

JUST INNOVATION CONSULTING

MARKETING & LICENSING OF INNOVATIVE MULTIDISCIPLINARY CONCEPTS & SOLUTIONS

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TUESDAY, NOVEMBER 29, 2016

**THE PRESIDENTIAL COMMISSION OF INQUIRY INTO HIGHER EDUCATION & TRAINING
21ST FLOOR, ISIVUNO HOUSE
135 LILIAN NGOYI STREET
PRETORIA, 0001**

E-Mail: FeesHET@justice.gov.za

FOR ATTENTION: THE CHAIRPERSON: JUSTICE J A HEHER

Dear Honourable Justice Heher,

RE: JUST INNOVATION CONSULTING'S SUBMISSION TITLED: -

A UNIQUE AND INNOVATIVE SOLUTION WHERE THE SOUTH AFRICAN GOVERNMENT CAN FIND THE MISSING BILLIONS THAT ARE REQUIRED ANNUALLY & URGENTLY IN ORDER TO PROVIDE AND FUND QUALITY, FEE-FREE, POST-SCHOOL HIGHER EDUCATION IN SOUTH AFRICA FOR SOUTH AFRICANS – SUSTAINABLY, AD INFINITUM.

We hereby respectfully submit our duly completed Submission Document addressed to The Office of the Presidential Commission of Inquiry into Higher Education & Training – with abovementioned title. Please do find our Submission Document attached hereto for your kind and urgent perusal.

It is our desire to present an Oral Submission to the Commission, at a time and place, convenient to the Commission. It would indeed be appreciated whether the office of the Commission to kindly please inform us timeously by when we could do so in this regard.

In addition to the above, although we anticipate our Submission Document would be published by the Commission for broader consumption, it would indeed be appreciated if the Commission's office could kindly please consider providing a copy of our Submission Document to the Ministry of Finance, for the attention of the Finance Minister, the Honourable Pravin Gordhan, because the content of our Submission could be of material interest and benefit to the Finance Ministry and therefore be considered for inclusion in the upcoming Budget Speech of 2017. By providing the Ministry of Finance with a copy of our Submission timeously, it could be explored timeously, and therefore considered for inclusion in the upcoming budget, should it be so warranted.

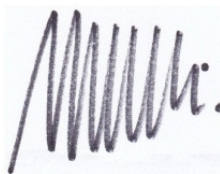
We hereby also take the opportunity to thank the following people:

- (1) The President of the Republic of South Africa, the Honourable Jacob Zuma for his innate wisdom and insightfulness when he foresaw the need to appoint the Commission, with a mandate of finding lasting solutions to the funding crisis of students rising up throughout the country and demanding quality post-school, fee-free, higher education in South Africa;
- (2) The Honourable Commissioner of The Presidential Commission of Inquiry into Higher Education & Training, the Honourable Justice J A Heher and his panel of experts serving the Commission, dedicated to finding lasting solutions in terms of the mandate of the Commission; and
- (3) All students throughout the country and numerous others including the media who participated and saw it fit to rise up against the socioeconomic injustices experienced at institutions of higher learning and training throughout the country, as a result of exorbitantly rising annual fees and other inequalities – a social evil, if you will, that exist at institutions of higher learning and training throughout the country. Therefore, if it wasn't for students rising up and the media playing its part, nothing of this would have been warranted.

We trust and are hopeful that our Submission to the Commission is in alignment with the spirit and objectives of the Commission's mandate and that it would indeed be favourably considered by the Commission for the broader benefit of society.

Thank you.

Yours sincerely,



**SURAJ LATIEF | FOUNDER
JUST INNOVATION COSULTING (PTY) LIMITED
CAPE TOWN**

JUST INNOVATION CONSULTING PRESENTS

**A UNIQUE AND INNOVATIVE SOLUTION WHERE
THE SOUTH AFRICAN GOVERNMENT CAN FIND
THE MISSING BILLIONS THAT ARE REQUIRED
ANNUALLY & URGENTLY IN ORDER TO PROVIDE
AND FUND QUALITY, FEE-FREE, POST-SCHOOL
HIGHER EDUCATION IN SOUTH AFRICA FOR
SOUTH AFRICANS, SUSTAINABLY, AD INFINITUM.**

**AN INNOVATIVE SOLUTION TO PROVIDE & FUND
FEE-FREE HIGHER EDUCATION FOR SOUTH AFRICANS**

PREPARED, PRODUCED & PRESENTED BY SURAJ LATIEF, FOUNDER OF:

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The Purpose of this Document: Brief Introduction & Background:

My name is Surajudin Latief. I am more commonly known as Suraj Latief.

I am a broad-spectrum, multi-disciplinary, inventor and innovator and I live in Cape Town.

I am the writer of this document. It is an official proposal to government. This document is about the current crisis raging at campuses throughout the country where students are demanding quality, fee-free, post-school, higher education. Government says it doesn't have the money to do so. Just Innovation Consulting is offering government an immediate solution where to find the missing billions, which is outlined in this document, and titled:

“A unique and innovative solution where the South African government can find the missing billions that are required annually and urgently in order to provide and fund quality, fee-free, post-school, higher education in South Africa for South Africans – sustainably, ad infinitum.”

I am writing this document with the full understanding that the reader is familiar with the current situation on the ground regarding the student uprising at campuses throughout the country, which some newspapers reported, to be a prelude to an Arabian Spring.

This document will therefore not be dealing with what's currently happening and playing out on the ground including all the drama taking place, because it is assumed the reader is familiar with what's happening on the ground as the situation is getting extensive media coverage. This will briefly be covered towards the end of the document.

Furthermore, this document will also not be dealing with or responding to any of the policy documents or any of the laws or any of the rules and regulations relating to education or to the education system or any of the papers dealing with education.

Instead, this document will focus on providing a permanent solution to the main issue of the students' demands, which is the provision of quality, fee-free, post-school higher education, and in particular, where government can find the missing billions that are required annually and urgently to do so, keeping in mind our current economic landscape: i.e. an economy with low growth that's almost stagnant; a rising youth unemployment and a host of other social ills causing instability as well as the pending international ratings agencies' decision of downgrading South Africa's credit ratings, or at least maintaining it.

All of this reflected hereinabove and more are playing havoc with the stability that should prevail in the country, and more so in the economy. However, this document's focus will specifically be aimed at where government can find the missing billions that are required annually and urgently. I am confident regarding what I am presenting and proposing herein, because it can definitely address and resolve the current issue almost immediately of students demanding quality, fee-free, post-school higher education for all and more.

This document will therefore reveal in detail a brand new source of revenue, which is in fact a unique and innovative solution where government can find the missing billions that are required annually and urgently to provide and fund quality, fee-free, post-school higher education in South Africa for all South Africans, sustainably and ad infinitum.

PART 1

Exploring Government's Current Sources of Income:

In order to solve the issue of where the South African Government can find the missing billions that are required annually and urgently in order to provide and fund quality, fee-free, post-school higher education in South Africa for South Africans nationally, we first need to understand and explore some of government's sources of income, although not all of it, at least some of it, especially the three biggest contributors.

Personal Income Tax / Value Added Tax / Corporate Income Tax:

When looking at government's income statement of the last fiscal year, it is evident that the single, largest source of revenue came from Personal Income Tax (PIT) which was a whopping R392Billion. This constituted 37% of total income followed by the next biggest contributor of revenue which was Value Added Tax (VAT) and brought in a massive R278Billion and constituted 26%. This was followed by Corporate Income Tax (CIT) which brought in R189Billion and constituted 18% in total. Therefore, based on the information provided, we can clearly see where the bulk of government's income is coming from and yet there are calls in the public domain calling for an increase PIT, VAT and CIT. How ironic.

