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External financial control by the central government and provincial administrations over local government in South Africa

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6. The technique for coordinating the functions of the three tiers of government should be improved.

The study of external financial control undertaken above reveals many defects in the coordination of functions and financial relations. The South Africa Act 1909 laid down the general pattern on which functions were subsequently allocated, and the Republic of South Africa Constitution Act 1961 merely repeated the former constitutional delegation of functions The original Provincial boundaries were determined by war and historical accident, and remain unaltered even though central government policy and local execution of policy could be better undertaken in certain spheres without the constitutional restraints arising from Provincial autonomy. Reference has already been made to the views of certain authorities who frankly stated that some policies could be better executed if the Provincial Councils did not exist. The unsatisfactory and haphazard nature of external financial control by the Provinces over local authorities also seem to confirm that a central department of State could enact a better system of financial control than that revealed throughout this work.

One of the main reasons for the unsatisfactory nature of external financial control is the absence of permanent machinery for the coordination of functions. The original thirteen departments of State have grown to over forty; Provincial and Municipal departments have also grown. In addition, numerous extra departmental Government organisations have come into being which complicate the administrative machinery, such as Control Boards, State-controlled Corporations, planning authorities, development boards of various kinds. Legislation to cover all this administrative growth is extensive but such growth has taken place by adding departments one by one or a piecemeal basis to satisfy immediate apparent needs without a proper coordination and integration of functions and finances. It is not uncommon for local authorities to obtain authorities from six separate departments before relatively simple local tasks can be finalised.

The increasing complexity of national and local problems has caused the Central Government and Provincial Administrations to act in spheres which in the less complex period before 1939 were regarded as purely local problems. Throughout the world central-local relations have undergone

profound changes. Local functions cannot be executed without taking into account national and provincial policy, but the legislative and administrative machinery for interpreting and executing policy is so complex that the cry of local authorities for greater autonomy is being more frequently heard, and there is a growing demand for permanent machinery for consultation and coordination. The Provincial Consultative Committee already referred to above and its successor, the Administrators Conference, are too restrictive in scope, and deal mainly with coordination in purely Provincial legislation e.g. traffic, teachers salaries etc. The various Provincial Municipal Associations discuss proposed legislation affecting local authorities and the United Municipal Executive is consulted on proposed national legislation. Officials' organisations such as the Institute of Town Clerks, the Institute of Municipal Treasurers and Accountants and the Institute of Public Administration provide a forum for coordination in certain respects. Furthermore, the Transvaal Local Government Advisory Board has assisted in the task of coordination. There is lacking, however, a continuous method of integrating the multiplicity of controls which are continually being added on an ad hoc basis, the result of which has been the haphazard structures seen in Annexures A and B in the one sphere of financial control. Although the Borckenhagen and Schumann investigations will make certain recommendations on functions and finances, their terms of reference are too restricted to encompass a general analysis of the ad hoc growth of government. These commissions were appointed as a result of immediate pressures to deal with specific problems which had arisen. There is a need for a far-reaching enquiry into the entire machinery of government in South Africa.

JWC/ASJ

ANNEXURE A.

ACTS OF PARLIAMENT WHICH IMPOSE FINANCIAL OBLIGATIONS ON LOCAL AUTHORITIES

(as amended to Dec., 1967)

(Note: The actual numbers of the sections covering financial matters are quoted, but the text is only a summarised version of the section in order to meet the requirements of space and clarity).

1. PUBLIC HEALTH ACT NO. 36 of 1919:

Purpose: To make provision for the public health.

Section 10: Where a local authority is unable through lack of resources to take the necessary measures to combat infectious diseases or safeguard public health, the Minister may after consultation with the Administrator relieve the local authority of such duties and direct the Magistrate to undertake such duties. The Minister may authorise the Administrator to recover from the local authority such proportion (not exceeding 25%) of any expenditure incurred by the magistrate, which should reasonably be borne by the local authority. The amount owing by a local authority may be recovered by action in a competent court, or by the levy of a special rate upon all rateable property which the Administrator is authorised to levy.

Section 11: Where a local authority fails or refuses to perform its duties relating to public health and it appears that the public health in any locality is endangered, the Administrator may call upon the local authority to perform the duties and if such local authority still defaults, the Administrator may himself exercise all necessary power under the law. He may recover any expenditure involved by action in a competent court or by levying a special rate, or by deduction from any subsidy, grant or other moneys, payable to the local authority, or by all three or any two of such methods of recovery.

Section 15: If a local authority fails to appoint, to the satisfaction of the Minister, a medical officer of health or a sanitary inspector within 3 months after having been required by the Minister to do so, the Minister may make the appointments and remunerate the officials, and recover the amount involved or deduct it from any subsidy or other moneys payable to such local authority.

Section 16: Where a health officer is appointed by a local authority in accordance with the provisions of the Act, the Minister may refund to the local authority one third of the salary paid to such officer. (Health officer is defined in the Act, and includes medical officers, health inspectors,

chemists etc.) The emoluments and increments paid to officers appointed after 1st April, 1952, must be approved by the Minister, otherwise refunds are forfeited. (See Act 44 of 1952).

Section 42: Any expenditure incurred by the Minister in combatting a formidable epidemic disease, where a local authority has failed to act, shall be defrayed in the first instance out of the Consolidated Revenue Fund. Any excess above the amount which would have been refundable to the local authority, may be recovered by the Minister in the manner described in Section 11.

Section 47: The Minister may make advances to local authorities for the purpose of dealing with outbreaks of infectious diseases on terms and conditions fixed by the Treasury. Advances may also be made to enable a local authority to meet the capital cost of providing suitable hospitals or places of isolation for persons suffering from infectious diseases (other than tuberculosis, which is specially dealt with below).

Section 48: The Minister shall, subject to regulations and conditions which he may make, refund to local authorities seven eighths of the approved net cost of the following:-

(a) The capital cost of an isolation hospital for persons suffering from infectious diseases (other than tuberculosis), provided the plans, specifications and estimates are approved by the Minister;

(b) The running cost of such an isolation hospital, or the cost of maintaining and treating persons in any other hospital;

(c) Preventing, investigating, dealing with or suppressing any outbreak of any formidable epidemic disease.

Section 50:

(1) The Minister may, subject to regulations and conditions which he may make -

(a) provide, free of charge, for bacteriological or other examinations in connection with tuberculosis in a communicable form;

(b) refund to local authorities seven eighths of the approved net cost of providing and equipping any institution or accommodation for persons suffering from tuberculosis in a communicable form, subject to the plans, specifications and estimates being approved by the Minister;

(c) refund to local authorities (after deduction of any revenue) seven eighths of the approved net cost of maintaining and managing an institution for the care and treatment of persons suffering or suspected to be suffering from tuberculosis in a communicable form. The Minister may refund the whole of the cost if he is satisfied that a local authority through lack of resources cannot bear the one eighths of the cost;

(d) refund to a local authority seven eighths of the approved net cost of treating and caring for persons suffering or suspected to be suffering from tuberculosis in a communicable form. The Minister may refund the whole of the cost if he is satisfied that the local authority through lack of resources cannot bear the one eighth of the cost;

(e) make provision for the treatment and accommodation of persons suffering from tuberculosis in a communicable form. The Minister may recover from local authorities one eighth of the cost in respect of persons domiciled within the areas of such local authorities. If after consultation with the Administrator, the Minister is satisfied that a local authority owing to lack of resources cannot bear one eighth of the cost he shall determine the proportion which the local authority shall bear;

(f) make grants-in-aid to local authorities or public bodies or voluntary societies or associations for the purpose of preventing the spread of and securing proper treatment of persons suffering from tuberculosis;

(g) determine how any cost involved in the care and treatment of any person suffering from tuberculosis in a communicable form or any other infectious, communicable or preventable disease shall be apportioned. The Minister may defray the cost in the first place and recover any due portion from any local authority;

(h) supply free of charge to local authorities such materials as he may deem fit for use for immunisation against diphtheria or enteric fever.

(2) Every contribution or refund under this section by the Government to a local authority shall be subject to such conditions as the Minister may determine, is conditional, and may be withheld.

(3) A local authority may recover any cost from another local authority or from a magistrate, in respect of the treatment of persons not domiciled within its area.

Section 52: The Minister may make advances to local authorities to enable them to pay their proportion of any capital expenditure on the treatment of tuberculosis, on such terms and conditions as may be fixed by the Treasury.

