1¼% of the total capital outlay of the department. The balance of the surplus will be retained by the department to finance capital expenditure for which provision has been made in the estimates. The new basis of appropriation increases the contribution to the Rate Fund in 1970-71 by R754 500 compared with the contribution for the current year. The operating surplus is expected to decline by R76 540.

The allocation of electricity surpluses is set out in the following comparative table:

	1969-70	1970-71
	R	R
Contributions to Capital Development Fund	1 255 950	—
Direct Capital Appropriations	837 300	1 262 210
Surplus transferred to Rate Fund	1 395 500	2 150 000
	<u>R3 488 750</u>	<u>R3 412 210</u>

The income from the sale of current to private consumers is shown to improve by R1 475 000 and the total revenue from all sources by R1 604 000 which represents an overall rise of just over 7% over the 1969-70 expectations. Total expenditure shows an increase of R1 680 540, or almost 10%.

The capital expenditure programme of the department for 1970-71 is summarized as follows:

Generation	R1 639 181
Major Distribution Expansion	2 664 340
General Distribution Construction	3 643 000
Technical Administration (including street lighting) . .	1 011 150
	<u>R8 957 671</u>

Of this amount R7 174 311 will be financed from the Consolidated Loans Fund, R856 360 from the Capital Development Fund and R927 000 from revenue appropriations.

R1 612 971 of the sum required for expenditure on generation, is committed to contract payments associated with the Kelvin Power Station extensions and staff housing. The balance is for sundry smaller projects. The programme for the distribution network totals R6 307 340 and provides for normal development, including payments on contracts related to projects already in hand. Under the heading Technical Administration, the major provisions comprise R200 000 for the Van Beek Street compound, R380 000 for public street lighting and R200 000 for motor vehicles.

Gas Department (Vote No. 340)

Revenue Estimates, 1970-71:

Expenditure	R2 254 100
Income	2 333 100
Capital Expenditure, 1970-71	444 500

Gross expenditure of the department will be R75 151 more than the approximate result for the current financial year. This increase, however, is more than offset by an almost corresponding rise in re-charges to capital works and to revenue account.

The surplus to be transferred in aid of rates will be R7 000 more next year compared with the result for 1969-70. Income is expected to advance by R6 154. The steadily increasing demand for gas will boost revenue derived from this source by R81 000, but the income from tar products will decline by approximately R75 500 because existing stocks of tar will have become depleted.

Of the capital expenditure provided for, R260 000 will be financed from the Consolidated Loans Fund and R184 500 from the Capital Development Fund. R252 000 will be needed for the distribution of gas and R192 500 for its manufacture. Some of the items on the programme are R75 000 for gas boosting equipment, R65 000 for renewal of gas-making retorts, R20 000 for workshop machinery, R40 000 for the north-west link main, R55 000 for renewal of service connections and corroded mains, R45 000 for general extensions of mains, R45 000 for gas appliances, and R30 000 for gas meters.

Produce Market (Vote No. 360)**Revenue Estimates, 1970-71:**

Expenditure	R1 012 250
Income	1 012 250
Capital Expenditure, 1970-71	2 773 500

The surplus which is retained in the unallocated surplus account is expected to be R29 161 for the forthcoming year and is R295 758 less than that for the current year. This decrease arises principally from greater loan charges of R222 000.

No material change is expected in the level of income, other than a slight decrease of R12 000 in revenue from commission on produce sales. Income and expenditure in respect of the Soweto Market are transferred to the Non-European Affairs Department and do not, therefore, affect the operating results of the Market Department.

The whole of the capital expenditure provision for 1970-71 is related to construction work at the City Deep market site. R2 267 000 will be financed from the Consolidated Loans Fund, and the balance, R506 500, from the Produce Market Unallocated Surplus Account.

Transport Department (Vote No. 380)**Revenue Estimates, 1970-71:**

Expenditure	R7 009 797
Income	4 734 185
Capital Expenditure, 1970-71	1 227 240

Income is expected to remain on the same level as for that of the current year, namely R4 734 185. The rise in gross expenditure amounts to R527 230, but this is reduced to R227 687 after allowing for re-charges to capital account, workshops and revenue account. The deficit at R2 048 560 for the current year will therefore grow to R2 275 612 increasing the burden on the Rate Fund by a further R227 052 in 1970-71.