Official research indicates that 93% of the country's PIT comes from 22% of the income earning population. Therefore, calls to tax the 22% more, or to put it differently, tax those already contributing more, is perhaps not the right answer, because it means those paying are now even more taxed than before. It would appear as if it is a sin to work hard to earn more. This isn't fair on the 22% either: it is like killing the goose that lays the golden eggs.

By over-burdening the 22% any further such as increasing PIT may just push them over the edge and they could pack up and go and we could be sitting with neither. As the saying goes: "rather half a loaf than no loaf". It is therefore not fair to over-burden those who are already contributing significantly to the fiscus at the expense of those who don't.

Therefore, by increasing PIT to make up for any shortfall is perhaps not the way to go.

Yes, there are many inequalities in our country because of our past (due to Apartheid) as well as from the present (because of corruption in both public and private sectors) that are alive and kicking that needs to be addressed urgently and without any further delay. We need to find the proper platforms and the necessary mechanisms to do so, and when doing so, to do so in harmony, and with a win-win attitude in mind for the benefit of all.

Furthermore, looking at increasing the VAT rate, which currently sits at 14% is perhaps not the answer either. It may be possible in many other countries, but not in South Africa because of our socio-economic circumstances, such as an economy with low growth, rising youth unemployment and many more. Raising VAT is also a thorny issue, politically.

As mentioned earlier herein, the main purpose of this document is to provide government with a unique and innovative solutions where to find the missing billions that are required annually and urgently in order to meet its many socio-economic objectives without indulging in increasing Personal Income Tax and or Value Added Tax and or Corporate Tax.

Understanding what's Happening in the Economy:

Once again, in order to solve the burning issue of where government can find the missing billions immediately that are required annually and urgently so that it can provide and fund quality, fee-free, post-school, higher education for South Africans and more, we first and foremost need to understand and acknowledge that we have a skewed economy and that it had in fact been skewed for a very-very long time, and it benefitted certain people.

Because it was left unattended and not properly and timeously addressed, the issues we are faced with today, especially with students rising up right across the country that are now playing out, would not have been. Below are some of the concerns listed that could be at the root and are fueling the inequality subconsciously in our society relating the many burning issues requiring urgent resolution, although it may not appear to be so in reality.

Concern 1: PIT (Personal Income Tax)

Every day, millions of ordinary people across the country go to work regardless of whether they are educated (or not) or skilled (or not). They are workers and go to work daily. They contribute to the country's economy in whatever manner they can. When they get paid: be it at the end of the day **or** at the end of the week **or** at the end the month, and depending what their earnings are, their employers are compelled, by law, to deduct PAYE from their earnings, which are then paid over to the fiscus by their employers.

Just imagine what kind of life workers would have had if no PAYE were deducted from their earnings? Well, we cannot say what kind of life they would have had, but we certainly know that they definitely would have had much more cash left in their hand and therefore at their disposal thereby having a better life, if no PAYE was deducted from their earnings.

Imagine if no PAYE were deducted from all workers' earnings for a whole year, and all their savings for the year are added up and multiplied for ten years ahead? Well, it's an incomprehensible amount that the fiscus will lose out, if no PAYE was paid. But then, it doesn't work that way, because PAYE is the single largest source of tax revenue for the fiscus and government depends largely on it. Doing so will lead to chaos. It could lead to a bankrupt state. So why would government want to scrap PAYE when it receives the bulk of its income from this source? It is like throwing the baby out of the window together with the bathtub. The scenario illustrated above is used as a demonstration, because it is the basis and foundation to what is going to be revealed later in this document.

In light of the above:

Employers are the fiscus' agents when it comes to deducting of PAYE from employees' earning on behalf of the fiscus and are indirectly acting as the fiscus' "policemen" when doing so. The question therefore is: are all employers registered with the fiscus to deduct PAYE, and if so, how many employers do so honestly, truthfully and faithfully?

So what about employers that are not registered with the fiscus, but employ employees that earn taxable income? What about them? This means the income of such employees are not deducted with PAYE because their employers are not registered with the fiscus and yet such employers and employees enjoy the benefits of the country's infrastructure.

It is therefore evident from the above that the fiscus is definitely losing out tens of billions of rand in potential PAYE contributions annually because of this single "bleeding hole" that could have been "netted" and used to provide and fund quality, fee-free, post-school, higher education, including many other important needs. The solution presented later in this document is a vital business tool and it could help the fiscus in dealing with this issue.

Concern 2: CIT (Corporate Income Tax)

On the other hand, there are millions of all sorts of businesses operating throughout the entire country. And by all sorts of businesses, I don't mean only retail outlets. When I refer to "all sorts of businesses", I refer to the entire spectrum of businesses such as retailers, wholesalers, distributors, manufacturers, importers, exporters, engineers, accountants, doctors, lawyers, dentists, pharmacists, vehicle repairs, panelbeaters, dressmakers, petrol filling stations, therapists, restaurants, property owners, casinos, private hospitals, holiday resorts, car washers, industrialists and so forth. I therefore refer to the entire economy.

It is obvious that all businesses do earn income from their activities. There would be some that may not. The question therefore is: who act as the "policeman" over these business owners on behalf of the fiscus to oversee that business owners pay their proper taxes on the real and actual amounts that they have made and not on some "peppered" or fictitious financials, thereby deceiving the fiscus? It is believed, accountants and bookkeepers do.

Based on the above, business owners including corporates could, for example, be working together with their accountants and bookkeepers and their accountants and bookkeepers with them. Accountants and bookkeepers could, for example, have vested interest in their clients' businesses and vice versa. They could even be having shareholding in each other's businesses, and in doing so, manipulate the tax system for maximum personal and business benefit. Although this may not sound to be a strong hypothesis, it is not to be discounted.

It is not that business owners and or their accountants and or bookkeepers are not to be trusted. It is just that the damage, when discovered, is always after the fact. It is usually enormous and beyond repair. It leaves lots of casualties behind in its wake that needs to be dealt with afterwards while the millions are "gone with the wind" with little to no hope of recovery. There could be millions of business people including many other professionals such as doctors, lawyers, accountants, architects, etc that are manipulating the tax system in the quiet while the fiscus is always in catch-up mode after the damage is done.

In light of the above, it is assumed the fiscus is aware that there are lots of irregularities going on in the business world where business owners and many others are manipulating their numbers all the time: e.g. their business turnovers; the incomes they have made; their business expenses; the profits they and their businesses have made and more, which is to reduce their tax liability, and that the fiscus may not know how to put an end to it.

Furthermore, with the many laws passed to close loopholes, it may not be enough, or to put it differently, not much effective. What is required though is an alternative approach of addressing these issues head-on, which is part of the purpose of this document. It will provide government, and the fiscus in particular, with a unique and innovative solution of how to boost its tax revenue massively without increasing PIT and or VAT and or CIT.

Concern 3: Government Debt

Any government is almost identical to any natural person. It has needs and wants; dreams and objectives to realise, etc. It also has a need for money. And although it gets its money largely from taxes, many countries don't have much to collect of their own, especially developmental states, and that such states are compelled to borrow. South Africa is one country that borrows hence government's enormous debt. It is not always easy and cheap for any government of any country to borrow, because it can become exorbitantly expensive over the long term and is not healthy for a struggling economy either.

In his Medium Term Budget Policy Statement of 26 October 2016, the Minister of Finance, Pravin Gordhan, pointed out that government's debt is currently sitting at R2Trillion and that government paid R148Billion in interest alone on this debt in the last fiscal year which is about 13% of government's income. Paying R148Billion in interest in one year alone, to service such debt, is indeed an astronomical amount to blow just like that! Imagine all the good that could've been done with such amount of money? This document will therefore provide government with an insight how the national debt can be reduced significantly and, the interest saved, used to fund other equally important projects such as investing in basic education, health, growing the country's economy by helping SMMEs and more.

Exploring of Increasing Government's Income:

Based on the information provided hereinbefore and also later in this document, it will become clear why government doesn't have the kind of funds to provide and fund quality, fee-free, post-school, higher education and more, because of all the deceit and manipulation going on in the country and in the economy which is bleeding the fiscus dry.