Section 66: The Minister may subject to regulations and conditions he may make -

(a) provide for bacteriological or other laboratory examinations free of charge in Government or other laboratories for the purpose of ascertaining whether any persons is suffering from or is cured of any venereal disease in a communicable form;

(b) make provision for the free treatment and accommodation and maintenance of persons suffering from venereal disease;

(c) supply free of charge to local authorities or other hospitals or institutions such remedies, materials or equipment for use in treatment of persons suffering from venereal disease;

(d) refund to any local authority seven eighths of the net cost of any approved scheme for providing treatment for persons suffering from venereal disease;

( ) establish and maintain special accommodation for persons suffering from veneral disease;

(f) make grants-in-aid to local authorities or other public or voluntary bodies for the purpose of preventing the spread of venereal disease.

Section 68: The Minister may make advances to enable local authorities to meet any capital expenditure connected with venereal disease.

Section 135: The Minister may contribute towards the cost of constructing and maintaining laboratories engaged in research on diseases, and towards the costs incurred by provincial administrations, local authorities or other institutions in connection with maternity or child welfare, training of inspectors, health visitors or other matters relating to public health.

Section 14: (Public Health Amendment Act No. 57 of 1935)
The Minister may -

(a) refund to any local authority or charitible institution making provision for a nursing or midwifery service a proportion not exceeding seven eighths of the expenditure incurred in respect of the salary of any registered nurse or midwife. (Subject to the provisions of the Public Health Amendment Act No 44 of 1952, which controls the salaries and allowances payable);

(b) make grants towards the transport cost of any service;

(c) subsidise registered nurses or midwives to enable them to practice.

Section 17: (Public Health Amendment Act No. 51 of 1946).
The Minister may refund not more than seven eighths of the nett expenditure actually and necessarily incurred by local authorities in providing outpatient services independently of any hospital.

2. LOCAL LOANS ACT NO. 19 OF 1926.

Purpose: To provide for the establishment of a local loans fund and for the making of loans to local authorities.

Sections 1, 2, 3: A Local Loans Fund shall be established under control of the Public Debt Commissioners with capital mainly from moneys appropriated by Parliament.

Section 7: The Commissioners may grant loans from the Fund to local authorities for capital works (see comprehensive list in the Act) and for repaying any loan raised by a local authority.

Section 8: Applications by local authorities for loans must be accompanied by details as laid down in the Act (estimates, life of assets etc.) and must be submitted through the Administrator who must be satisfied that the loan should be granted.

Section 9: In the making of a loan the Commissioners shall have regard to -

(a) the local authority's debt then existing and the sufficiency of the security for its repayment;

(b) whether the work for which the loan is intended, would be of such benefit to the public as to justify a loan out of the local loans fund;

(c) the probable durability and continuing utility of the work proposed to be undertaken.

Section 12: Repayment of loans by local authorities shall be made in accordance with the details set out in the Act.
Section 13: If a local authority neglects to pay a loan instalment for a period of 60 days or more, the Commissioners may impose and levy a rate, and impose and collect any dues imposed by the local authority. After having taken this action, and paying the amounts due by the local authorities, the Commissioners shall refund any balance remaining to the local authority. Interest at the rate of 6% per annum may be charged by the Commissioner on overdue instalments.
Section 14: If a loan is granted to a local authority which does not have the power to levy rates, the loan shall be secured by a mortgage bond or in such other manner as the Commissioners may determine. If a local authority neglects to pay any instalment within 60 days, the Commissioners may take possession of the property mortgaged and cause such to be sold by public auction and out of the proceeds the indebtedness to the fund shall be met and any surplus returned to the local authority. Alternatively the Commissioners may have the properties valued and levy a rate thereon, and the same conditions as set out in Section 13 shall apply.
Section 15: Local authorities to which loans have been granted must furnish to the Commissioners yearly a certified copy of the audited accounts and estimates on such local authority and such other reports as the Commissioners shall call for. If such accounts reveal an unsatisfactory state, the Commissioners may cause an examination, audit or inspection to be made by a person they may appoint.

3. MOTOR CARRIER TRANSPORTATION ACT NO. 39 OF 1930.

Purpose: Control over certain forms of motor transportation.

Section 3: The Minister shall appoint a local road transportation board for every local transportation area.
Section 6: It shall be the function and duty of a local board to investigate in its area any matter which falls within the scope of the Act, and to receive and consider applications for motor carrier certificates.
Section 7: Any motor carrier certificate issued by the Board must contain full particulars of the service, the routes, the fare structure etc. as set out fully in the Act.

4. SLUMS ACT NO. 53 OF 1934.

Purpose: To make provision for the elimination of slums in the areas of local authorities.

The Act imposes many duties on local authorities, powers are given to local authorities to acquire or expropriate land for slum clearance purposes, and the basis for compensating owners is detailed in the Act.

5. LIVESTOCK AND MEAT INDUSTRIES ACT NO. 4 OF 1934.

Purpose: To promote the orderly marketing of slaughter stock.

The Livestock and Meat Industries Control Board may impose a levy on livestock slaughtered at any abattoir, under control of a local authority. The records to be kept by local authorities are detailed in the Act. The functions of the Board include the co-ordination and development of abattoirs and cold stores, control over marketing of by-products, and the control over prices and grading.

6. NATIONAL ROADS ACT NO. 42 OF 1935.

Purpose: The creation of a National Road Board and National Road Fund for developing a system of arterial roads of national importance.

The declaration of national, provincial and special roads by the Board is provided for in the Act, and these roads are constructed for the Board by the Provincial administrations. The revenue of the Fund is derived from a levy on ~~every gallon of petrol imported~~ motor fuel.

7. MARKETING ACT NO. 26 OF 1937.

Purpose: The orderly marketing of agricultural products.

A National Marketing Council is established pursuant under which control boards and advisory consumer's committees may be established to promote orderly marketing. The Council has power to investigate marketing conditions.

8. BANTU (URBAN AREAS) CONSOLIDATION ACT NO. 25 OF 1945.

Purpose: To provide for improved conditions of residence of Bantu in urban areas and the better administration of Bantu Affairs in such areas etc.

Section 16 (b): An urban local authority may, subject to the approval of the Minister, after reference by him to the Administrator, borrow monies to provide facilities for the construction of dwellings, other buildings and services.

Section 16 (c): Dispose of the right of occupation of houses or advance monies or supply material on credit for the construction of houses and other buildings for the accommodation of Bantu.

Section 19 (1): Every urban local authority which has set apart any area of land for the occupation and residence of Bantu or has under its administration and control any Bantu residential area shall open and keep an account to be called the Bantu Revenue Account into which shall be paid -

(a) monies paid in respect of fines;

(b) revenue derived from licencing of premises and fees payable to a local labour bureau;

(c) monies derived from the sale of Bantu beer or from the sale of liquor; provided that all revenue in this paragraph shall be credited in the case of the sale of Bantu beer to a sub-account of the Bantu Revenue Account to be called the Bantu Beer Account and in the case of liquor to a sub-account to be called the Liquor Account;

(d) rentals received from trading sites and the profits accruing from the conduct by the urban local authority of any business within a location or Bantu village;

(e) all rents, fees for services and other revenue of any kind whatsoever derived by the urban local authority from occupants or residents of any such area;

(f) all amounts paid by or to the urban local authority in terms of the Bantu Services Levy Act 1952.

Section 19 (2): The Bantu Revenue Account shall be chargeable only with -

(a) such services as may be rendered by the urban local authority in respect of any location, Bantu village or hostel;

(b) any service which by this Act or any other law may be declared chargeable thereto;

(c) any service, expenditure or grant which may be certified in writing by the Minister to be for the benefit or the welfare of the Bantu residents within the area of the urban local authority;

(d) any expenditure incurred in the exercise of the powers and performance of the functions of a local bureau established in the area.

Section 19 (3): The Bantu Beer Account shall be chargeable only with -

(A) expenditure incurred in connection with the manufacture, sale and supply of Bantu beer;

(B) any service, expenditure or grant which may be certified in writing by the Minister as being calculated to improve the social or recreational amenities available for the Bantu residents in the area or otherwise to promote the social welfare of such residents;

(C) an amount equal to two-thirds of the balance standing to the credit of the said account at the end of the financial year of the local authority which commenced after 31st December, 1949, plus two-thirds of the profits derived from the sale of Bantu beer during every subsequent financial year and not used during that financial year for any of the purposes mentioned in paragraph (A) which amounts shall revert to the main Bantu Revenue Account and against which may be charged

(i) the losses on housing schemes for Bantu in a location, Bantu village or Bantu hostel;

(ii) the amount required to offset the loss to the Bantu Revenue Account resulting from the reduction of rentals in force in any location, Bantu village or Bantu hostel;

(iii) capital expenditure on housing schemes or works or services in regard to a location etc.;

(iv) interest and redemption charges and maintenance costs in connection with a location etc.;

(v) any service, expenditure or grant which is certified by the Minister as being in the interest of Bantu, irrespective of whether or not it relates to a matter within the area of the urban local authority (this subsection may be suspended by the State President after notice in the Gazette).

