

16.7. [11]

C O D E S A

WORKING GROUP 4

SUB-COMMITTEE 3: FINANCIAL ADMINISTRATIVE AND PRACTICAL MATTERS: POSITION PAPER TO MEETING OF SUB-COMMITTEE ON MONDAY 2 MARCH 1992.

According to the minutes of meeting (WG 4)(SC 3) the following information was to be supplied by each of the T.B.V.C. States.

A. ADMINISTRATIVE

LAND TRANSFERS: A list is required of all pending land transfers to T.B.V.C. States by the S.A. Government.

In this connection I wish to extract from the minutes of a Working Agenda: Meeting of the Bilateral Technical Liaison Committee between Transkei and South Africa held at Elliot on 4 - 5 February 1992.

HENDHAM FARMS: "The transfer of the Hendham farms to Transkei did not take place on 31 December 1990 as originally agreed, due to the problems of water supply especially to farming unit No. 4. However, six Transkei farmers have already been settled on these farms.

It was noted at the task meeting that nine boreholes have been drilled on the Hendham farms. The equipment for the boreholes has been ordered and all the boreholes were (would) soon be properly equipped. The South African delegation confirmed to the meeting that Hendham farms would be transferred to Transkei by 31 December 1991. It was also confirmed that each of the farming units would be equipped with a borehole".

It has been established that todate the work which had to be done on the farms by South Africa has not been completed and that the deadline of 31 December 1991 was not met and as such the farms have not yet been transferred to Transkei. However, the farms are now occupied by tenants

selected and allocated by Transkei but rental still accrues to S.A. authorities.

STANFORD AND DRUMLEARY FARMS

The abovementioned farms are for the same reasons as Hendham farms on the verge of being transferred from S.A. to Transkei. Agreement was reached and they were to have been transferred on 31 December 1990 were it not for outstanding matters pertaining to them.

In the light of the said agreements and commitments the farms Hendham, Stanford and Drumleary should not be affected by the proposed moratorium on the transfer of State land.

Transkei delegation is not aware of any pending land transfers from Transkei to South African Government.

LIST OF ALL FUNDS SET ASIDE BY S.A. GOVERNMENT FOR PURCHASE OF LAND FOR T.B.V.C. STATES AND COMPENSATION.

This information is not available from Transkei delegation.

LIST OF FUTURE LAND CLAIMS AND MOTIVATION THEREOF.

Information not yet available.

LIST OF INSTITUTIONS THROUGH WHICH LAND TRANSFERS TAKE PLACE.

The South African Department of Regional and Land Affairs as well as the Transkeian Department of Local Government and Land Tenure.

OPTIMUM USE OF EXISTING INFRASTRUCTURE.

Statistics of existing infrastructure in Transkei.

Information to follow possibly by 9 February 1992.

GOOD ADMINISTRATION DURING TRANSITION.

One copy of the structural adjustment agreement between the Government of South Africa and Transkei is attached for perusal.

THE FUTURE OF THE CIVIL SERVICE IN THE T.B.V.C. STATES.

Statistics showing civil servants in Transkei appear as Annexure A. These figures exclude teachers whose statistics will follow.

~~W-74~~ PARASTATALS

RESUME OF PARASTATALS AND THE FUNCTIONS THEY PERFORM.

PARASTATAL	FUNCTIONS STATED BRIEFLY	RESPONSIBILITY
Transkei Agricultural Corporation (TRACOR)	To promote and manage Agricultural schemes	Department of Agriculture & Forestry
Agricultural Bank of Transkei (ABT)	To assist peasant farmers with loans for agricultural needs.	"
Agricultural Marketing Board (AMB)	Marketing of agricultural products.	"
Magwa Tea Corporation	Growing tea and process to marketable stage.	"
Transkei Appropriate Technology Unit (TATU)	Promote and establish projects that are appropriate to each community	Office of the Military Council
Transkei Development Corporation (TDC)	To promote the development of Commercial and Industrial projects	Department of Commerce, Industry and Tourism