By addressing these issues and more head-on, which could take some time though, the amounts of taxes collected and recovered, as a result of these efforts, could be significant. However, it may not be the kind of solution that will help government leapfrog its income, but it will definitely help government to bootstrap it, but not to leapfrog it.

Therefore, what is required to leapfrog government's income, is an intervention that can take government's current income to a totally new level within a relative short period of time so that government can provide and fund quality, fee-free, post-school, higher education in South Africa for South Africans, sustainably, ad infinitum and more.

This is what this document is all about. It is about providing government with a unique and innovative solution to leapfrog its current income to brand new heights never seen before and also never touched before either, and in so doing, resolving this national crisis of students rising up and demanding quality, fee-free, higher education and more.

Visiting the Pizza Parlour:

Every person has choices. And so too does every government and its people. One of which is to determine the size of its economy. This claim may not appear to be in alignment with current thinking, but the truth is, any government and its people can decide whether they want an economy that is big and bold (and vibrant and kicking) or one that lacks lustre.

It is like going to the pizza parlour. You can order any pizza in any size: i.e. small, medium, large or extra-large. You then have the opportunity to have it plain or margarita; single or double, or in any other configuration you desire. You can add any flavour to it and or load it with just about any filling of your choice. And you can have it cut in as many slices as you'd like. The same can be said of our economy. We can have it in any shape or size. We can even add a large variety of flavour to the current mix. The more, the merrier, etc.

Therefore, by looking at the South African economy as a pizza, we may find that we have a small-to-medium sized economy and, although "the number of slices" have remained fairly constant over the years (which are the different government departments) the size of the slices (budget allocations) have technically gone smaller in real terms over the years and that it in fact no longer satisfy government's hunger which are government's needs. Therefore, in order to meet government's needs, it means government will have to make a bigger pizza to get bigger slices so that it can deal with its issues appropriately and fully.

The above analogy of the pizza resembles government's income and expenditure. The overall size of the pizza represents government's total income, and the slices represent the different departments within government such as Health; Social Welfare; Energy; Basic Education; Higher Education, etc that are dependent on this income to do its work.

Making a Bigger Pizza:

It is therefore evident from what is happening in the country that government is in need of a bigger pizza which means a bigger and robust economy so that it can derive more taxes from it in order to do what needs to be done. However, since government finds itself in a tight spot, because of a lack of sufficient income, due to an economy that is sluggish with low growth; rising youth unemployment and many other social ills, its hands are tied.

The next big question therefore is: how can a government, such as ours, with the current "not-so-pleasant" economic circumstances countrywide, grow its income in order to meet the country's growing demands, without a need to increase any of its taxes?

Or to put it differently: how can a government, such as ours, collect more taxes at a time when all odds are stacked heavily against it, by not increasing PIT, VAT or CIT? This is the purpose of this document. It will provide government with a unique and innovative solution that would do the unexpected at a time when the country as well as the global economy is at its weakest, and the chances of raising taxes, not only sensitive, but also slim.

Going Back in History:

When going back in history, especially just before the 1994 general elections, we can only imagine what the size of the apartheid government's pizza must have been way back then. It surely was miniscule in comparison with the current government's pizza. And when we go back even further, we will come to know that it was even much smaller in the 70's.

Furthermore, it is exactly 40 years later since the Soweto uprising. This time government is dealing with a different reason why students are rising up. Students are rising up this time for quality, fee-free, post-school higher education, because the cost of post-school, higher education has spiraled out of control and has gone through the roof – hence the uprising.

PART 2

The Information Scandal:

Apart from the 1976 Soweto uprising, something else equally damning happened in the country during the 70's. I was very young at the time, and didn't understand much about life, let alone understanding anything about what's happening in the economy and politics.

However, those who were around, will remember that the apartheid government didn't only have deal with the student uprising of 1976, but also had to find favour with lots of foreign governments that were diametrically opposed to its racial discrimination policies.

The apartheid state was therefore determined and hell-bent to carry on with its agenda of racial segregation regardless of the flak they were receiving internationally and had to deal with it in a clandestine manner. This was the job of the now late Dr Eschel Rhoodie of the then Department of Information. It is believed his job was to influence and create spin to sell the apartheid ideology to the rest of the world. Long story short: the apartheid government was pumping millions of taxpayers' money into these clandestine operations around the world and discovered to its dismay that the fiscus was bleed dry. Bankruptcy of the fiscus was on the cards. Those who were around and understood it, will remember.

So what did the apartheid government do to save the country and fiscus at the time? They introduced General Sales Tax (GST) to refill the state's depleted coffers. It became effective as from 03 July 1978 and was subsequently changed over to Value Added Tax (VAT) which is still around till this day. It is government's second-biggest earner of taxes at present.

Below is a table outlining GST and VAT with the different dates and different rates.

It can be noted from the table provided that when GST was first introduced, it was introduced at 4%. The Effective Rate held firm and steady for almost the first four years and was in fact increased regularly and rammed up over a reasonable period of time before it was changed over to VAT.

VAT was introduced on 30 Sept 1991 and the Effective Rate of 10% was increased only once ever which was on 07 April 1993 to 14%. It held religiously to that rate ever since. Although pressure is mounting on government to increase the VAT rate, VAT is and has remained politically a very sensitive matter because it affects the poor in many ways while it is alleged not to affect the rich but benefits them instead and has therefore remained largely unchanged.

Cycle	Form	Effective Date	Effective Rate
1	GST	03/07/1978	4%
2	GST	01/03/1982	5%
3	GST	01/09/1982	6%
4	GST	01/02/1984	7%
5	GST	01/07/1984	10%
6	GST	25/03/1985	12%
7	GST	08/05/1989	13%
8	VAT	30/09/1991	10%
9	VAT	07/04/1993	14%

It is known that “this single biggest bold move of introducing General Sales Tax” was the reason that saved the face of the apartheid government at the time. A prominent remark made by Owen Horwood, Minister of Finance during the time, was when he said: “the Apartheid government realised afterwards how much and how easily General Sales Tax increased their tax revenue.” He further said: “given the reality of all the income received from GST, he saw no reason that it would ever need to be increased above 4%...”

It is therefore evident that VAT is and remains the second biggest earner of tax revenue for government and it provides a significant contribution to the state's coffers till this day.

So where did the apartheid government get the idea of General Sales Tax? Well, they copied it from other countries, and so they did with VAT as well. As a matter of interest: Australia's VAT system is based on the South African VAT system, because, according to the Australians, we have a robust VAT system, that's why they based theirs on ours.

Therefore, based on what is shared hereinabove, the South African government is finding itself at a crossroad, once again. This time the circumstances are different. In the past, the apartheid government was looking for funds to plug the hole that was left dry after funding covert operations from state funds to promote apartheid, whereas today's government is looking for funds to provide quality, fee-free, post-school, higher education.

I truly believe the President and the Ministers when they say government doesn't have the money to provide and fund quality, fee-free, post-school higher education, but then it doesn't mean it is the end of the road. Like the apartheid government did then, it looked to other countries regarding what taxes they have, which we didn't, and introduced it over here. The same applies to the current government: it is to look at other countries and see what taxes they have, that are working over there, and introduce it over here.

Well, it's easier said than done. The world has become a global village. What is in one country is very much likely to be found in another. Therefore, looking at what other taxes exist in other countries that doesn't exist over here, is futile, because all countries have more or less the same sort of taxes. What is required though is “out of the box thinking”. We as South African sometimes undermine our ability to come up with unique solutions to our problems and should rather look inwards for answers, instead of at other countries.

The main purposes of this document is to demonstrate and present to government where the missing billions can be found immediately that are required annually and urgently in order for government to provide and fund quality, fee-free, post-school higher education in South Africa for South Africans – sustainably, ad infinitum, and more. And it comes free!