(D) An amount calculated according to a formula based on the sale of Bantu beer during any particular financial year as the Minister may fix, and which shall be payable to the Consolidated Revenue Fund.

Section 19 (3) bis.: The Bantu Services Levy Fund shall be chargeable only with -

(a) the cost of administration of the Bantu Services Levy Act 1952;

(b) any amounts which the Minister may from time to time determine as a contribution towards the remuneration and allowances payable in terms of such Act;

(c) any expenditure incurred by the urban local authority in connection with services outside a location, Native village or Native hostel under the control of that urban local authority or outside any area approved by the Minister for future use as a location etc. provided such services are in the opinion of the Minister essential for the proper development of a location, Bantu village or Bantu hostel;

(d) interest and redemption charges in respect of any loan raised by the urban local authority;

(e) any amount which the Minister may approve as loan or grant to the Bantu Revenue Account for the provision of water, sanitation, lighting or roads services subject to such interest charges and conditions of repayment as he may approve;

(f) any amounts which the Minister may after consultation with the urban local authority require it to pay to any other body in respect of adult male natives employed in the urban area of that urban local authority but residing in any area under the control of such other body in respect of which it provides services.

Section 19 (3) ter.: The Minister may declare that any urban area or any portion of an urban area or any area situated in the vicinity of an urban area occupied by Bantu shall for the purposes of sub-section (3) bis be regarded as a location.

Section 19 (3) quat.: The Liquor Account shall be chargeable only with -

(a) any expenditure incurred by the urban local authority in connection with the sale of liquor to Bantu under the Liquor Act 1928;

(b) such portion of the profits derived from the sale of liquor to Bantu under the Liquor Act 1928, which shall be dealt with in the manner specified in any authority under which such liquor is sold;

(c) any service, expenditure or grant which may be certified in writing by the Minister as being in the interests of Bantu irrespective of whether or not it relates to a matter in the area of the urban local authority.

Section 19 (4): Any credit or debit balance on any existing account of an urban local authority of a nature similar to the Bantu Revenue Account or any other asset or liability of a local authority held or incurred in relation to Bantu shall, if so required or authorised by the Minister, be transferred to the Bantu Revenue Account.

Section 19 (5)(a): The appropriation of monies from the Bantu Revenue Account shall not take place otherwise than in accordance with estimates of expenditure which have been passed by the urban local authority and approved in writing by the Minister subject to such conditions as he may deem fit: provided that such estimates shall, except in the case of the appropriation of monies from the Bantu Services Levy Fund be prepared by such urban local authority after consultation with the Bantu Advisory Board (or other bodies as set out in the Act) and any relevant report submitted by such Board shall be duly considered bythe urban local authority.

Section 19 (5)(b): Notwithstanding the provisions of (a) an urban local authority may in anticipation of approval of estimates of expenditure, incur expenditure of a recurring nature on services and to the extent of the unexpended balances on works of a capital nature duly approved for the preceding financial year.

Section 19 (5): No moveable property the value whereof is credited to a Bantu Revenue Account shall be disposed of to any person without the approval of the Minister or contrary to any condition which he may deem fit to impose when granting such approval.

Section 19 (6): Any monies standing to the credit of a Bantu Revenue Account and not immediately required for lawfully authorised services may be temporarily invested in such manner for such time and on such conditions as the Minister may approve.

Section 19 (7): Any deficit on the Bantu Revenue Account may be met by an advance from the General Funds of the urban local authority on such terms and conditions as the Minister may approve.

Section 19 (8): An urban local authority may appropriate for the benefit of any location etc. monies from sources other than the Bantu Revenue Account.

Section 19 (9): The Bantu Revenue Account shall be audited in the same manner as the other accounts of the urban local authority and the cost of such audit shall be borne by the Bantu Revenue Account.

Section 19 (10): Any fines, fees etc. collected with regard to contraventions of the Act shall accrue to the urban local authority and shall be paid by it into the Bantu Revenue Account.

Section 19 (11)(a): The Minister may surcharge any urban local authority with the amount of any payment which the Provincial Auditor may certify as having been made from the Bantu Revenue Account without the Minister's approval.

Section 19 (11)(b): The amount of any such surcharge shall be paid by such urban local authority to the Town Clerk or other official appointed by the urban local authority to receive money on its behalf and shall be paid by such Town Clerk or other official into the Bantu Revenue Account.

Section 19 (11)(c): Upon the failure of the urban local authority to pay the surcharge the Minister may recover the amount of such surcharge by action in a competent court.

Section 20 (1): Rentals charged in locations shall be such as the Minister may, having regard to all circumstances and the costs of providing accommodation, consider to be fair and reasonable.

Section 20 (1) bis.: Different rentals for the occupation of any house may be prescribed for families falling within the sub-economic group and for those not falling within that group.

Section 20(2): The charges made by an urban local authority for water, lighting, sanitary and other services rendered to a location etc. shall not exceed the ordinary charges made for the like services rendered by the urban local authority in any other portion of its area, and shall not without the authority of the Minister exceed the actual cost of providing such services.

Section 20 (3): A local authority may direct an employer to pay from a Bantu's wages the rental due by him, provided it does not exceed 25% of the wage of such Bantu. An urban local authority may remit rentals of residents in a location.

9. TRANSPORT (CO-ORDINATION) ACT NO. 44 OF 1948.

Purpose: The promotion and encouragement of the development of transport.

A National Transport Commission(which takes the place of the National Road Board) is established, one of whose functions is to recommend which roads shall be declared national, provincial or special roads, under the National Roads Act 1935. It also has power to investigate any question appertaining to roads in the Republic.

10. NATIVE SERVICES LEVY ACT NO. 64 OF 1952.

Purpose: To provide for the contribution by employers towards the cost of certain services for the health and safety of their Bantu employees.

Section 3: Every employer within a declared area shall pay monthly to the urban local authority and the local authority shall itself pay a contribution determined according to the days worked by adult male natives, calculated at the rate of twenty cents for every six days of the aggregate number of days worked. The Minister may fix a lower rate by notice in the Gazette. No contributions are payable in respect of domestic servants, or adult natives for whom accommodation is provided by the employer.

Section 7: The Minister shall appoint a Committee to be known as the Native Services Levy Committee consisting of a Chairman and not more than eight other members of whom not more than two shall be appointed to represent organisations of employers and not more than two to represent urban authorities. The Committee shall advise and make recommendations to the Minister on the application of the Act and a variation in the rate of contributions. The Minister may also establish local advisory committees in urban areas.

Section 10: This section amends the Native (Urban Areas) Consolidation Act 1945 to make provision for the income and expenditure of the Native Services Levy Fund and in particular sets out the categories of expenditure which may be incurred on administration and services.

11. INDUSTRIAL CONCILIATION ACT NO. 28 OF 1956.

Purpose: The registration of employers organisations and trade unions, the settlement of disputes and the establishment of an industrial tribunal.

Provision is made in Section 46 for the settlement of disputes by compulsory arbitration in the case of municipal and essential services.

12. LIVESTOCK AND PRODUCE SALES ACT NO. 37 OF 1956.

Purpose: To consolidate the laws relating to the sale by auction through an agent or factor of livestock or agricultural produce.

Sections 3 and 4: Deal with the sales procedure to be followed by auctioneers (including the issue of sales notes and the details to be shown thereon) and restrictions on auctioneers in matters such as granting rebates, refusing to accept bids, selling to himself or associates in business etc.

Section 6: Provides that no person shall as auctioneer sell agricultural produce or livestock until he gives security to the satisfaction of the Minister, but marketmasters of local authorities and certain other persons are exempted from this provision.

Section 7: Provides -

(1) that any person who has delivered agricultural produce or livestock to an auctioneer may call upon him to submit for inspection every book or document relating to such produce or livestock.

(2) that the produce or livestock of every person must be sold separately from that of any other person.

(3) that the auctioneer shall sell by single units unless no bid is made for such unit, in which case he may put up for sale more than one unit and shall not impose any condition that the purchaser of any unit shall be obliged to purchase any further number of units.

Section 8 (3): Provides that whenever an auctioneer, agent or factor has on behalf of any other person sold agricultural produce on a market which is under the control of a local authority, he shall within seven days submit to such person a statement of the prices realised, which shall bear the signature or official stamp of the marketmaster.

13. WATER ACT NO. 54 OF 1956.

Purpose: The control over the conservation and use of water for domestic, agricultural, urban and industrial purposes.

Restrictions are imposed on local authorities in matters such as the disposal of effluents, the supply of water beyond their boundaries and conservation. The Minister is empowered to grant subsidies to local authorities for water works, but a subsidy shall not be granted to a local authority unless the Administrator recommends it and is satisfied that the local authority is not in a financial position to undertake the work.

