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COMMISSION ON REGIONS

REF: 1/11/ 11 /153

**MEMORANDUM**

Telefax: (011) 397 2105

To: The Administrative Secretary  
Commission on the Demarcation / Delimitation of Regions  
Multi-Party Negotiation Process

Dear Sir,

**Demarcation of Boundaries:**  
**West Rand**

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This company is a major employer of some 23 000 persons at two large gold mines in the West Rand Region and we believe it appropriate to submit comment on the above issue.

We have seen a document prepared by the West Rand Regional Services Council (WRRSC) which evaluates three scenarios for the delimitation \ demarcation of regional boundaries.

**Scenario 1 :** Assumes the status quo in that the WRRSC remains part of Region H which is the area defined as the PWV area. The WRRSC will also retain its present function within its present boundaries which includes the districts of Krugersdorp, Randfontein, Westonaria, Carltonville, Fochville and Magaliesburg.

Directors: P.F. Retief (Chairman), V.G. Gray, B.E. Davison, M.W. Hawarden, J.M. Kahn, M.W. King, K.W. Maxwell, A.B. McKerron, W.A. Naim,  
J.J. Nel, Dr. H. Scott-Russell, C.L. Suter (British), R.B. Sutherland, G.P. Wanblad.

Alternates: J.T. Bruce (American), G.M.W. Cross, D.T.G. Emmett, Dr. C.J. Fauconnier, G.M. Holford, Dr. N.S. Segal, A.I. Wood (British), B.T. Wood.

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**Scenario 2 :** Assumes that the WRRSC area is incorporated into Region J which is the Western Transvaal area.

**Scenario 3 :** Assumes that the WRRSC area be incorporated in Region C which includes the Vaal Triangle and OFS.

Each Scenario is evaluated using strong points, weak points, opportunities and threats.

In terms of such evaluation **Scenario 1** appears to be the best option but we believe that a fourth scenario needs to be considered. This scenario assumes that Krugersdorp, Randfontein and Westonaria be taken out of the present boundaries of the WRRSC and that these towns be incorporated into the Central Witwatersrand Regional Services Council area which in the main consists of the districts of Johannesburg, Sandton, Randburg and Roodepoort.

The motivation for such a scenario is based on infrastructural, demographic and financial considerations, viz:

1) Randfontein and Krugersdorp have always been part of the Witwatersrand area. This is demonstrated by their road and rail links, and by the fact that they are served by a common telephone exchange system on the same dialling code.

Historically, the Witwatersrand has been defined as the area situated along the Randfontein to Springs railway line. Although Westonaria is not placed on this line, it has always been dependent on the Randfontein core area.

2) All the towns mentioned above are dormitory towns for workers employed in the greater Johannesburg, Roodepoort, Sandton and Randburg complex. They, therefore, should be differentiated from the districts of Fochville, Carletonville and Magaliesburg which are located beyond general commuter limits.

Because Fochville, Carletonville and Magaliesburg do not have a significant proportion of their populations working in the central Witwatersrand area, they would more properly be incorporated into the Western Transvaal region.

These suggested rearrangements also have important financial implications (see 3) below).

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3) The tax base for a Regional Services Council is presently determined by the number of workers not residents in the region concerned. The system, therefore, discriminates against regions with large dormitory areas but no corresponding developed industrial base.

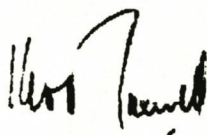
Unlike the East Rand, the West Rand lacks an adequate tax base for the financing of its services. It must, therefore, be linked to a larger region for such purposes. The Central Witwatersrand region is the most suited in its case because, as already indicated, most of its residents are employed in that region.

Were Randfontein, Carletonville and Westonaria to be separated from the Central Witwatersrand region, services to them would have to be provided by another regional authority. This would involve cross-subsidisation which from a fiscal efficiency point of view would be undesirable.

4) With the expected influx of people from the rural areas to the Central Witwatersrand Region, the size of dormitory towns such as Randfontein, Krugersdorp and Westonaria can be expected to increase. Were these towns to remain part of the West Rand Regional Services Council area, this Council would be required to provide for an increasing volume of services without any compensating increase in tax revenue to the detriment of the area as a whole.

From an economic point of view it would make more sense for Randfontein, Krugersdorp and Westonaria to be included in the Central Witwatersrand area. Certainly the logic is weak for their incorporation into either Region J or Region C.

Yours faithfully



Mr K W Maxwell  
Chairman  
Gold & Uranium Division

cc Chief Executive Officer  
WRRSC

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