

BOPHUTHATSWANA SUBMISSION TO WORKING GROUP 4 SUBGROUP 3

Herewith the submission of information as required by the minutes of WG 4 SG 3.

A. ADMINISTRATIVE

1. LAND TRANSFERS

The people and government of Bophuthatswana regard land as one of the most valuable resources any nation can be entrusted with. Land is the basis for development and prosperity. The way in which land is used determines to a great extent whether individual aspirations and national goals will be translated into reality.

The Bophuthatswana government has always believed, and today even more than ever, that all land must be used optimally in the individual and national interest. It is regarded important that land be used in such a manner that it increases its value as a natural resource and a source of future welfare.

All land to be transferred to Bophuthatswana forms part of negotiations and bilateral agreements over several years. Only technical arrangements to bring the land finally under the jurisdiction of Bophuthatswana are still outstanding. Contrary to Transkei, there is no forced Bophuthatswana citizenship in these areas. All residents are free to choose whether they prefer SA citizenship or whether they would like to apply for Bophuthatswana citizenship. The same ruling applies to all land transferred to Bophuthatswana.

Please refer to the attached map (annexure A) for details on the locality of land transfers.

1.1 PENDING LAND TRANSFERS TO BOPHUTHATSWANA BY THE SA GOVERNMENT

A. PENDING LAND TRANSFERS IN TERMS OF ACT 2 of 1980

Total Area 5948 hectares

B. COMMITTED TRUST LAND ALREADY PURCHASED

Total Area 7402 hectares

C. COMMITTED TRUST LAND TO BE REPLACED

Compensatory land for land already earmarked and purchased for Bophuthatswana amounts to approximately 17 860 hectares.

D. TRUST LAND BORDERING BOPHUTHATSWANA

Land already purchased by the trust for transfer and bordering existing Bophuthatswana territory amounts to approximately 13 427 hectares.

E. FURTHER LAND APPROVED FOR CONSOLIDATION BUT WHERE PURCHASING BY THE TRUST IS NOT YET COMPLETED

Land of approximately 19 000 hectares fall in this category.

1.2 PENDING LAND TRANSFERS FROM BOPHUTHATSWANA TO THE SA GOVERNMENT

None.

1.3 FUNDS SET ASIDE BY THE SA GOVERNMENT FOR THE PURCHASE OF LAND FOR BOPHUTHATSWANA AND COMPENSATION

Not known.

1.4 INSTITUTIONS THROUGH WHICH LAND TRANSFERS TAKE PLACE

The Directorate for Land Administration in the Dept of Agriculture and Natural Resources handle all land transfers in Bophuthatswana.

2. OPTIMAL USE OF EXISTING INFRASTRUCTURE

See annexure B.

3. GOOD ADMINISTRATION DURING TRANSITION

Refer to annexure C.

3.1 INTERCHANGE OF STAFF

Should be no problem as the Public Service is related to the SA Public Service

3.2 RATIONALIZATION

This issue is in the process of investigation by the DBSA and the Public Service Commission.

3.3 RENUMERATION OF STAFF

As reflected in fig. 2 of annexure C Bophuthatswana functions well within the IMF norms of 30 percent.

3.4 CONTROL OF PENSION FUNDS

Pension Funds in Bophuthatswana are administered by the Sefelana Employees Benefit Organization (SEBO). These Pension funds are currently in a very healthy position. (See annexure D) The latest actuary report done in 1991 indicates a netsurplus of R18 - R20 million.

3.5 STATE DEBT

Bophuthatswana maintains a healthy position superior to all other states and is currently well within the international norm of 3% of GDP. (See annexure C - 4) All the existing loans are internal and most on consessionary funding by DBSA and KEOSSA for project aid.

3.6 TRAINING AND MOTIVATION OF STAFF

The staff in Bophuthatswana is highly motivated. Training is an ongoing concern and the institution responsible for training is the Dept of Public Servants Training. SA.

3.7 REGIONAL DEVELOPMENT PLANS

This is an ongoing process in Bophuthatswana and several plans are in the process of implementation while others are in preparation. Bophuthatswana is currently busy with cross-border, coherent development strategies for Regions B, C, J, & H.

3.8 LIMITED EXPANSION OF THE ESTABLISHMENT

No problems exist in this area (see fig. C-2). Bophuthatswana is well within the IMF norms of 30%.