14. NATIVE TRANSPORT SERVICES ACT NO. 53 OF 1957.

Purpose: The payment of contributions by employers towards the cost of transport services of their Bantu employees, and the establishment of a Native Transport Service Account.

Section 2: Every employer shall pay five cents per employee per week to the urban local authority who shall pay such contributions into a special Native Transport Account. The local authority shall itself pay the levy; domestic servants and employees for whom the employer provides accommodation are exempt.

Section 7: The urban local authority must pay over the amounts collected to the Secretary for Transport who shall pay such amounts into a Native Transport Services Account. This fund may be used to pay subsides or loans to transport undertakings.

15. ELECTRICITY ACT NO. 40 OF 1958.

Purpose: Control over the supply of electricity and the establishment of an Electricity Supply Commission.

An Electricity Control Board is established, which shall control by way of permit or licence the supply of electricity by the Commission or by any other undertaking. The conditions laid down in licences include prices chargeable for electricity and any variations therefrom.

Section 38: The sale and distribution of electricity within an urban local authority shall be under the control of that authority (unless any authorised undertaker has acquired legal authority to supply).

Section 39: Where an urban local authority intends to establish an undertaking or enlarge an existing undertaking exceeding 10% of existing generating capacity, application must be made to the Administrator who shall refer the application to the Electricity Supply Commission.

Section 40: An urban local authority may with the permission of the Electricity Control Board supply outside its boundaries. In its application to supply, the local authority must furnish full particulars and unless the Board otherwise prescribes, the conditions of supply shall be the same as those prevailing in the local authority's area of jurisdiction.

16. AVIATION ACT NO. 74 OF 1962.

Purpose: The control over flying within the Republic and the setting up of a Civil Aviation Advisory Committee.

The Minister is given wide powers to make regulations covering a wide range of subjects, including conditions and services at aerodromes.

17. BANTU BEER ACT NO. 63 OF 1962.

Purpose: Control over the manufacture, sale, supply or possession of Bantu beer.

Any local authority which has been granted authority under the Liquor Act to sell liquor, or has been specially authorised to sell Bantu beer, may manufacture, sell and supply Bantu beer within its urban area. The maximum selling price of Bantu beer may be fixed by the Minister, and he may grant a local authority the exclusive right to sell Bantu beer within its area. Any person licenced to sell liquor may sell and supply Bantu beer acquired from a local authority.

18. LICENCES ACT NO. 44 OF 1962.

Purpose: The licensing of trades and occupations in the Republic.

Duties as prescribed in the Act must be paid for trades and occupations and the amounts collected paid into the State Consolidated Revenue Fund. Exemptions are granted to charitable, religious and educational institutions. A licence is not necessary for the sale of Bantu beer by an urban local authority, or for sales in a municipal market hall.

19. ATMOSPHERIC POLLUTION PREVENTION ACT NO. 45 OF 1965.

Purpose: The prevention of the pollution of the atmosphere.

Section 18: A local authority may make regulations with regard to atmospheric pollution.

Sections 19, 20, 21, 22, 23 and 24: A local authority may serve notices on owners with regard to the contravention of regulations and exercise various other powers as set out in the Act.

Section 26: A local authority may -

(a) with the approval of the Administrator incur expenditure out of revenue or loan funds, for the purpose of making loans or grants to persons for the installation of smoke abatement equipment;

(b) Undertake or contribute towards the cost of investigations and research on atmospheric pollution;

(c) publicise information on the prevention of atmospheric pollution.

Sections 28 and 29: Owners and occupiers of land from which originates atmospheric pollution by dust must take steps to abate such nuisance.

Section 30: Where steps are unable to be taken by the owner or occupier, the Minister may cause steps to be taken and direct that the cost be paid by the State, local authority and owner in such proportions as may be determined by the Minister, in consultation with the Minister of Finance.

Section 31: The Minister may, if after consultation with the Minister of Mines and the Minister of Economic Affairs and the National Air Pollution Advisory Committee, establish a Dust Control Levy Account. Owners or occupiers of land causing the pollution by dust shall contribute in the form of a single payment or periodic payments, as the Minister may consider appropriate. The Minister may in certain circumstances exempt a person from payment. The account shall be operated by the Secretary for Health, and money in the account may, subject to the directions of the Minister, be applied for the payment of any expenditure incurred in the prevention of atmospheric pollution by dust.

20. COMMUNITY DEVELOPMENT ACT NO. 3 OF 1966.

Purpose: The development of certain areas in the interests of the community.

Sections 2 - 19: A Community Development Board is established, consisting of seven members appointed by the State President. The objects for which the Board is established are -

(a) to develop or assist in the development of such areas as may be designated by the Minister and to promote community development in such area;

(b) to assist in and control the disposal of affected properties under the Group Areas Act;

(c) to assist persons to acquire or hire movable property in the furtherance of (a) and (b);

Wide powers are given to the Board to -

(a) acquire, hire, develop, sell or otherwise dispose of immovable property;

(b) lay out and plan areas and provide services;

(c) prohibit the erection or alterations of buildings in the furtherance of slum clearance or urban renewal schemes;

(d) build or demolish houses or other structures and grant loans for the purposes of the Act;

(e) make payments for goodwill attached to businesses.

A Community Development Fund is established and shall consist of loans granted out of moneys appropriated by Parliament, together with all moneys accruing as a result of operations carried out under the Act.

The State President may proclaim that after a certain date, the Board may assume all the powers and duties of a local authority in a particular area. Once the Board has acquired all the lots in a township, all the public places shall vest in the Board.

Section 20: The Board is exempt from the provisions of any by-law or regulation of a local authority, including those relating to building plans, town planning schemes and subdivision.

Section 21: The Board may terminate any lease, where this is required in the redevelopment or replanning of an area.

Section 22: The Board may with the approval of the Minister and subject to such conditions as he may in consultation with the Minister of Finance and the Administrator determine, enter into an agreement with any local authority, statutory body or other body corporate whereby powers are delegated and assigned to such local authority. Every such agreement may contain a condition relating to -

(a) the payment to the Board by the local authority of a percentage of the amount of appreciation contributions received by the local authority;

(b) the payment by the Board to the local authority of a percentage of the amount of depreciation contributions paid by such local authority.

Section 23: The Board may call upon a local authority to provide services.

Section 26: The State President may proclaim that any restriction under any law regarding the use of land acquired by the Board, is suspended or has lapsed or may be modified.

Section 27: If the Board cannot obtain exemption from restrictions from a local authority, the Administrator may be requested to waive such restrictions as are necessary.

Section 28: The Minister may approve a layout plan and development of a township in anticipation of proclamation.

Sections 29 - 31: The Board must compile a list of affected properties (i.e. those proclaimed under the Group Areas Act

and occupied by a person who is not a member of the specified group) with full details of the properties and the Registrar of Deeds must be advised of the list. No property shall be transferred without a certificate from the Secretary to the effect that any appreciation contribution due to the Board, has been paid or guaranteed.

Sections 32 and 33: A basic value must be established for land and buildings on affected property when the area is proclaimed, and this must be recorded. Methods of establishing basic value by valuations are set out in this section.

Section 34: If an owner of affected property intends to dispose of such property, he must notify the Board in writing giving details and monetary value. The Board may elect to waive or exercise its pre-emptive right. Upon transfer of any affected property to the Board or to another person, there shall be payable -

(a) an appreciation contribution by the owner if the price exceeds basic value equal to 50% of the difference;

(b) a depreciation contribution by the Board if the price is less than basic value, equal to 80% of the difference.

These contributions are also payable when affected property is expropriated by the State or any other person other than the Board.

Section 37: Affected properties may be removed from the list after the specified contributions have been paid and after other conditions in the Act have been complied with.

Section 38: The Board may acquire any immovable property by expropriation, under conditions set out in the Act. Methods of calculating compensation are detailed in the Act.

Section 46: No rates shall be levied upon any immovable property owned by the Board so long as such property has not been leased or sold.

21. HOUSING ACT NO. 4 OF 1966:

Purpose: To provide for the construction of dwellings and the carrying out of housing schemes.

Sections 2, 3 and 4: A National Housing Fund is established, the capital of which shall consist of moneys appropriated by Parliament for the purpose and moneys from certain other minor sources as set out. The Minister of Community Development in consultation with the Minister of Finance is in control of the Fund.

Sections 5 - 8: A National Housing Commission shall be established consisting of not less than seven and not more than ten members appointed by the Minister of Community Development. A Bantu Housing Board shall be established consisting of six members appointed by the Minister of Bantu Administration and Development (requirements of members of both bodies are set out in the Act).