I reliably trust the amount that can be collected sustainably from this brand new source of revenue that I have in mind, to be in the order of R20Billion to R25Billion per month, or to put it differently, R240Billion-R300Billion per annum. I am confident what I have in mind. This brand new source of revenue could surprise everyone including the Minister of Finance, Pravin Gordhan, and could be among the top three contributors of tax revenue. I believe it is a unique solution and doesn't exist elsewhere. It is one of the quickest and easiest methods for government to increase its revenue especially at a time when the economy is weak, and the prospect of increasing taxes, sensitive and slim.

PART 3

Introduction & Background to where the Billions are coming from:

The whole idea of providing quality, fee-free, post-school, higher education as demanded by protesting students, demands that government steps in and, among the first steps, is to do away with student loans and fund all higher education directly from state coffers, a gift to the youth, if you will, a gift for a better and brighter future for all. But in order to do so, government requires the necessary funding first, which it claims, it doesn't have.

The objective of this document is to provide government with a comprehensive business solution where to find the missing billions that are required annually and urgently to fund fee-free, higher education. The solution where to find the missing billions will be made possible by solving another problem. It is by "solving the other problem" that will lead to the path where the missing billions are going to come from to fund free higher education.

Solving One Problem, Solves Another:

As we know, any government requires funding for the development of a country and is therefore largely dependent on taxes collected to do its job. But if its tax system is being "played" (or manipulated, to put it differently), it means government cannot do its job to the best of what is expected, such as providing protesting students with fee-free, post-school, higher education and more, because it simply just doesn't have the funds to do so. Yet, South Africa is a very wealthy country with vast resources. But due to corruption and all the immoral and unethical business practices going on, both in government and in the private sector, government is losing massive amounts of money, big time, all the time.

There are many areas in the economy where government is losing tens of billions of rand in tax revenue annually. Tackling all of these issues at once, may not be a great idea. It would perhaps be better to do so by dealing with one issue at a time. Property rental is therefore one such area where government is losing tens of billions of rand monthly. There are massive irregularities going on in this sector. Although this isn't the only area where government is losing tens of billions of rand in tax revenue monthly, it is one that can be tackled easily, within a short period of time, with the least effort and maximum return.

Because the property rental sector is operated under "cloak 'n dagger", it is mind-boggling and beyond comprehension the amount of money changing hands in this sector every month. Therefore, by solving the issues relating to property rental sector, government will have access to a brand new source of revenue that it never had before. It will be like what GST did for the apartheid government. It is by solving one of the single biggest problems that will give government access to a brand new source of income where the billions of rand will come from, to provide quality, fee-free, post school, higher education and more.

Since the fall of apartheid, South Africa became a cosmopolitan. We have become a country with almost no borders. Our country's borders are wide and open. There's an influx of all sorts of foreigners coming into the country from all corners of the world like never before. As a result of this and many other factors, accommodation is in high demand and rental of property whether residential, commercial or industrial has gone through the roof. Property rental is therefore big business. This has become an industry on its own.

Landlords:

Although landlords play an important role in the economy as everyone else, no one is more or less important than the other. Everyone is equally important. However, as indicated hereinbefore, South Africa is a country of vast inequality, and by its very nature, this is not natural. This is unnatural. It is a sign of an ecosystem gone awry. The property rental market is no exception. It is part of a broken ecosystem. It is urgently in need of repairs.

The property rental sector is owned and operated by:

- (a) landlords that operate in the formal and informal sectors;
- (b) landlords that specialise only in residential property;
- (c) landlords that specialise only in commercial and industrial property;
- (d) landlords that specialise only in agricultural land;
- (e) landlords that specialise only in owning petrol service station sites;
- (f) landlords that specialise only in shopping malls and in shopping centres;
- (g) landlords that are known as property tycoons. These are property moguls that own massive property portfolios locally, nationally and internationally;
- (h) landlords that don't specialise in anything in particular but have mixed portfolios;
- (i) landlords that are independent operators. There are hundreds of thousands of them spread throughout the country owning from one to many properties; and
- (j) landlords that are foreigners that rent out their properties and taking the rental income offshore or keep it locally as spending money when visiting for holidays.

of the above, there are landlords that are:

- (i) moral and ethical | immoral and unethical; and
- (ii) there those that are registered with the tax authorities and those that are not;

As a matter of interest, the property tycoons and property moguls mentioned under (g) hereinabove are in fact property conglomerates that deal in all sorts of property in a very massive way and operate throughout the country and internationally. They have massive portfolios under their control throughout the country and internationally, ranging from vast residential complexes, to commercial and industrial hubs, to agricultural lands, etc. There are many of these conglomerates in the country. They collect billions of rand in rental income from their tenants every month, year-in and year-out.

On the other hand, there are hundreds of thousands of landlords in both the formal and in the informal sector throughout the country that operate independently. They normally have small to medium sized portfolios under their control and operate mainly locally, but some of them would own chunks of property in other regions or provinces as well.

Furthermore, some landlords are moral and ethical while others are immoral and unethical hence the need for the immoral and unethical to operate under “cloak ‘n dagger”. It will become evident from the information provided later in this document that the property rental sector is like a hornets’ nest. It is abuzz with all sorts of unpleasant issues.

Residential Rentals:

It will be an injustice of this document if it doesn’t mention the size of the residential property market in South Africa. The residential property market in South Africa is indeed massive by any standards and perhaps beyond comprehension of most.

The residential property market spans a wide cross-section ranging from single dwelling homes; to semi-detached homes; to single flat apartments; to multiple flat apartments; to gated communities, and so much more throughout the country, that it is beyond the scope of this document to delve into this area. All that can be mentioned for now though, is that the residential property market in South Africa is indeed very-very massive.

The percentage of the residential properties in South Africa, occupied by the home owners themselves, has not been explored, but is known the bulk of properties rented out, belong to individuals owning more than one property and to those individuals or companies that specialise in acquiring property for rental purposes including property conglomerates.

Because of the absence of an official national property rental income register, it is difficult for any person to say or quantify the exact number of properties being rented out and also the exact amount of residential rentals collected monthly by all landlords together from the millions of properties of theirs they own that are spread throughout the country. One can therefore only imagine the huge and massive stockpile of cash landlords collect monthly throughout the country from all their tenants collectively.

Furthermore, it is unknown how much of the residential rentals collected monthly are declared and taxed and how much of it are not declared and escape taxation – and even if it is known and declared, what would be the accuracy thereof? It is therefore evident that a national property rental register is urgently required to quantify and record the exact amount of residential properties there are throughout the country as well as the amount of rentals collected by all landlords together, i.e. monthly and annually.

Commercial & Industrial Rentals:

The landscape of commercial and industrial properties throughout the country is massive in its own right. This include free standing retail premises; retail premises in shopping centres; free standing factory units in industrial areas; those in gated industrial parks; private hospitals; all the office blocks; petrol filling stations, and so much more. This document will not do justice to mention the use of all commercial and industrial properties.

What this document will mention though, is the fact that the commercial and industrial property sectors throughout the country are equally massive as the residential property sector, maybe not by size perhaps, but definitely in value. Premium rentals are therefore being charged by landlords of such commercial and industrial premises, because of the very high demand that exist for such premises.

Because of the fact that demand for rental of commercial and that of industrial premises outstrips supply by far, landlords of commercial and industrial properties throughout the country are in the pound seats and are therefore coining it all the way since the current "in-thing" in South Africa, is that of owning a business, and more so, the location of such business, i.e. to be located in a prominent and or prime position, etc.

As mentioned hereinbefore: because of the absence of an official national property rental register, it is difficult for any person to say and quantify the exact number of commercial and industrial properties that are being rented out and also the exact amount of rental income collected every month by all landlords of such commercial and industrial properties from the millions of properties they own that are spread throughout the country. One can therefore only imagine the massive amounts and the huge stockpile of cash that landlords throughout the country collect every month from property rentals: year after year.

