

**ASSESSMENT IN TERMS OF SECTION 84(1)(b) OF ACT 56 OF 2003**

CITY OF TSHWANE METROPOLITAN MUNICIPALITY: PROPOSED ESTABLISHMENT OF A PRIVATE COMPANY AS A MUNICIPAL ENTITY FOR THE PROMOTION OF LOCAL ECONOMIC DEVELOPMENT FOR THE CITY OF TSHWANE METROPOLITAN MUNICIPALITY

SECTION 84(1)(b) MUNICIPAL FINANCE MANAGEMENT ACT, ACT 56 OF 2003

ASSESSMENT OF THE IMPACT OF THE SHIFTING OF THAT FUNCTION OR SERVICE TO THE ENTITY ON THE MUNICIPALITY'S STAFF, ASSETS AND LIABILITIES:

- (I) THE NUMBER OF STAFF OF THE MUNICIPALITY TO BE TRANSFERRED TO THE ENTITY;

**Between zero to four persons (0 – 4) The TDA will advertise for the available positions, employees of the municipality may apply but no preference will be given to municipality employees. See in this regard the assessment in terms of sec 78(1) of Act 32 of 2000.**

- (II) THE NUMBER OF STAFF OF THE MUNICIPALITY THAT WOULD BECOME REDUNDANT BECAUSE OF THE SHIFTING OF THAT FUNCTION OR SERVICE;

**Employees of the section 21 companies that are to form the TDA will be subject to rationalisation. These employees are not strictly employees of the municipality and the rationalisation will be limited to these employees of the section 21 companies.**

- (III) THE COST TO THE MUNICIPALITY OF ANY STAFF RETRENCHMENTS OR THE RETENTION OF REDUNDANT STAFF;

**Retrenchment and redundancy is limited to the section 21 entities and does not affect the municipality. The TDA will operate in a complimentary capacity to the municipality and no staff redundancy is anticipated.**

- (IV) ANY ASSETS OF THE MUNICIPALITY TO BE TRANSFERRED TO THE ENTITY;

**1. All fixtures and fittings and movable goods as per the attached inventory.**

**No major asset transfer is anticipated at this stage; however in the course of establishing the TDA, it is possible that operational infrastructure and office equipment may be transferred from the municipality to the TDA.**

- (V) ANY ASSETS OF THE MUNICIPALITY THAT WOULD BECOME OBSOLETE BECAUSE OF THE SHIFTING OF THAT FUNCTION OR SERVICE:

**There are no functions of the municipality that will be commandeered by the TDA, the activities of the TDA are designed to compliment rather than replace the functions of the municipality.**

- (VI) ANY LIABILITIES OF THE MUNICIPALITY TO BE CEDED TO THE ENTITY; AND

**None of the municipality's liabilities will be ceded to the TDA, the TDA's function is to control some operations and investments, not debt management for the municipality.**

- (VII) ANY DEBT OF THE MUNICIPALITY ATTRIBUTED TO THAT FUNCTION OR SERVICE WHICH THE MUNICIPALITY WOULD RETAIN.

**It is not anticipated that the Municipality will incur debt attributed to the TDA. After the TDA has been formed, responsibility for any debt incurred by the TDA in the course of its operations will be vested in the TDA.**