Sections 9 and 10: The powers and duties of the Secretary of Community Development are laid down, and the status of the National Housing office is clarified.

Sections 11 and 12: The Commission may after consultation with the Administrator and on such conditions as he may determine approve of loans, called advances, to any local authority for the purpose of housing. Advances may be for either economic schemes or assisted schemes. Before approving any advance for any economic scheme, the Commission may require a local authority to first make reasonable provisions for housing the poorest section of the community.

Sections 13 and 14: Conditions relating to the granting of advances and repayments of advances by local authorities are set out. The period of repayment shall not exceed 50 years.

Section 15: Where a local authority has obtained approval for a scheme and fails to carry out the scheme, the Minister may direct that the Commission take possession of the land and carry out such scheme, and the local authority shall be liable for all costs incurred.

Sections 16 and 17: If a local authority fails to pay to the Commission any amounts due, or fails to make reasonable progress and fails in respect of other conditions laid down, the Commission may recover the amounts due -

(a) by action in a competent court;
(b) by declaring that any revenue shall be applied to the payment of such amount;
(c) by levying a special rate.

A local authority which is carrying out a scheme must make available all information, books, documents etc. to the Commission. If from this information it appears that there are persons living in certain dwellings with incomes above the prescribed limit, the Commission may take remedial action as set out in the Act.

Section 18: The Commission may, on such conditions as it may determine, approve of loans on first mortgage over the land on which an approved dwelling is to be constructed, to any natural person to enable him to construct that dwelling for the accommodation of himself and his dependants provided he is not the owner of another dwelling.

Sections 19 and 20: These sections contain all the conditions under which loans are granted to individuals and remedies against borrowers.

Section 21: Notwithstanding the fact that the total amount of a loan may be repaid and the mortgage bond cancelled, a person or his successors shall not sell or otherwise alienate the dwelling within a period of five years from the date of registration of the mortgage bond, unless he has first offered it for sale to the Commission. Full details of how this pre-emptive right may be exercised or otherwise are set out in the Act.

Sections 22 - 30: The Commission may assist any Building Society to enable it to grant a building loan to any person. Detailed conditions are set out in the Act.

Sections 31 - 41: The Commission may purchase, expropriate or otherwise acquire land for housing purposes. It may also acquire affected property under the Group Areas Act. The local authority must submit information required by the Commission in connection with properties, and the Secretary of the Commission is given full power to enter and inspect properties. The full procedure to be followed when property is expropriated is laid down in the Act, together with the basis for determining compensation. The State President may on the recommendation of the Minister direct that any restrictive condition affecting the use or occupation of land to be acquired by the Commission shall lapse or be suspended for a period or modified.

Sections 42 - 51: The Commission may construct dwellings and prepare and carry out schemes, acquire building materials, transfer its interests in housing schemes to local authorities, and approve of dwellings and schemes undertaken by local authorities. Conditions relating to the exercise of these powers are laid down in the Act. The Commission is given wide powers to call upon local authorities to provide services such as water, electricity, refuse removal, and sewerage.

The Commission is also exempt from certain local authority by-laws relating for instance to the lodging of plans, subdivision of land and compliance with a town planning scheme.

Section 52: Local authorities may borrow money for housing purposes from the National Housing Fund or from other sources with the approval of the Administrator.

Sections 53 - 55: Local authorities may grant housing loans to utility companies or other bodies or to individuals to enable them to construct approved dwelling, under conditions set out in the Act. The remedies available to local authorities against borrowers who fail to meet their obligations are set out.

Sections 56 - 60: It is a condition of every loan granted by a local authority that notwithstanding the total repayment of the loan and cancellation of the mortgage bond, the property shall not be sold or otherwise alienated within a period of five years from the date of registration of the mortgage bond, unless the property has first been offered for sale to the local authority. If the local authority refuses to purchase, the property must then be offered to the Commission if the property is constructed with National Housing Funds. Restrictions are also imposed regarding the sale of property by utility companies and other bodies.

Section 61: A local authority may -

(a) out of advances made under the Act, construct approved dwellings and carry out approved schemes;

(b) sell or let any dwelling constructed by it under conditions laid down by the Minister (if National Housing Funds are used) or by the Administrator if other sources are utilised.

Section 62: A local authority may out of advances made under the Act, subject to prior approval of the Minister, purchase or in any other manner acquire immovable property for use for the purpose of the Act. Such property shall be deemed to have been constructed by a local authority under Section 61.

Sections 66 and 67: A local authority may with the approval of the Minister purchase, expropriate or otherwise acquire any land for housing purposes. Details of the procedure and the basis for compensation are set out in the Act. If land is acquired with National Housing Funds, and the land is not used within five years, the Minister may take steps as laid down in the Act (e.g. repay the advance, or force the sale of the land.

Sections 68 and 69: The Minister may authorise one local authority to exercise powers in the area of another local authority, and call upon one local authority to render services (e.g. water, electricity) in the area of another local authority, under conditions set out in the Act.

Sections 70, 71 and 72: A local authority may take over the interest and liabilities of other persons in respect of housing schemes, and it may sell or use its land for the construction of approved dwellings (subject to the approval of the Administrator if National Housing Funds are used).

Section 73: Any local authority or utility company constructing approved dwellings shall at the request of the Minister be exempted by the Administrator from the provisions of any by-law, regulation, town planning scheme or conditions of establishment of a township relating to the type of dwelling to be constructed or the value thereof or the materials to be used.

Section 74: The Minister may approve the layout plan and development of a township in anticipation of the proclamation of the township.

Sections 76 - 90: The following general and miscellaneous provisions are made in the Act -

(a) The Commission may grant loans to certain persons to enable them to make provision for water for domestic purposes;

(b) The Minister may make an agreement with local authorities regarding the sharing of losses on housing shares.

(c) The State President may make grants of land to the Commission or local authorities for approved schemes;

(d) The Minister may prohibit the construction of other works and buildings in favour of dwellings where the circumstances as set out in the Act justify such action;

(e) The Minister may control the sale and use of building materials;

(f) The secretary shall when directed by the Minister carry out surveys of residential accommodation and call upon local authorities to assist;

(g) Any natural person to whom a housing loan has been granted shall at the request of the Minister be exempted by the Administrator from the provisions of by-laws, regulations etc. relating to types of dwellings and materials;

(h) Demolition of dwellings or the use of dwellings for other purposes may not take place without the written permission of the Minister.

(i) Exemptions from transfer and stamp duty is granted in respect of the transfer of land for housing purposes;

(j) No taxes shall be levied by local authorities in respect of any property owned by the Commissioner unless it is let or sold but not transferred.

22. GROUP AREAS ACT NO. 36 OF 1966.

Purpose: The establishment and development of areas for different racial groups (and repeal of several former laws.)

This Act imposes control over the acquisition of immovable property and the occupation of land and premises. Obligations are imposed on local authorities regarding the provision of services to townships. The Group Areas Development Board may delegate powers to local authorities.

23. ABATTOIR COMMISSION ACT NO. 86 OF 1967.

This Act provides for the establishment of a commission to exercise control over all matters relating to the siting, erection and management of abattoirs, and the coordination and rationalisation of all matters relating to abattoirs.

24. PHYSICAL PLANNING AND UTILISATION OF RESOURCES ACT NO. 88 OF 1967.

This Act provides for controls over zoning and subdivision of land for industrial purposes, the establishment of controlled areas, and gives the Minister of Planning extensive powers over land uses.

25. MISCELLANEOUS LAWS

(1) Financial Adjustments Act No. 25 of 1932 provides for the payment by the State to local authorities, of amounts collected in fines.

(2) Currency and Exchanges Act No. 9 of 1933 - regulations under this law control the capital issues of local authorities.

(3) Insurance Act No. 27 of 1943, Unit Trust Control Act No. 18 of 1947, Building Societies Act 1965 - Certain provisions restrict investment in Local Government Stocks.

(4) Bantu Building Workers Act No. 27 of 1951 - controls the employment and wages of Bantu Building Workers in Bantu townships.

(5) Natives Resettlement Act No. 19 of 1954 - provides for the removal of Bantu in Johannesburg and their settlement elsewhere, by a Board constituted for the purpose.

(6) Perishable Agricultural Sales Act No. 2 of 1961 - provides for the sale of agricultural perishables; certain provisions affect the operation of municipal markets.

(7) Urban Bantu Councils Act No. 79 of 1961 provides for the establishment of Bantu Councils in urban areas.

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PROVISIONS RELATING TO LICENCE OF PROVINCIAL ORDINANCES. ANNEXURE B.

Notes:- (1) The section numbers relate to the Local Government Ordinance in each Province unless otherwise indicated.
(2) The sections have been summarised, and should not be quoted as the actual wording of the ordinances.
(3) Amendments to the Ordinances up to 31st December, 1967.