The Real Problem:

It is believed that landlords throughout the country are having a ball of a time collecting tens of billions of rand in rental income every month from the millions of properties they own that are spread throughout the country, whether it is residential, commercial or industrial property. It brings them hundreds of billions of rand in annually. Government may therefore not have any idea whatsoever of the massive amounts of rentals collected by all these landlords together, throughout the country, each and every month!

The amount of property rentals changing hands and circulating in property rental market in both the residential property market as well as in the commercial and industrial property market on a daily, weekly, monthly and annual basis are, in fact, unreal, beyond comprehension and therefore unquantifiable given the current situation which is because of the absence of a national property rental register to monitor the flow of all rental income in real-time between all tenants and all landlords throughout the county.

It is like a motorist going to a gas station to fill up his vehicle's tank and there are in fact no metering systems in place on the pumps. Every motorist that pulls up, fills his vehicle's tank to the brim, and because of no actual metering system in place to determine the exact value of the fuel that was pumped into the vehicle's tank, the driver of the vehicle simply pops "a bob or two" in the service station owner's hand, and off they go. The same is happening with government. Government doesn't really know the true amount what landlords collect. Landlords collect hundreds of billions of rand every year and just pop a few rand in the fiscus' hand to keep the fiscus happy, and off they go having a nice time.

Therefore, because of the absence of a national property rental register, all monthly rentals collected by all landlords, whether it is for residential, commercial or industrial premises, may not be accounted for as it should be, and massive amounts could therefore be disappearing through the cracks and holes of landlords' pockets without it being declared. It's like a snowball dissipating in hell. The massive amounts of rentals collected monthly by all landlords throughout the country together are also not declared on a monthly basis to the fiscus either. This is because there are no laws forcing them to do so. And if there were such laws, landlords would find ways of cooking their books.

The BIGGEST SHOCK of all:

The biggest shock of all is that **landlords generally don't pay any form of monthly tax** on their rental income to the fiscus at the end of every month when they receive their monthly rentals from their tenants every month, in comparison with those whose earnings are deducted with PAYE by their employers and paid over to the fiscus. None whatsoever. Ordinary peoples' earnings are taxed right there and then, at the time when they receive their pay, but not the billions of rental income that landlords receive monthly!

Why the injustice? Why is PAYE deducted from ordinary people's earnings that use their income to make a living while landlords, whose rental income amounts to billions of rand every month, are not taxed monthly? If we speak about redressing inequality of the past, why not start with this? **Start by taxing monthly rental income of landlords, monthly.**

Furthermore, while government borrows quite heavily from all over in order to build and provide the necessary infrastructure for the country's present and future development thereby carrying the risk of doing so solely, landlords on the other hand, enjoy all the benefits of such development, are cash-flush and coining it all the way to the bank without paying proper taxes, all of this while government paid R148Billion in interest alone in the last fiscal year to service such debt. This is indeed a travesty to socio-economic justice.

We can now understand why government says it doesn't have the kind of money to fund quality, fee-free, post-school, higher education, the NHI and more. This is because of what's happening in the country and in the economy. This is just the tip of the iceberg.

More will be revealed later in this document where and how the fiscus is losing out big time all the time on tax revenue annually and how the solution, proposed herein, will in fact enable government, and the fiscus in particular, to get in hundreds of billions of rand in tax revenue annually, that rightfully belongs to it.

The Problem with Commercial & Industrial Rentals:

Business rentals is another area of the many other areas that bleeds the fiscus dry because of how the tax system works, especially in relation to taxing of businesses, because the fiscus allows business owners and their accountants the right to treat rentals paid for business premises as a 'business expense' and therefore 'tax deductible', which is normal.

Although this "gesture" of allowing business owners and their accountants to treat rental expenses as tax deductible, it provides business owners the opportunity of providing their accountants with "peppered" rental invoices, i.e. fictitious, over-inflated rental invoices which reduces their tax liability. The fiscus will never know of this. It accepts all information presented to it as true and correct and will only come to know of it if there's a tax audit.

Although it is expected of auditors, accountants and bookkeepers to be ethical, and as mentioned earlier in the document, business owners and their accountants could be working together and it is the fiscus that ultimately gets deceived in the end. This goes on regardless of all the laws in place. It would therefore not be uncommon to find rental invoices of commercial, industrial and all sorts of other businesses to be "peppered".

This “gesture” in the tax system of allowing business owners and their accountants to do so is so wide open for abuse, it is being abused throughout the country. It is like having a big blank cheque from treasury which say “just fill in the figures of your choice” and voila, your tax liability is instantly reduced! Landlords and business owners can therefore technically choose, or to put it more appropriately, “engineer” how much tax they really want to pay the fiscus. Although this may not appear to be so, it happens. It is a reality.

Therefore, since business owners and their accountants are allowed to treat rentals paid as a business expense, which is “tax deductible”, it may not be known how extensive this “gesture” is being abused by such business owners throughout the country for claiming “peppered” (fictitious and over-inflated) rental deductions.

This is a common scheme and is perpetrated by business owners of all kinds and sizes of businesses throughout the country and, in doing so, they deceive the fiscus twice:

- (a) by drawing the extra, (fraudulent, over-inflated) rental amounts out of their business for fictitious rentals and pocket the extra part thereof for them self; and
- (b) in doing so, the fiscus receives less company tax, because their nett profit figures before tax would show a lesser profit, because of over-inflated, rental invoices.

Unfair Business Practices of Landlords:

The widely used practice of business owners throughout the country presenting the fiscus with “peppered” (fictitious, over-inflated) rental invoices, and more, is assumed to be so rampant and widespread, it’s running big time throughout the country, although it may not appear so. However, it is happening, because of landlords’ greed, among others.

It is alleged that landlords are the people whose greed are in fact one of the root causes for the continuous inflationary pressures on the prices of goods and services, and it is therefore having a massive “knock-on effect” on the price of everything else.

Take, for example, shopping center rentals: landlords are charging retailers (their tenants) exorbitant amounts for monthly rentals including all sorts of other charges such as rental on turnover. Although retailers agree to it, they do so reluctantly. They make up for this injustice and unfairness by loading the prices of their goods and services. It is ultimately the consumer who pays the price in the end and is therefore ripped off in the process – all because of landlords’ greed! It is also known that landlords are inconsiderate towards their tenants and have disregard for them. All they want is their monthly rental.

Another trait of landlords is that they compel their tenants to pay for services which are not their tenants’ responsibility, but theirs. This amounts to unfair business practices and yet landlords get away with it. This is because people are in need of their premises and are sort of held ransom by landlords. This attitude of landlords is not only experienced in the case of business properties, but also in the case of residential properties.

The above-mentioned unpleasant practices, and many others not mentioned herein, are perpetuated by landlords all the time till this day, since time immemorial, which needs to come to an end. Society cannot be held ransom by such people forever into eternity.

The Relationship between Landlords and the Fiscus:

It can only be imagined, based on the information presented hereinbefore, of the billions of rand landlords collect in rental income every month from all their tenants, and that we also now know that they don't pay a monthly tax on their rental income every month to the fiscus, when receiving it from their tenants, in comparison with millions of ordinary South Africans throughout the country, whose salaries are taxed when receiving it.

Furthermore, based on landlords' behavior as described hereinabove, if they cannot be kind and considerate towards their tenants, the very people who impart thousands of rand to them every month, do we think they have any sort of compassion and mercy for the fiscus, and more so, are they truly and honestly, truthful with the fiscus?

The fiscus will only come to know of such discrepancy in the event of a tax audit and in such cases, the fiscus is always in catch-up mode, long after the damage has been done while millions of landlords across the country get away with it all the time. It is the fiscus and the country's economy, in particular, that suffers the loss of hundreds of billions of rand in tax revenue, annually.