Normal increments, additional incentive and supervisory bonuses and allowances, cause staff expenses to go up by R148 814, while omnibus and trolleybus operating costs (R152 660) and stores and materials (R50 000) are the main reasons for the R211 495 upward movement in miscellaneous expenses. The bulk of the rise of R156 891 in repairs and maintenance costs is attributable to buses. Loan charges and extraordinary expenditure (loss on sale of obsolete stock) advance by R14 400 and R5 000 respectively, whilst contributions to capital outlay decrease by R9 370.

The major outlays included in the capital programme for 1970-71 are R921 240 for various contract payments on the purchase of omnibuses, R40 000 for fare collection equipment, and R200 000 for alterations and extensions to garages, parking areas and workshops.

SCHEDULE A

INCOME FROM GENERAL RATES IMPOSED ON LAND VALUES

1 Year	2 Average Land Values on which Rates imposed (Rounded)	3 Rate on Land	4 Basic Rate Income	5 Rates on Mining Improvements, Special Rates, etc.	6 Total Rate Income
	R	c	R	R	R
1931-32	46 300 000	2.621	1 205 696	43 274	1 248 970
1934-35	55 009 000	2.083	1 146 012	24 635	1 170 647
1937-38	99 392 000	1.667	1 656 537	18 160	1 674 697
1940-41	115 956 000	1.667	1 932 603	20 798	1 953 401
1943-44	124 301 000	2.500	3 107 526	30 897	3 138 423
1946-47	179 203 000	2.708	4 853 418	32 954	4 886 372
1949-50	336 621 000	1.667	5 610 353	21 879	5 632 232
1952-53	377 254 000	1.667	6 289 236	23 372	6 312 608
1955-56	400 916 000	1.875	7 511 002	30 168	7 541 170
1958-59	423 195 000	2.188	9 239 034	35 324	9 274 358
1961-62	425 910 000	2.500	10 647 751	43 765	10 691 516
1964-65	444 014 000	3.000	13 270 262	44 482	13 314 744
1967-68	570 148 000	3.000	17 045 185	49 615	17 094 800
1968-69	571 648 000	3.000	17 231 177	50 149	17 281 326
1969-70 (Approximate)	587 036 000	4.000	23 321 292	67 006	23 388 298
1970-71 (Estimated)	1 072 589 000	2.700	29 478 000	67 000	29 545 000

SCHEDULE B

CAPITAL FINANCE COMPARED WITH OUTLAY

(AS AT 30th JUNE, 1969)

	R	R	R	%
External Loan Debt				
1. Government Housing Loans ..			39 407 312	9
2. Long Term Loans			129 200 958	28
3. Short-Term Borrowings			13 324 654	3
4.			181 932 924	40
5. <i>Deduct:</i> Liquid Investments ..			21 788 582	5
6.			160 144 342	35
7. Short-Term Internal Borrowings ..			25 440 565	6
8. Trust Funds and Specific Provisions	11 047 931			
9. General Insurance Fund	5 826 342			
10. Tariffs Stabilization Fund	5 765 894			
11. Maintenance of Buildings Reserve ..	2 800 398			
12.			185 584 907	41
13. <i>Deduct:</i> Sundry Debtors			6 502 552	1
14. A. Capital Outlay from Net Borrowings			179 082 355	40
15. B. Capital Outlay from Permanent Pools		70 452 852		
16. Capital Development Fund	52 810 267		277 223 148	15
17. Permanent Capital Reserves	17 642 585			
18. C. Capital Assets Fully Paid Off		206 770 296		45
19. Property and Permanent Works (At Cost)	178 009 141			
20. Other Capital Outlay ..	28 761 155			
21. Total Capital Outlay			R 456 305 503	100

SCHEDULE C

SUMMARISED STATEMENT OF ASSETS AND LIABILITIES AS AT 30th JUNE, 1969

CAPITAL LIABILITIES		CAPITAL ASSETS	
	R		R
Loans Outstanding	264 501 687	Capital Outlay	456 305 503
Temporary Advance from Revenue Account	13 324 654	Sundry Debtors	6 502 552
Surplus	206 770 296	Investments	21 788 582
	<u>R484 596 637</u>		<u>R484 596 637</u>
REVENUE LIABILITIES		REVENUE ASSETS	
Temporary Loans	8 701 125	Stores	4 680 487
Sundry Creditors	16 006 267	Sundry Debtors	8 200 287
Special Funds	104 834 651	Investments: Special Funds	104 834 651
Surplus	3 726 720	Cash	2 228 684
	<u>133 268 763</u>		
<i>Less: Temporary Advance to Capital Account</i>	<i>13 324 654</i>		
	<u>R119 944 109</u>		<u>R119 944 109</u>