I . . - ACCOUNTING AND BUDGETARY CONTROL.

NATAL Local Government Ordinance No. 21 of 1942	TRANSVAAL Local Government Ordinance No. 17 of 1939	ORANGE FREE STATE Local Government Ordinance No. 8 of 1962	CAPE PROVINCE Local Government Ordinance No. 19 of 1951
1. REVENUE FUNDS.			
80(1) All moneys consisting of rates, taxes, fees, duties and other charges and fines, estreated bails and other sums payable in terms of the ordinance or any other law shall, if not appropriated to other funds, form a fund called "The Borough Fund Revenue Account". With the Administrator's approval, a separate fund may be established in respect of any trading or other undertaking. Such funds or accounts may be charged temporarily with outstanding balances relating to some other fund in those cases where a single account is rendered in respect of charges due on two or more of the funds. 80(6) The Council may with the prior approval of the Administrator establish	48. The revenue of the council shall consist of (a) all rates and taxes levied by the council; (b) fines and forfeited bail bonds; (c) fees and duties, licence moneys, market dues, tolls, rents, pound fees, taxes on dogs, chargeable by the council; (d) charged made by the council for electricity, gas, water, tramway, bus and sanitary services, all charges and profits arising from any trade, service or undertaking; (e) all other fees, moneys or charges recoverable by the council or to which the council is entitled. 32. Local Authorities Rating Ordinance 1937. The proceeds of the rate or rates levied or tax imposed under this ordinance shall be applied towards such municipal purposes as the local authority shall think fit.	78(1) The revenue of a council shall consist of rates, taxes, fees, charges, fines and other sums imposed or recoverable by or payable to the council. All the above monies shall be paid within 30 days failing which interest at 8% per annum shall be charged. Fines imposed by a Court and monies due to the council in terms of another law, are excluded from the above provisions. 79(14) Revenue and expenditure relative to the market must be kept in a separate account.	

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funds for the purpose of providing for future expenditure on revenue account, and may set aside out of revenue account moneys for the purpose. Such moneys shall be held in the relevant fund and applied only for the purpose for which the money was set aside, but if the purpose falls away the moneys shall revert to the revenue account of the fund concerned. 80(4) Bis. The council shall open and maintain a banking account with a recognised bank in which it shall keep its funds until they are lawfully disposed of. The council may open separate banking accounts for its various funds, and must open them if directed by the Administrator.		1. REVENUE FUNDS (continued).	

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2. CAPITAL FUND			
80(2) All moneys raised by loan shall be paid into the fund for which the loan was raised - if the purpose is completed or abandoned, the balance may be applied with the consent of the Administrator to another purpose. (2) Bis. Where borrowing powers for more than one purpose are conferred on a council it may in respect of those powers which remain unexercised, raise moneys for any one or more of the other purposes specified, subject to the prior approval of the Administrator. (4) All monies raised for a specific purpose shall be paid into the appropriate fund and only used for the purpose for which they were raised; balances not immediately required may be invested in securities mentioned in section 97 or in the P.O. Savings Bank or by way of deposits with any registered building society approved by the council. (5) Upon the sale of any capital asset, the proceeds together with any moneys set aside in the renewals fund shall be paid to the capital account of the fund	79(5)(a) A council may establish, subject to the approval of the Administrator, a capital reserve fund for capital purposes generally or for any specific capital purposes. Where the council has established such a fund for any specific purpose, such fund shall not without the consent of the Administrator, be used or applied for any purpose other than the specific capital purpose for which such fund was established. (b) A council may from time to time transfer from accumulated revenue surpluses and current revenues to a capital reserve fund, established in terms of paragraph (a), such sums of money as it may deem fit. 132(15) A council may make by-laws for establishing a capital development fund from which moneys may be issued as repayable advances for the purposes of financing capital expenditure. Municipal Consolidated Loans Fund Ordinance No. 9 of 1952: Johannesburg and other municipalities to which the	83(. .a) A council may with the approval of the Administrator establish a capital reserve fund for capital purposes generally or for any specific capital purpose, but where established for a specific purpose moneys therein may not be used for any other purpose without the Administrator's consent. (b) Moneys may be transferred to the fund from accumulated surpluses or current revenues.	124. The council shall cause to be kept at its bank a separate loan account into which shall be paid all loan moneys (except short period loans) and such moneys shall be applied solely to the purposes for which they were borrowed. Such portions as are not immediately required may be temporarily utilised for other purposes as short period loans. Any portions remaining as surplus may, with the Administrator's approval, be utilised for permanent works, etc., listed in section 116. Interest accruing during construction may be paid from such loan moneys. 84.(Bis and Ter. Establishment of Revolving Fund (see Part 3 below) Municipal Consolidated Capital Development and Loans Fund Ordinance no. 4 of 1968: This repeals the former Consolidated Loans Fund Ordinance 1961, and provides that the Administrator may apply the ordinance to any municipality, requiring the

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to which the asset was charged. (The Ordinance details the accounting procedures to be followed where the proceeds are more than or less than sufficient). (7) The council may with the approval of the Administrator establish a capital development fund (1) out of the current revenue accruing to or out of the accumulated surpluses of the borough fund or of any trading fund, or (2) out of any surplus of a sinking fund remaining after the discharge of the whole of the moneys for the repayment of which it was formed. The Council may also establish a consolidated capital development fund into which shall be paid, by way of advances, all moneys in a capital development fund. Advances may be made from the consolidated fund for the purposes of financing any capital expenditure, on terms determined by the Council. 81(1) Rls.(c) A council may charge to capital account salaries of technical staff, operating costs of vehicles etc. (h) If a capital project is not commenced within two years, preliminary expenditure must be written off to revenue.	Administrator may apply the provisions, may operate a Consolidated Loans Fund to concentrate all moneys borrowed by the council.		establishment of a Consolidated Capital Development and Loans Fund to concentrate all loans raised and all moneys not immediately required in one central fund.

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	2. CAPITAL FUNDS (continued).		
102 A to 102Q : The Administrator may proclaim that these sections of the Ordinance be applied to any borough, providing for the establishment of a Consolidated Loans Fund in which shall be concentrated in one central fund all moneys borrowed by the council.(For Durban, see Sections 241 to 245 of Extended Powers Ordinance No. 10 of 1953).			
	3. LANDS TRUST FUNDS.		
80(3) All monies received from the sale of immovable property (i.e. property granted by the Crown, excluding property purchased or acquired by exchange but including land transferred by endowment under the Town Planning Ordinance)including interest, royalties, conversion of leases, endowments under the Town Planning Ordinance, shall be paid into a fund called the Public Improvement Fund. The council may use monies standing to the credit of the fund for the purchase of land or buildings,construction,improvement or extension of any permanent works; moneys so used shall be repaid to the fund without interest from the borough fund revenue account or trading undertakings revenue account by equal	79(18)(d) The gross proceeds received from (a) the sale of town lands; (b) prospecting rights, etc. on town lands; (c) the alienation or letting of town lands for brick manufacturing,quarrying,etc.(d) other rights under the Town Lands Ordinance, 1904, or other laws - shall be paid into a special account and only issued therefrom as repayable advances on conditions approved by the Administrator who may authorise the use of credit balances for the purchase of land. (e) Whenever a stand in a township is sold by the council, the proceeds shall be used to meet expenditure necessarily incurred in the establishment of such township, and any balance shall be paid into the special account. The Administrator may authorise that all or a portion of expen-	85(2)(a) The nett proceeds of the sale of immovable property of a council shall be credited to a fund to be known as the Erven Trust fund; (b) A council may use not more than 50% of the net proceeds of the sale of erven in an extension of surveyed erven being developed by the council, for the construction in such extension of works of a durable and non-productive nature. (c) A council may with the approval of the Administrator appropriate monies in the Erven Trust Fund for the purpose of immovable property or such other purpose as in the opinion of the Administrator is for the benefit of the inhabitants of the municipality. When the	84 bis and ter: Every Council shall establish a revolving fund into which must be paid (a) proceeds of the sale of land "except the proceeds of the sale of land on which buildings or works have been erected for municipal purposes, which, with the consent of the Administrator, are set aside for the acquisition of land or buildings or the erection of buildings for municipal purposes." (b) the product of a rate of 1/10th cent per Rand (c) Proceeds of the sale of capital assets. A council may pay to or invest in the fund any surpluses or reserves except sinking funds. Revolving fund monies may be advanced only on loan to finance the council's capital expenditure on terms approved by the Administrator. The Fund may also be used for acquisition and development of land for resale and half of the cost of development of open spaces and for other specified limited purposes. Loans from the fund may be for periods not exceeding