Furthermore, and equally important: the fiscus will also not know whether all the rental income declared by landlords which they have received from all the tenants every month for the year, is true and correct, and also whether landlords do so honestly and truthfully.

All of this is happening because of landlords' greed and also of the absence of an accurate system of "checks 'n balances" within the fiscus nationally such as a national property rental income register that can instantly detect, determine and verify whether all rental income declared to the fiscus by landlords and also whether the rental expenses claimed from the fiscus by businesses, are true and correct, and not fictitious and overstated.

The question therefore is:

Based on the way landlords treat their tenants, are they truly honest and truthful in their dealings with the fiscus: do they really declare all their rental income, and are they also truthful with the expenses that they claim, because they make others pay for their repairs?

As an example: an independent landlord is operating quietly in the dark and is collecting millions of rand in rental from all his tenants collectively every year. He doesn't declare his rental income – and in doing so, he pockets all of it without paying any taxes on it. However, assuming he pays tax only on a very-very small portion of all his rental income (and not on all his rental income received) he would therefore only be paying a very small amount in tax on the little he declared, thereby still deceiving the fiscus. How many hundreds of thousands of such landlords aren't out there throughout the country that deceive the fiscus daily, and by deceiving the fiscus, they are deceiving the country daily?

So do we still want to know why government says it doesn't have the money to fund free higher education? Well, the fiscus is and has been systematically looted over the years by those who knew how to do it and amassed great fortunes and built massive empires for them and their families that will last for generations to come while the country is bleeding.

Identifying Other Issues:

Another issue is the following: there must be thousands of independent business owners throughout the country having reasonable and decently-sized businesses and are doing very well for themselves. The premises where their businesses are located, are their own and potentially freehold. However, since they are landlord and tenant, nothing stops them from issuing fictitious, over-inflated rental invoices to their businesses which their business pays them (because they are the landlord) and yet they may not be registered with the fiscus as the landlord. Once again a gap through which the fiscus is cleverly being deceived.

A classic example would be: a family owns and operates a convenience shopping center in some local town. The father runs the filling station and convenience store; the mother, the butchery and deli; the son, the tyre and exhaust center; the sister, the beauty parlor; the aunt, the bakery and restaurant; an uncle, the supermarket and a cousin, the gym.

Assuming all these businesses are doing good turnovers and are legitimately registered, each business is entitled to claim rental expenses. Because of the "gesture" that exist in the tax system, these businesses could, for example, claim over-inflated rentals that are "paid to the landlord" knowing full well that they may have paid very little or no monthly rental to the landlord, because the landlord happens to be family, and in doing so, these business owners deceive the fiscus hands-down by claiming for deductions that were not.

On the other hand, the father running the filling station and convenience store could be claiming rental expenses of R300 000 or more per month for the filling station and the convenience store, which is about the going rate for good sites. He then pays this amount out of his business and over to the landlord who happens to be himself. Because he is not registered with the fiscus as the landlord, this money that he has withdrawn, and all other rental amounts received from all the other businesses, goes directly into his back pocket every month without it being taxed. In this way the fiscus is being deceived many times.

The same applies to many corporate entities: the properties and buildings where their businesses and offices are located may belong to the corporate itself, or to one or more of its directors, and it could potentially be freehold as well. Because businesses are allowed to treat rentals paid as a business expense and therefore tax deductible, these corporates could, for example, pay massive amounts out of their businesses over to the "landlord" who happens to be themselves, for rental. They get hold of this money from the "landlord" (who are it themselves) which was paid from the company in the name of monthly rental. Once again, this may sound far-fetched on the surface, but it does happen regularly.

This is what's happening in the business world, and is not only perpetrated by small, one-man businesses, but also by many corporate entities, who are not to be underestimated.

In addition to the above:

There are also hundreds of thousands business owners throughout the country having reasonable and decently-sized businesses, doing roaring trade, but purposely understate their business rentals to the fiscus which they pay to their landlords although they are paying much more to their landlords.

The purpose of doing so is to “play low”. By playing low, they project an image to the fiscus as being a “small business operation” thereby keeping the fiscus in the dark, whereas in reality they are making great turnovers and great profits. In such cases, the entire tax system is manipulated by such devious, individuals who are hell-bent on self-enrichment at the expense of others and at the expense of the country and the economy.

What is furthermore of note, is the fact that there are landlords throughout the country that are in cahoots with such business owners. These landlords collect massive amounts in monthly rental from these business owners and provide them with rental invoices of lesser amounts. This is for obvious reasons for both parties which is to deceive the fiscus. Both parties benefit from this dishonesty and it is the fiscus that takes the knock in the end. These are the kind agreements that exist between landlords and such business owners.

Take the many examples mentioned hereinbefore and multiply them with the millions of landlords, business owners (of all kinds and of all sizes) including doctors, accountants, dentists, lawyers, industrialists and millions of others, who manipulate the tax system all the time, the magnitude of manipulation and malpractices going on in the country is clearly evident, and is way beyond comprehension. Corruption in government is therefore nothing in comparison with the corruption that is taking place in the private sector!!!

Although the allegations and examples portrayed in this document are just for illustrative purposes, and not backed by any sort of empirical and or statistical data, it nevertheless is a true reflection of what's happening in the country and in the economy, and even if it were to be based on empirical and statistical data, who would disclose such information?

Therefore, based on the information presented herein, while government is paying billions of rand in interest every month, in order to service its debt, it is, in fact, the fiscus and the taxpayers in particular, that are technically paying for landlords and business peoples' empires or to put it differently, the empires of landlords and business people are paid for from state funds – especially those landlords and business people who deceive the fiscus knowingly. This is what's happening in the country, although it may not appear to be so.

In summary of the above regarding landlords:

- (1) It is evident from the above, of some of the unpleasant happenings taking place in the country and in the economy, of where and how the fiscus is being deceived and where and how it is losing hundreds of billions of rand in tax income every year.
- (2) Landlords throughout the country collect billions of rand in rental income every month from all their tenants collectively for property rental and yet they don't pay any tax monthly whatsoever on the rental income that they receive every month from their tenants, like ordinary salaried people do, whose earnings are deducted with PAYE when they get paid. Is this socioeconomic justice for all?
- (3) How would the fiscus know whether the total rental income declared by landlords annually in their annual returns, are true and correct, and not under-declared?
- (4) How would the fiscus know whether the expenses claimed by landlords for repairs and maintenance of their properties are true and correct and not over-inflated and or fictitious? Because, by understating their rental income and overstating their expenses, the fiscus gets less tax, because their gross profit before tax is now less.

- (5) Although many landlords may appear to be honest, decent and humble, which they may be, but are they really honest and truthful when declaring their rental income that they received from their tenants every month, and are they perhaps also not claiming excessive expenses that are fictitious and or over-inflated, etc to boost their business expenses? Such landlords are benefitting thrice when deceiving the fiscus, i.e.:
- (a) they do not declare all their rental income and pocket what they don't declare;
 - (b) they could be claiming expense for property maintenance and repairs that may not have taken place, or if so, provide over-inflated and or fictitious invoices and draw this money out of their businesses and pocket it for themselves; and
 - (c) because their gross profit before tax is now less, they therefore pay less tax. Or to put it differently, the fiscus therefore receives less tax from such landlords.

In summary of the above regarding business owners:

- (1) Not all business owners will forever slog very hard for very long to make up for the exorbitant monthly rentals of landlords first and then to work like crazy thereafter to make a decent profit for themselves for all their effort and hard work. Yes, there are those that would do so, and then there are those that wouldn't.
- (2) Because landlords are regarded to be largely unreasonable and unrealistic with their exorbitant monthly rentals, it is believed that business owners throughout the country are therefore compelled to create fictitious, over-inflated rental invoices in order to extract the extra money from their businesses in order to make up and compensate them for all their effort and hard work.
- (3) And because of all of this that's happening in the country, business owners therefore pay less tax because their business' gross profit before tax is less. Someone is therefore crooked in the process. Someone is paying the price. The fiscus is the one that is being crooked and the fiscus is the one that's paying the price, because of unreasonable and unrealistic landlords with their crazy rentals.
- (4) The fiscus therefore becomes the scapegoat. It takes the knocks caused by landlords. Multiply this with the millions of business owners that do so and it will become clear what we are dealing with here. So do we still want to know why government says it doesn't have the money to provide and fund fee-free, post-school, higher education?