PARASTATAL	FUNCTIONS STATED BRIEFLY	RESPONSIBILITY
Transkei Small Industries Development Organisation (TRANSIDO)	To promote the development of small industrial and commercial projects	Department of Commerce, Industry and Tourism
Transkei Mining Corporation (T.M.C.)	To promote mining and Mining Industries in Transkei as well as supervision of mining companies.	"
Transkei Road Transport Corporation (TRTC)(1981)	Transportation of passengers and freight by road.	Department of Transport
Transkei Airways Corporation (TAC)(1976)	Transportation of passengers and cargo by air.	"
Transkei Electricity Supply Corporation (TESCOR)(1979)	Generation and transmission of electricity to bulk as well as individual consumers.	Department of Works & Energy
Transkei Broadcasting Corporation (TBT)(1981)	Music entertainment and news service	Office of the Military Council

The Transkei Government has accepted the need to rationalise the abovementioned parastatals. To this end a task team consisting of officials of the Transkeian Government and the Development ^{Bank} was formed during mid 1991. Much progress has been made in compiling a report and recommendations to Transkei Government.

FINANCIAL

RETENTION OF BUSINESS CONFIDENCE

Industrial decentralisation incentives are contained in the one only copy

forwarded with this paper.

A report containing the extent of investment in sectors of Commerce and Industry will follow.

DISPOSAL/TRANSFER OF ASSETS.

Each State Department as well as each parastatal institution has been asked to prepare a summary of liabilities as well as movable and immovable assets. The financial year ends at 31 March 1992 and to get an updated report stock taking will be done soon after that date. This information can therefore be available during the month of April 1992.

TAXATION

Information on the differences in systems of taxation between South Africa and Transkei is contained in Annexure B hereof.

Information on property tax is also appended as Annexure B.

Reviews of development project priorities.

A list of impending and planned projects as well as that of stages of development projects already stated will follow.

FUTURE OF CIVIL SERVICE PENSIONS AND GRATUITIES.

Reports regarding ^{rates}~~notes~~ of contribution by individual or employer (~~Note~~) are reflected in the letter appended as Annexure C.

Only one copy of the actuarial report dated 4th July 1983 covering the period ending 31 March 1980 is appended. This is the latest actuarial evaluation that Transkei has got. Another report is in the process of compilation.

SERVICING AND REPAYMENT OF T.B.V.C. STATES' DEBTS.

A list of all direct and guaranteed debts of all parastatals and other bodies will be submitted piece meal as they become available.

A list of all domestic and foreign loans is appended as Annexure D.

FINANCIAL TRANSFERS

A schedule reflecting contributions and grants as well as other assistance from the South African Government during the year 1991/92 is attached as Annexure E.

CONDITION OF THE FIXED ESTABLISHMENT
OF THE ENTIRE GOVERNMENT SERVICE:
TRANSKEIAN GOVERNMENT.

1. As a means of presenting a broader view in this regard, it is deemed appropriate to tabulate the situation statistically in such a pattern so as to illustrate the related changes such as staffing, expansion etc. for over a period of at least the last five years and, thereafter, the present extent.

2. STATISTICAL YEAR ENDING	TOTAL NO. OF POSTS	PREVIOUS YEARS POSTS	INCREASE	DECREASE
30.6.87	33 397	32 644	753	-
30.6.88	35 073	33 397	1 676	-
30.6.89	36 961	35 073	1 888	-
30.6.90	38 384	36 961	1 423	-
30.6.91	42 456	38 384	4 072	-

3. As at 30 June 1991 the entire establishment was staffed as follows: -

PERMANENT TRANSKEIAN INCUMBENTS	TRANSKEIAN OFFICERS EMPLOYED OUT OF ADJUSTMENT	RSA OFFICERS HELD AGAINST POSTS	TEMP. EMPLOYEES HELD AGAINST POSTS	EMPLOYMENT ON CONTRACT (NON TRANSKEIAN CITIZENS)	VACANT POSTS	TOTAL
33 123	212	30	1 350	407	7 334	42 456

NB. The above figures exclude teaching personnel.