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3. LANDS TRUST FUNDS (continued).			
nnual instalments over a period not exceeding fifty years. (3)(bis) The council may (if the Town Planning Ordinance, 1949, applies) recover out of the proceeds of sale such moneys expended out of other funds upon the development of the property for sale, except moneys spent [illegible] water, sewerage and [illegible]. (3)(ter) The council may purchase movable assets out of advances from the public improvement fund provided the estimated life is not less than five years. Advances shall be repaid to the fund without interest in equal annual instalments over the estimated life of the asset but in no cases later than ten years from the date of the advance.	diture on streets, bridges, culverts, kerbing, guttering and stormwater drainage in such township be met from the balance of any such proceeds. (f) The net proceeds received by the council from the sale of immovable property other than town lands, from prospecting rights, etc., on lands other than town lands, from any alienation or letting of land other than town lands for brick manufacturing, quarrying, etc., shall be paid into a special account and only issued therefrom as repayable advances or used on such terms as may be approved by the Administrator. (g) Net proceeds shall mean the sum arrived at after deducting (1) legal advertising and survey costs; (2) costs including purchase price in connection with the acquisition of such land and costs incurred in the sale of such land; (3)other costs approved by the Administrator.(h) A credit balance in any special account may be invested in the securities applicable to redemption funds or in any body approved by the Administrator. (i) Interest accruing shall be credited to the special account. Note: In terms of Circular 3 of 1955 the Administrator has in terms of 79(18)(e) and (f) authorised local authorities to use	Administrator so requires, the monies shall be paid back to the fund in such manner as may be determined by him. (d) Net proceeds means the proceeds after the deduction of advertising, selling, surveying and other costs as may be approved by the Administrator.	five years and at not less than ½% interest per annum "unless the Administrator approves some other period of redemption in which event he may require payment of a higher rate of interest." Exemption from the compulsory rate contribution may be granted after 31st December 1964, if the fund has reached a satisfactory level. Local authorities operating Consolidated Capital Development and Loans Funds under Ordinance No. 4 of 1968 are required to pay the rate contribution to such fund and not to a revolving fund.

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	3. LANDS TRUST FUNDS (continued).		
	not more than 50% of the proceeds as a final charge to finance roadworks in townships, provided separate accounts are kept for each township.		
	4. BOOKS OF ACCOUNT.		
81(1) The town treasurer shall keep such books of account as may be necessary to maintain a proper record of all matters relating to the financial transactions of the council, including all cash receipts and cash payments, etc.,etc., clearly distinguishing between capital and revenue and generally showing the assets and liabilities of the borough.	56. The council shall cause proper books to be provided and true and regular accounts to be entered therein of all sums of money received and paid on account of and for the council, and of the several purposes for which such sums of money have been received and paid.	79(1). The council shall keep such books of account as may be necessary to maintain a proper record of all matters relating to the financial transactions of the council including all cash receipts and payments etc. Capital and revenue shall be clearly distinguished and the assets and liabilities generally indicated. In the case of municipalities where expenditure on revenue account does not exceed R200,000 per annum the Administrator may prescribe the form and manner in which the books must be kept.	83(1). The Council shall cause to be kept such books of account as may be necessary to maintain a detailed record of all the assets and liabilities and the financial transactions of the council, showing inter alia, capital and revenue transactions, separately. The aforesaid books shall be kept in a manner to facilitate the preparation of statements of account prescribed by law or required by the Provincial Auditor. (2) The books shall be kept by the treasurer and shall not be removed except by leave of the council or under process of court. (3) Any councillor, ratepayer or voter of the municipality may at all reasonable times, without payment of fee, inspect and take extracts from the council's main books of account.

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5. CLOSING OF ACCOUNTS.			
81(2). The Treasurer shall not later than three months after the close of the financial year, cause the books to be closed and balanced, and shall within one month thereafter prepare separate income and expenditure accounts and balance sheets for the various funds and an aggregate balance sheet. Such accounts shall clearly distinguish between capital and revenue.	57. The accounts of the council shall be made up and an abstract thereof published not less than once in every financial year, and for the purposes of this Ordinance the financial year shall be the twelve months ending on and including the 30th day of June in each and every calender year. 59(3). The council shall not later than the 30th day of September in each year or such later date as may be approved by the Administrator, cause the accounts of the Council to be balanced to the 30th June immediately preceding. 177(B). The Administrator may prescribe by regulation the form of accounts and reports to be furnished under section 162(i.e. minutes, records, accounts, documents which the Administrator may require) 59(13). The Administrator may make regulations prescribing the form of the abstract of accounts.	79(2)(a). The Council shall not later than [illegible] of such [illegible] as the Administrator [illegible] after the close of the financial year cause the accounts closed and balanced as at the 31st day of December of each year and all necessary income and expenditure accounts and balance sheets shall be prepared. (b). The accounts and balance sheets shall clearly distinguish between capital and revenue in each [illegible] 89(1)(a). The Administrator may make regulations prescribing the form of accounts and balance sheets and the statements to be prepared in pursuance of 79(2)(a) and the manner in which information shall be set out in such accounts and statements.	L.A. Audit Ordinance 1938.5. As soon as may be after the 31st December of each year but before the 31st January following, or such later date as the Provincial Auditor may determine, there shall be prepared a balance sheet of all liabilities and assets of or under the control of the local authority at the close of the year a statement of receipts & payments or revenue and expenditure during the year in respect of its transactions, including trading and other operations, and such other statements as may be prescribed by regulation. 18. The Administrator may make regulations prescribing the form of statements.

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6. PREPARATION OF ESTIMATES.			
82(1). The Council shall not later than 30th November in each year frame estimates of revenue and expenditure for the current financial year in respect of the borough fund revenue account and assess the general rate and water rate: Provided that the Administrator may by notice determine a later date than the aforesaid date. Thereafter a notice shall be published in one or more news papers containing an abstract of such estimates and indicating the amounts at which the rates have been assessed. The notice shall also state that the estimates will lie for inspection for a period of not less than seven days from the date of first publication, and a similar notice shall be exhibited at the town office. (2) The council shall also frame estimates of revenue and expenditure of all other funds and accounts including those of trading undertakings distinguishing in each case between revenue and capital.	58(1). Before the expiry of the financial year the finance or management committee shall draw up and present at any ordinary or special meeting of the council a detailed estimate of the revenue and expenditure for the next financial year. A copy of such statement shall be recorded in the minutes of the council.	81(1)(a). A council shall not later than the 31st day of May of each year, or such later date as the Administrator may approve, consider and confirm its estimate of revenue and expenditure for the financial year, and levy the town rate. (b) The estimates shall be so framed that the estimate of expenditure (including any deficit carried over from the previous financial year) shall, save with the consent of the Administrator, not exceed the estimate of revenue (including any surplus brought over from the previous financial year) by an amount calculated at the rate of 1/5 of a cent per Rand of the municipal valuation of all rateable property in the municipality. (c) As soon as possible after the estimates have been confirmed and the town rate has been assessed, the council shall by notice published in the Gazette and the Press make known (1) that a copy of the estimates is open for inspection at the municipal offices during office hours, and (2) the town rate levied for the financial year concerned.	85(1). Estimates of probable income and expenditure on revenue accounts for the calendar year next ensuing shall be prepared by the council not later than in the month of December and shall be signed by the mayor, the town clerk and treasurer. (2) The estimates shall be open to inspection by any ratepayer or voter of the municipality and an abstract thereof shall be published in the press before 31st January in the year to which they relate. (3) After publication of the abstract, a special meeting of the council shall be held for the purpose of finally confirming the estimates. (Queenstown is directed to consider the objections of ratepayers at such meeting.) At such meeting, no new item shall be added nor any item increased, and the council shall make and levy a rate or rates to balance its annual budget. (4) A certified copy of the confirmed estimates shall be submitted to the provincial secretary who may call for further information.
82(3). In no case shall the estimate of expenditure including any deficit brought forward exceed the estimate of income on the revenue account of the said fund, except provision be simultaneously made for the excess expenditure to be met.			