Well, as you have come to know now that the fiscus is and has been looted systematically over the years by those who knew how to do it and amassed great fortunes and built massive empires for them, their children and their families. Some of these landlords and business people have empires and fortunes so massive, it will last for tens of generations to come of theirs, yet while all of this is going on, the country, the fiscus, and the economy in particular, are bleeding non-stop, and are crying out for help!

Therefore, because of the absence of an effective and comprehensive national property rental income register to record **all** property rentals nationally, the entire property rental sector and business sector is abuzz with creative tax manipulation and malpractices.

It is therefore evident, from all the information presented hereinbefore and more, that property rentals, and rental income in particular, may appear to be a minefield, which it is, to some extent. This is on the one side, but in reality, on the other side, if we care to look at it differently, if we care to look at it opportunistically, it is in fact an undiscovered goldmine. It is indeed a blessing in disguise, but we may not have seen it as such. We need to look at it as such, and when we look at it as such, we'll see the opportunity.

Furthermore, in addition to the above, it is also important to note that although property prices have gone through the roof in real terms, where demand is constantly outstripping supply, the new and real kid on the block to watch for, is property rentals, and not only the price of property per se.

The New Gold of the Future:

PROPERTY RENTAL IS THE NEW GOLD OF THE FUTURE!

PART 4

PROPERTY RENTAL IS THE NEW GOLD OF THE FUTURE AND IS NOT TAXED PROPERLY!

Taxing the New Gold of the Future:

Taxing of property rental income monthly is something landlords got away with for ages.

What the reason is, why this is so, is not known. However, the landscape can now change, now that we are aware of it. The necessary changes can now be brought about speedily. Taxing property rental income monthly, can now become a reality when all landlords throughout the country receive their monthly rentals from their tenants, just like ordinary people, whose salaries are deducted with PAYE, at the time when receiving it.

Since property rental income is not taxed monthly as it is ought to be, and in all fairness to all others that pay tax on their earning when they receive it, taxing of property rental income, monthly, as suggested and proposed herein, is therefore government's trump card to get the country out of the economic downward spiral that we find ourselves in and steer the country and the economy out of it and onto a path of growth and prosperity.

Furthermore, the world recently witnessed what happened in India, where the Indian government decided to discontinue the use of Rs500 and Rs1000 (Indian Rupee) notes and called on all Indians and others holding such notes, to surrender it in exchange for lesser, more common denominations, before calling it a day. The government was shocked at the results that followed subsequently. People were flooding banks and all other places throughout India that were authorised to exchange their "hidden stash".

In just one day alone, banks throughout India were presented with the equivalent of US\$45Billion worth of Indian Rupees for exchange, when government decided to pull the plug. The government of India realised, if it had to honour the exchange of all such notes that were going to be cancelled, just like that, it could lead to bankrupting its coffers. This is clearly an indication of when people start removing currency from circulation and start hoarding it, including not paying taxes, what it does to a country and its economy.

Although the same cannot actually be said about the situation in South Africa, because our economic and other circumstances are very much different to that of India. But what can be said though, is taxing of property rentals, monthly, as proposed herein, would be the equivalent of what GST did for the apartheid government, when its coffers were in fact depleted. This is where the South African government will find the missing billions and more that are required, annually and urgently, in order to provide and fund quality, fee-free, post-school, higher education in South African for all qualifying and deserving South Africans – sustainably and ad infinitum, which is the objective of this Submission.

The question therefore is: who is going to collect the massive amounts of monthly taxes proposed on monthly property rentals when landlords throughout the country will start paying such taxes monthly, on all the rental income that they would receive, from each and every tenant of theirs, each and every month, year-in and year-out? Therefore, before answering the question, it may be helpful to revisit how PAYE is currently dealt with.

It was mentioned at the beginning of the document, employers act as the fiscus' agents as well as the fiscus' "policemen" when it comes to collecting and deducting PAYE from employees' salaries and pay it over to the fiscus. What came to our attention though, in this regard, are, in fact, the following:

- (a) There are employers that are registered with the fiscus, and are therefore fully compliant with all what they are supposed to do, such as, deducting PAYE and all other statutory deductions from employees' salaries and pay it over to the fiscus.
- (b) Then there are those employers that, although they are registered with the fiscus, to do what needs to be done, but selectively deduct PAYE and all other dues from some and not from all other employees' salaries, although some of their employees would be earning incomes that are way beyond the minimal tax threshold. Multiply this regular occurrence with the millions of employers and employees throughout the country doing this, and we can understand the magnitude of what's happening.
- (c) Then there are also those employers that are not registered with the fiscus at all, yet they employ employees that earn salaries that are below as well as way above the minimal tax threshold, and yet none of the salaries of their employees are being deducted with PAYE or any of the other deductions as it should be. Multiply this occurrence also with the millions of employers and employees throughout the country doing this and we can understand the magnitude of what's happening.

Therefore, with millions of employees earning incomes way above the minimal threshold, and employers not playing their part, and with such employees not contributing to the fiscus, yet all such employers and employees enjoy all the benefits of the infrastructure and the host of all other services provided by government, which are and were made possible by other taxpayers' contribution, is this socioeconomic justice at its best?

Therefore, in summary of the above, although all employers are supposed to be registered with the fiscus, to do what needs to be done, the effect all of these malpractices are having on the economy, and more so, on the income of the fiscus, is clearly evident.

Therefore, the question is: who is going to do what needs to be done when landlords are going to start paying a monthly tax on all their monthly rental income as suggested and proposed herein? Who is going to take charge of it? What amount of corruption, if any, are going to take place, because the amounts to be collected are going to be way bigger?

How much of the tax collected from property rentals would reach the fiscus each and every month, and how much would not, because we are not speaking here about millions of Rand per month. We are speaking here of billions of Rand per month.

I Suraj Latief, being a broad-spectrum, multi-disciplinary inventor and innovator, thought this through very well, and I hereby humbly announce that I have come up with a unique and innovative solution to the impasse. I have come up with a solution, which I call the **National Property Rental Income Register (NPRIR)** together with a unique process which will be more fully explained in the following chapter of this document that would ensure that all taxes collected monthly, from all monthly property rentals, would indeed be accounted for one hundred percent, and that all of it will reach the fiscus as intended. This is because of a system and a process that is involved, with minimal human intervention.

The Advantage of Immovable Property:

It is assumed that, with the fall of apartheid and the advent of democracy, everyone is very much aware of what happened to the value of properties over the past twenty years or so. The price of property has gone through the roof over the years, although this didn't happen overnight, just like that, with one big jump, but with many, small baby steps, that were gradually phased in over time, till where it is today, without almost anyone ever having realising it, except for those in the doing.

Today, the price of property is generally beyond the reach of most common people, and so too, is it gradually becoming with property rentals. Whatever the reason is, why the price of property and monthly rentals have shot through the roof, is another discussion.

The fact remains, a new, irreversible standard has been set, which most would struggle to catch up with. Most of the new generation can already not afford to pay the exorbitant monthly rentals landlords charge, let alone the idea of them acquiring their own homes.

This new trend of rising property and rental costs have therefore resulted in a windfall for landlords, especially those landlords that have more than one property, and more so, for landlords that have massive portfolios under their belt, especially those of them that acquired their properties in the heydays when the price of property was dirt cheap.

Property owners, and landlords in particular, therefore find themselves in the pound seats.