SUMMARY OF ESTIMATED INCOME AND EXPENDITURE ON REVENUE ACCOUNT FOR THE YEAR 1970-71

Vote No.	Committee, Department, Section or Division	Expenditure	Income	Transfers to Rate Fund		
				Surplus	Deficit	Per Rand Valuation on Land
		R	R	R	R	c
	Management Committee:					
03	Assessment Rates	—	29 545 000	29 545 000	—	2.754 5 Cr.
10	City, Duncan and Selborne Halls	162 725	16 000	—	146 725	0.013 7
30	City Treasurer's Department	2 283 390	376 010	—	1 907 380	0.177 8
32	Council's General Expenses	5 785 039	1 110	—	5 783 929	0.539 3
37	Grants-in-Aid and Donations	958 249	—	—	958 249	0.089 3
43	Organisation and Methods Division	148 958	—	—	148 958	0.013 9
60	Staff Board	483 509	—	—	483 509	0.045 1
62	Clerk of the Council's Department	1 076 306	400	—	1 075 906	0.100 3
64	Valuation Department	253 350	6 000	—	247 350	0.023 1
85	Coloured and Asiatic Division	1 637 424	929 000	—	708 424	0.066 0
	TOTAL MANAGEMENT COMMITTEE	12 788 950	30 873 520	29 545 000	11 460 430	1.686 0 Cr.
	Health and Amenities Committee:					
02	Art Gallery	93 511	200	—	93 311	0.008 7
28	City Health Department	4 520 210	2 001 550	—	2 518 660	0.234 8
45-49	Parks and Recreation Department	4 313 440	424 890	—	3 888 550	0.362 5
54	Public Library and Africana Museum	1 817 800	44 750	—	1 773 050	0.165 3
84	European Housing	1 517 300	1 068 000	—	449 300	0.041 9
90	Abattoir and Livestock Market Department	1 393 300	1 405 300	12 000	—	0.001 1 Cr.
	TOTAL HEALTH & AMENITIES COMMITTEE	13 655 561	4 944 690	12 000	8 722 871	0.812 1
	Non-European Affairs Committee:					
86-88	Non-European Affairs Department	20 764 435	19 514 200	—	1 250 235	0.116 6
	TOTAL NON-EUROPEAN AFFAIRS COMMITTEE	20 764 435	19 514 200	—	1 250 235	0.116 6
	Planning and Technical Services Committee:					
12-16, 18 20, 21, 98	City Engineer's Department	23 247 827	17 310 001	—	5 937 826	0.553 6
40	Licensing Department	984 895	2 030 600	1 045 705	—	0.097 5 Cr.
63	Traffic Department	3 404 696	2 473 320	—	931 376	0.086 8
	TOTAL PLANNING AND TECHNICAL SERVICES COMMITTEE	27 637 418	21 813 921	1 045 705	6 869 202	0.542 9
	Utilities Committee:					
35	Fire Department	1 309 888	205 440	—	1 104 448	0.102 9
55	Public Street Lighting	819 900	4 500	—	815 400	0.076 0
58	Rand Airport	205 411	167 100	—	38 311	0.003 6
91	Electricity Department	21 775 000	23 925 000	2 150 000	—	0.200 4 Cr.
92	Gas Department	2 254 100	2 333 100	79 000	—	0.007 4 Cr.
94	Produce Market Department	1 012 250	1 012 250	—	—	—
95	Transport Department	7 009 797	4 734 185	—	2 275 612	0.212 2
	TOTAL UTILITIES COMMITTEE	34 386 346	32 381 575	2 229 000	4 233 771	0.186 9
	TOTALS	109 232 710	109 527 906	32 831 705	32 536 509	0.027 5 Cr.

Collection Number: A1132

Collection Name: Patrick LEWIS Papers, 1949-1987

PUBLISHER:

Publisher: Historical Papers Research Archive, University of the Witwatersrand, Johannesburg, South Africa

Location: Johannesburg

©2016

LEGAL NOTICES:

Copyright Notice: All materials on the Historical Papers website are protected by South African copyright law and may not be reproduced, distributed, transmitted, displayed, or otherwise published in any format, without the prior written permission of the copyright owner.

Disclaimer and Terms of Use: Provided that you maintain all copyright and other notices contained therein, you may download material (one machine readable copy and one print copy per page) for your personal and/or educational non-commercial use only.

This collection forms part of a collection, held at the Historical Papers Research Archive, University of the Witwatersrand, Johannesburg, South Africa.