7. EXCESS EXPENDITURE.

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82(3).bis. If the final accounts reveal a deficit on Borough Fund Revenue Account or any fund or account established under the ordinance, the council shall forthwith report the matter in writing to the Administrator, setting out the reasons and indicating what steps will be taken. (4) The estimate of expenditure and the incurring of expenditure on capital account shall in no case exceed the amount of capital moneys available including moneys still to be raised under borrowing powers for that service, provided that the provisions of this sub-section shall not apply if the Administrator has consented to a loan or overdraft under the provisions of paragraph (b) of sub-section (1) of Section 89. (See Part II below) (5) The council may purchase consumable stores for future use, the cost of which shall be recorded against the appropriate account as and when the stores are issued. (6) and (7) Surpluses and deficits may be transferred between Borough Fund and other funds. (See Part 53 below)	58(2). No expenditure shall be incurred by the council otherwise than in accordance with the estimate of revenue and expenditure (see 58(1)) which has been approved by the council, provided that expenditure additional to that authorised may be incurred upon the recommendation of the finance or management committee and with the approval of the council.	81(2)(a). A council may at any time during the financial year revise its estimates and increase or decrease the town rate; (b) Whenever during the financial year it appears to the treasurer that the council's estimate of expenditure is likely to be exceeded or that its estimated revenue is not likely to be realised, and that there is likely to accrue a deficit which will be equal to or more than an amount calculated at the rate of 1/5 of a cent per Rand of municipal valuation of all the rateable property in the municipality, the treasurer shall report accordingly to the council which shall thereupon revise its estimates and if necessary levy a higher rate. (c) The provisions of 81(1) shall apply in connection with a revision of estimates or an assessment of a town rate in terms of this sub-section. 81(3). The town rate levied for a particular financial year shall remain in force until the town rate for the ensuing financial year has been levied.	85(5) The council shall not depart from the confirmed estimates provided that in special circumstances the estimated expenditure may be exceeded - (a) on the specific authority of the council up to an amount not exceeding the product of a rate of 1/8 cent per Rand; (b) with the approval of the Administrator, by a further amount, and the Administrator may direct the council to make and levy an extraordinary rate to cover the total amount in (a) and (b). (6) If the final accounts in any one year reveal an aggregate deficit on revenue account, the Administrator may direct the council to make and levy an extraordinary rate as he may determine.

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8. GENERAL AUTHORITY FOR EXPENDITURE.			
83. The general expenses of borough administration shall be defrayed from the borough fund revenue account, save such expenses as are chargeable to other funds. 83.bis. The council shall have power to defray out of borrowings from revenue account the purchase of plant, machinery, equipment, livestock and motor vehicles with a certified life of not less than two years and not more than ten years: Provided that all such borrowings shall be repaid from revenue over a period not exceeding the certified life of any asset so purchased. 84(1).The exercise of any power conferred in this ordinance or other law shall be authority for the payment of the reasonable cost incurred therein. Such authority extends to expenditure necessary for carrying out any matter which is reasonably incidental to the exercise of powers. (2) The council may also incur expenditure where specially authorised.	79(33). A council may incur all expenditure necessary for the carrying out of any purpose of this ordinance which the council is authorised to carry out, or of any purpose not specially provided for which the Administrator may determine to be a purpose indidental to the exercise of powers, including a reasonable amount of travelling and personal expenses of councillors and officers while on the business of the council.	129(1). The council may incur such expenditure as may be necessary for any purpose authorised by the Ordinance or any other law and also which though not specially authorised by the Ordinance is incidental to the exercise by the council of its powers and duties under the Ordinance or necessary or desirable in the interests of the inhabitants of its municipality generally. The amount expended for any one such purpose shall not exceed R400 in the case of a council whose income during the preceding financial year exceeded R150,000, or R200 in other cases, except with the approval of the Administrator.	229.A council may undertake refuse removal systems, public baths, sanitary conveniences,slaughter houses, markets, dipping tanks, advertising amenities, etc. etc.(See full list)provided the total expenditure (not being from loan funds) on any scheme shall not, except with the Administrator's approval, exceed one quarter of the income from the general rate for the preceding year.

9. AUTHORITY FOR SPECIAL EXPENDITURE, GRANTS AND LOANS.

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35(1). The council may incur expenditure from revenue or authorised loan moneys for any of the following objects: (a) making grants, or with the prior approval of the Administrator, loans to institutions of the following kinds within the borough unless otherwise provided whose objects are not of a private character - 1. Educational institutions within and without the borough, including bursaries; 2. scientific and literary institutions, including lectures; 3. art galleries, libraries and reading rooms, museums, and zoos; 4. agricultural and horticultural societies; 5. hospitals and other charitable institutions for the sick, aged, etc., including associations employing district nurses, within or without the borough; 6. child welfare societies and societies for the protection of children; 7. benevolent societies, relief committees and rescue homes; 8. societies for the prevention of cruelty to animals;	79. The council may do all or any of the following things, namely: 15. Make grants of money towards (a) the establishment or maintenance (i) of public hospitals, (ii) of public libraries and libraries of schools under the Education Act, 1907; (iii) of the following institutions not being of a private character; art galleries, museums, zoos, agricultural and horticultural societies, associations for educating the public in safety first and for the care and protection of the public, poultry clubs, kennel clubs, operatic, orchestral and dramatic societies, scientific, literary and musical institutions, including the giving of lectures on scientific, literary and other subjects, asylums for the aged, destitute, sick or infirm, rescue homes, benevolent societies, homes for destitute orphans, relief committees and committees employing district nurses, educational institutions, trade or vocational	129(2) A council may out of revenue (a) make grants in aid: (i) to charitable institutions, sports clubs, school hostels and educational institutions within its municipality; (ii) to libraries and technical colleges within the Province; (iii) to public institutions as the Administrator may deem to have been established for the purpose of promoting or protecting the interests of the inhabitants of its municipality; (iv) to public institutions outside the Province but within the Republic as in the opinion of the Administrator have been established to give instruction or render aid to blind, deaf, dumb or mentally or physically disabled persons provided such institution does not confine its activities to a particular Province. (v) To scholars or students attending a public or aided private school established in terms of the Education Ordinance, 1954 or an institution of higher education as	227(h). A council may, one year from the date of the establishment of its municipality, make grants to - 1. any benevolent institution or organisation of an undenominational character, whether within or without the municipality (in the case of East London, to the Mayor to be expended by him for benevolent purposes); 2. any university, public college or public school, within or without the municipality; 3. Any undenominational organisation or institution within or outside the municipality which has been classified by the Administrator as serving the interests of the public; 4. any public hospital or similar public institution within the municipality or serving the area of the municipality; 5. any public library, museum, art gallery or agricultural society within the municipality;

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9. AUTHORITY FOR SPECIAL EXPENDITURE, GRANTS AND LOANS (continued).

9.Institutions for the establishment and maintenance of crematoria;
10.defence organisations, recreation or sporting bodies;
11.any other institution approved by the Administrator, within or without the borough.

(b) rendering to the above institutions services free of cost or at tariff charges:

(bis).Making grants to the Fund of the Voortrekker-Gedenkkerk, erected in Pietermaritsburg;

(c) civic hospitality,civic representations and civic courtesies,receptions, religious services, commemorations, celebrations and entertainments of a civic or national character, and with the approval of the Administrator contributing towards any national or public enterprise, organisation or institution for receptions, entertainments,celebrations, and the like;

(d) making grants with the Administrator's approval to any private hospital or sanatorium in the borough.

schools, institutions for the training of persons in domestic science,domestic service or household work or duties, or public voluntary societies or associations in connection with combating diseases or in connection with maternity welfare or child welfare, the training of sanitary inspectors or health visitors, instruction in first aid or home or district nursing or any other matter relating to publix health; provided that a grant shall be made towards an institution from which any person connected therewith derives a profit, other than reasonable remuneration, prizes, charitable benefits etc.

(iv) or any municipal employees' medical benefit society, sick fund or similar municipal institution;

(b) with the consent of the Administrator, any national or public object,exhibition or organisation or institution;

(c) any voluntary society, association or club or organisation established for boy

contemplated by Section 84(1)(c) of the Republic of South Africa Constitution Act,1961.

(vi) or grant other relief to indigent persons resident within its municipality;

(vii) in respect of celebrations of a public nature;

(viii) to a hispital board established in terms of the Hospital Ordinance 1933.

(b) Incur expenditure -

(i) in making contributions to the O.F.S. Municipal association;
(ii) for the reception and entertainment of any person in a public or private manner as the council may determine: Provided that no expenditure shall be incurred in terms of this sub-paragraph unless at least three-fourths of all the members of the council voted in favour of a resolution of the council authorising the expenditure and the total amount of such expenditure incurred during any financial year shall be accounted for separately in the accounts prepared for that

6.any organisation for the purpose of effecting permanent improvements to immovable property let by the council or owned by the organisation under a reversionary clause (loans may also be made for this purpose - see 229(d).

7.Any fund for the defrayal of the cost of erection of a monument within or outside the municipality in commemoration of a person or event in the history of South Africa.

8.The total amount of such grants shall not, except with the Administrator's consent, in any year exceed twoo and a half per cent of the municipalities' revenue derived from the general rate during the preceding year.

227(f).A council may pay sums towards public functions and public demonstrations and expenses incurred with council's representation on such occasions.

227(g)(Ter).A council may present a medallion or address,etc. to a mayor and mayoress on retirement from office.

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