3.9 GRADING OF POSTS

According to acceptable standards, as applied by the SA Commission for Adinistration. Salaries and conditions of employment is substantially (\pm 30%) lower than in SA. Major adaption in terms of parity considerations will have to be implemented.

3.10 FINANCIAL ACCOUNTABILITY

This area is very advanced and sophisticated. All financial data are computerized and regularly updated. The Auditor-General's report covers the period up to 1987/88 while trial balance sheets are completed up to 1990/91. As of 1992 the financial accounts of all parastatals are subject to public auditing and reporting to parliament.

3.11 STRUCTURAL ADJUSTMENT AGREEMENTS

Bophuthatswana resolved its financial difficulties within two years. The country participates on a voluntary basis in a restructuring exercise with the DBSA. No formal agreements or commitments is thus in operation. Bophuthatswana is therefore not a financial embarrassment for the future.

4. THE FUTURE OF THE CIVIL SERVICE IN THE TBVC STATES

Statistics regarding the civil service in Bophuthatswana is reflected in annexure D.

5. PARASTATALS (See annexure J)

B. FINANCIAL

1. RETENSION OF BUSINESS CONFIDENCE

1.1 RELATED TAX ISSUES

See annexure E.

1.2 ECONOMIC POLICY

See annexure H.

1.3 INDUSTRIAL DECENTRALIZATION INCENTIVES

Bophuthatswana is part of a multilateral system of decentralization incentives. As of mid 1991 Bophuthatswana is on schedule 4 of the decentralization system.

Schedule 4 incentives are profit driven with a component that is an upfront grant to businesses based on a decision by the individual regional development body. The result of this is that businesses will only get incentives based on their profitability, and not based on their input costs. The scheme is uniform across South Africa and make no distinction between Bophuthatswana and the rest of South Africa. Schedule 4 is effectively a three tier system based simply on the extent of urbanization.

See F.1 for the successes achieved to date.

1.4 EXTENT OF INVESTMENT IN SECTORS OF COMMERCE AND INDUSTRY

SEE ANNEXURE F.

2. DISPOSAL/TRANSFER OF ASSETS

2.1 GENERAL SUMMARY OF LIABILITIES

In the mid 1980's the Bophuthatswana government started to implement policies that are financially more responsible than previous policies. Successful attempts have been made to pay off liabilities on an anual basis. The result is that government state debt is currently amounting to R416 million. Dept Servicing as percentage of current expenditure is 0,5%.

See SA goverment document p 9.

2.2 SUMMARY OF MOVABLE/IMMOVABLE ASSETS

It is not possible to present a list of assets and liabilities.

See annexure G for details on contribution of goverment to the GDP. See also annexure B on infrastructure.

3. TAXATION

See annexure E.

4. REVIEW OF DEVELOPMENT PROJECT PRIORITIES

4.1 PENDING AND PLANNED PROJECTS AND BUDGETS INVOLVED

See annexure I.

4.2 STATUS OF DEVELOPMENT PROJECTS ALREADY STARTED

All are in different stages of completion.

5. FUTURE OF CIVIL SERVICE: PENSIONS AND GRATUITIES

5.1 STATUS OF PENSION FUNDS

Pension funds in Bophuthatswana is administered by SEBO. For a list of assets and liabilities of this parastatal kindly see annexure D.

5.2 RATES OF CONTRIBUTION

The rates of contribution to the Bophuthatswana National Provident Fund is as follows:

Employee: 7,5%
Employer: 7,5%

The rates of contribution to the Government Services Pension Fund is as follows:

Male employee: 8%
Female employee: 6%

The government contributes 2,8% for R1.

6. SERVICING AND REPAYMENT OF DEBT

6.1 DIRECT AND GUARENTEED DEBTS OF PARASTATAL AND OTHER BODIES

The total amount of direct and guaranteed debts to parastatals and other bodies is R272 000 000.

This is mostly concessionary funding.
See SA government document.

6.2 DOMESTIC AND FOREIGN LOANS

See SA government document p 9. No Foreign loans are outstanding.

7. FINANCIAL TRANSERS

See Sa government document p 5-8 and C-7.

8. PARASTATALS

See annexure J.