4. During the statistical year ending on 30 June 1991 the expansion of establishment ranges from 38 384 (posts) to 42 456 (posts) and thus indicating the highest total increase by 4 072 (posts) as compared with the previous years.
5. Presently (i.e. as at 29 February 1992) the Transkeian Government Service fixed establishment has a total number of

42 760 posts.

6. Further to the above figure there are 23 415 units (viz: officers/employees who are mainly persons on full time study in the various educational institutions under the Government Service Bursary Scheme plus labourers) who are employed additional to the fixed establishments in line with the principle that applies in such capacity of employment.
7. It is, therefore, worthwhile to also make mention of the fact that the extent of the establishment changes, mainly expansion or decrease, are in view of the nature of the implications involved, bound to vary from time to time hence the increase rate as illustrated above could not be the same.
8. For example, during the statistical year 1989/90 the circumstances have been that the trend of workstudy assignment was mostly on mechanisation and as such most of the tasks completed were based on labour saving devices such as printing, fax machines, photocopiers, typewriters etc.
9. During the statistical year 1990/91 the circumstances had changed. The take-over of certain hospitals, special schools, reviewal in control measures in respect of police stations ect. resulted in major establishment and/or organisational changes leading to the apparent highest increase rate which measure could not be deferred or dispensed with in order that the desired efficient functioning of the relevant structures could be achieved timeously and maintained.
10. Because of the Treasury curbs on expenditure a huge number of posts totalling not less than 7 334 could not be filled hence vacancies to that extent.

The information as required by the Honourable the Minister of WORKS & EN. ERGY is as follows:-

GENERAL TAX (P.A.Y.E.)

This is Income tax paid by Individuals i.e. businessmen and employees who earn from R9 001 p.a. According to the attached annexure A. See also annexures B & C.

INCOME TAX (COMPANIES)

The rate here is 35% whilst in S.A. it is 50% - see annexure C.

MOTOR VEHICLE LICENCES

These licences were last reviewed by Transkei in 1983. We are definitely paying far less than S.A.

VALUE ADDED TAX

This is the only area where we have succeeded in harmonising with the ECOSA region.

In addition in Transkei we collect the undermentioned revenue.

1. LOCAL TAX at the rate of R10 p.a. per dwelling.

2. QUITRENT as follows

- For allotments up to 3 morgen =R20 p.a.
- For allotments of 4-6 morgen =R25 p.a.
- For allotments of 7-9 morgen =R30 p.a.
- For allotments of 10-12 morgen =R40 p.a.
- For allotments of 13 morgen and more =R50 p.a.

3. GENERAL LEVY at the rate of R10 p.a. per dwelling. In any event not to exceed R40 p.a.

4. LICENCES. There are Trading Licences and are paid as follows:-

1. GENERAL DEALER	R150.00
2. RESTAURANT & CAFE	R20.00
3. BUTCHERY	R20.00
WHEN SUPPLYING OTHER BUTCHERIES	R150.00

5. IMMOVABLE PROPERTY TAX

- 1. Urban business site =R250 p.a.
- 2. Farm =R150 p.a.
- 3. Rural business site =R100 p.a.
- 4. Urban residential site =R50 p.a.

URULUMENTE WASETRANSKEI



TRANSKEIAN GOVERNMENT

iAdilesi yoCingo
Telegraphic Address

"ULUNTU"

iNgxowa eYodwa yePosi
Private Bag

X6000

Telex No. 847

ISEBE LEZENTLALONTLE NEMIHlalAPHANTSI
DEPARTMENT OF WELFARE AND PENSIONS

IMIBUZO
ENQUIRIES

iFoni
Tel. } 24781/2

UMTATA

26/2/92

The Director-General
Department of Works & Energy
Private Bag X5009
U M T A T A

PENSIONS DATA REQUIRED BY THE HON. MINISTER M. TITUS FOR CODESA PURPOSES

1. In response to a telephone communication between the Hon. Minister and Mr Ntlabati of this Department on 26 February 1992 I hereby convey the following data for urgent transmission to the Hon. Minister as requested:

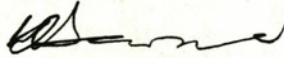
- 1.1 Copy of the last actuarial valuation report dated 4 July 1983.
During 1991 it was considered essential, particularly in the light of the recent spate of retirements, to have another actuarial valuation of the Fund but because of the audit program, the necessary data in respect of the 1987-88, 1988-89 and 1989-90 financial years is not yet available;
- 1.2 Copy of the latest audited financial statements of the Pension Fund for the year ended on 31 March 1987 plus a provisional (unaudited) financial statement for the year ending 31 March 1988;
- 1.3 Data on contribution to the Pension Fund as at 31 December 1991:
 - 1.3.1 Employees : Males 8% and Females 6%;
 - 1.3.2 Employer : 2,75 times the employee's contribution;
 - 1.3.3 Membership of current employees : 47 093 ;
 - 1.3.4 Employer's contribution : R109 million;
 - 1.3.5 Current Pensioners : 2 412 ;
 - 1.3.6 Current widows : 1 313 .

1.4 Data on Social Benefits as at JANUARY 1992:

	<u>TYPE OF BENEFIT</u>	<u>RATE</u>	<u>BENEFICIARIES</u>	<u>A M O U N T</u>
1.4.1	Old-age pension	R470	191 640	90 070 800
1.4.2	Disability Grant	R470	60 095	28 244 650
1.4.3	Lepers pension	R470	341	160 270
1.4.4	Blind pension	R628	2 445	1 535 460
1.4.5	War veterans	R660	407	268 620
			<u>254 928</u>	<u>120 279 800</u>

2. It /

2. It is hoped that the foregoing data will satisfy the purpose for which it is required otherwise the Department is willing to supply further information which may be necessary as and when it becomes available.



DIRECTOR-GENERAL : WELFARE & PENSIONS

Annexure 2ED

REPUBLIC OF TRANSKEI STATUS ON DEBT POSITION AS AT 25 FEBRUARY 1992

NATURE OF DEBT	BALANCE AS AT		1991/92		TOTAL
	01/04/91	Capital Redemption	Interest		
1. CAPITAL MARKET LOANS	144,087	4,000	20,969	24,969	
-PUBLIC STOCK	119,087	4,000	18,406	22,406	
-RSA PUBLIC DEBT COMMISSION	25,000	0	2,563	2,563	
2. LOANS -STATUTORY INSTITUTION	753,082	15,888	18,710	34,598	
-LOANS DBSA	633,847	11,989	16,452	28,441	
-LOANS KEOSSA	118,489	3,530	2,244	5,774	
-LOANS IDC	746	369	14	383	
3. FOREIGN LOANS	12,886	7,949	1,693	9,642	
4. PDC LOANS	1,160,670	60,000	124,268	184,268	
-BRIDGING BONDS (20%)	1,134,500	60,000	121,695	181,695	
-LOCAL STOCK (10% & 9.75%)	26,170	0	2,573	2,573	
5. OTHER LOANS	1,237,000	293,477	53,416	346,893	
-BOT -Overdraft (86/87) 18.25%	217,000	205,477	45,270	250,747	
-Overdraft (87/88) 17.825%	88,000	88,000	346	88,346	
-Overdraft (88/89) 18.25%	40,000	0	7,800	7,800	
-SENBANK 18.75% (As at 25/2/92)	473,500				
-F.N.Bank 18.75% (As at 25/2/92)	418,500				
GRAND TOTAL	3,307,725	381,314	219,056	600,370	

R S A T R A N S F E R S 1 9 9 1 / 9 2

(a) Budgetary Transfers		
Ordinary Transfers	1,368,100,000.00	
Social Pensions	185,902,915.00	
Adjustment : Social pensions	14,767,440.00	
Social Assistance Allowance	63,285,959.00	
Salary Adjustment	128,308,608.00	
	1,760,364,922.00	1,760,364,922.00
(b) Tax Compensation		307,453,000.00
(c) Customs and Excise		502,000,000.00
(d) Industrial Incentives		20,000,000.00
(e) Compensation for Rand Currency Circulation		34,000,000.00
(f) Compensation for Fuel Levy		65,000,000.00
(g) VAT Compensation		162,000,000.00
		2,850,817,922.00

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