In addition to the above, landlords collect massive amounts of monthly rentals, month-in and month-out, year-in and year-out, without paying any taxes monthly on the monthly rental income they receive every month, when receiving such rental from their tenants.

It is evident that landlords are fully enjoying the benefits of having an income that's not being taxed like all other peoples' salaries that are being taxed when they "earn it" and more so, while all of this is happening, the values of their properties keep skyrocketing all the time. Some of their properties could even be freehold, with no mortgage bonds on it.

Furthermore, when it comes to property rentals, whether residential or commercial, and more so in the case of commercial rentals, landlords generally don't have any leniency towards their tenants. They have the notion there are others already queuing for their properties, and because of such high demand, they have a dictatorial attitude towards their tenants, when their tenants experience hardship, challenges, etc and needs help.

And more so, in the case of commercial tenants, when business is down or the economy hits a dip or goes into recession, landlords generally don't care much (not all though) nor do they drop their rentals to accommodate their tenants during such times. They are determined and hell bent regarding payment of their monthly rentals.

It is generally (small) business owners that take the knocks and do the necessary sacrifices to keep their boats afloat, until such time, they can no longer do so anymore, and it is usually the (unskilled) lowly paid workers, whose families are dependent on their income, that are among the first casualties to go, when severe austerity measures are introduced.

It is therefore evident that landlords have benefitted extensively from all this skewedness that exist in the property rental sector for so many-many years during which they have accumulated massive wealth, built massive fortunes and empires, and they did so without paying any taxes monthly on their monthly rental income they received from all their tenants throughout the country, while government had to borrow extensively at enormous cost to taxpayers, to keep the country's lights on.

In light of the above: it is therefore only fair that an additional tax be imposed on all rental income landlords receive from all their tenants each and every month. This would be over and above the proposed monthly tax they will have to pay each and every month, as proposed herein, which is a pro-rata tax on their annual rental income paid monthly, like all other people, whose incomes (salaries) are taxed at the time when they receive it.

The additional tax to be imposed will be a tax towards Higher Education and Training.

Time has come for landlords to give back to society, so that others too can move forward.

The following are therefore proposed:

1. An Education Tax on All Residential Property Rentals for Higher Education:

It is proposed that a Higher Education Tax (HET) of 3% be imposed on the basic core rental income on all residential property rentals collected by landlords each and every month, from each and every tenant of theirs.

2. An Education Tax on All Commercial Property Rentals for Higher Education:

It is proposed that a Higher Education Tax (HET) of 6% be imposed on the basic core rental income on all commercial property rentals collected by landlords each and every month, from each and every tenant of theirs.

The proposed Higher Education Tax is payable by all landlords on all their rental income they receive each and every month, from each and every tenant of theirs, and that this tax cannot be charged back to any tenant. This too, is to be a law, because landlords have such tendency, especially in the case of commercial tenants, who would then factor such additional costs into their product and services, thereby passing such costs indirectly onto the consumer, who are already hard-pressed. Landlords are not to get away with this.

The suggestions proposed hereinbefore, will not only solve the existing problems, but will also result in the expansion of government's existing pizza. Government will therefore now have a much bigger pizza, because of the new sources of tax income. And since this is going to come from two separate sources, it is suggested that 'two more slices' be added to governments existing pizza, which will make it one big pizza – and each added slice, will reflect the new income each proposed new source is contributing to the enlarged pizza.

The entire process will be more fully explained in the following chapter as well as in the chapters that follow thereafter. It will become much clearer afterwards. It is anticipated that it would appear to be complicated initially. Like anything else that's new in life, which this is, but once fully understood, even a little initially, the rest will follow automatically.

Sectional Summary of Part 1

In the Introduction of this document, it was stated that the purpose of this document is to provide and present the South African government with a unique and innovative solution where to find the missing billions that are required annually and urgently in order to provide and fund, quality, fee-free, post-school, higher education in South Africa for all qualifying and deserving South African students, sustainably, ad infinitum.

In Part 1 we briefly discussed government's various sources of income, especially that of Personal Income Tax (PIT), Value Added Tax (VAT) and Corporate Income Tax (CIT) and the respective amounts government collected in the last fiscal year from each source.

We also pointed out in Part 1, how employers act as agents and policemen of the fiscus, deducting PAYE from employees' earnings on behalf of the fiscus and paying it over to the fiscus; and that there must be tens of thousands of employers of all sizes throughout the country that are not registered with the fiscus, yet employ employees that earn taxable income and that such employees' earnings are therefore not deducted with the statutory PAYE taxes, because their employers are not registered with the fiscus.

On the other hand, there are also employers, although they are registered with the fiscus to deduct PAYE, they selectively choose not to deduct PAYE from their "big-earning" employees for obvious reasons and pay such employees in hard cash, without declaring such payment in their wage books thereby showing a lower wage bill. Both employers and employees are happy with these kind of arrangement with total disregard to the fiscus.

Therefore, although such employers and employees don't contribute to the fiscus, they nevertheless enjoy and benefit hugely and unfairly from the country's infrastructure and the host of other public services provided by government without any contribution. It can therefore be imagined that this is just one of the many areas where the fiscus is losing billions of rand in tax revenue annually, big time, all the time.

We also compared government's income in Part 1 to that of a pizza and pointed out that in order for government to earn more income, it would have to make a bigger pizza, which means growing a bigger economy in order to get more taxes in, so that everyone's needs could be satisfied, because of bigger slices.

Furthermore, also mentioned earlier in the document, how can a government, such as ours, that finds itself in "a-not-so-pleasant" economic situation currently, i.e. an economy with low growth; rising youth unemployment; homelessness; and many other social challenges, get in more taxes without increasing any of its existing taxes, at a time when the chances of doing so, are sensitive, and slim?

The above question therefore necessitated an approach of "out of box thinking" about what can in fact be done extraordinarily to boost government's income without increasing any of the existing taxes, but to look for where the single biggest loophole is in the existing tax system that's been abused, that needs to be plugged – hence the opportunity of producing this document.

Sectional Summary of Part 2:

In Part 2 we briefly touched on and discussed why the apartheid government introduced General Sales Tax (GST) in 1978, and how this tax re-filled the apartheid government's depleted coffers, at a time when the state's coffers were almost dry, because of funding clandestine operations overseas. GST was later switched over to Value Added Tax (VAT).

The South African government is, once again, finding itself at a major crossroad. But this time the situation is very much different. This time, students at all institutions of higher learning throughout the country are rising up and are demanding quality, fee-free, post-school, higher education, and government says it doesn't have the money to do so.

The proposal of a workable solution to address this problem is contained in this document and is hereby presented to government where the missing billions can in fact be found, that are required annually and urgently, in order to provide and fund quality, fee-free, post school, higher education in South Africa for South Africans, sustainably, ad infinitum.

Sectional Summary of Part 3:

In Part 3 we indicated there are many sectors in the country and in the economy where government is losing hundreds of billions of rand in tax revenue annually and identified more than three such areas where the missing billions can come from annually.

Due to the nature and magnitude of the challenge at hand that needs to be solved very urgently, it was decided to reel in "one big fish" from where to get the missing billions in one go, that are required urgently, instead of focusing on many small isolated pockets of opportunity that could be labour intensive, not practical, nor rewarding in the short term.

Property rental income was therefore identified and fingered as the target, because this is a sector in the country, and in the economy, that is riddled with so many irregularities.

This is beyond comprehension. Yet, this is a sector where landlords throughout the country collect tens of billions of rand in rental income from all their tenants every month that occupy their properties, yet none of the rental income they receive each and every month are being taxed as it ought to be, like employees' earnings that are taxed with PAYE at the time when they receive their earnings. This is where government will find the missing billions and more that are required annually, urgently and sustainably.

In addition to the above:

Part 3 not only identified all the mischief going on in the property rental sector but also provides some insight regarding what is happening in the business sector as well as all the unfair business practices being perpetuated by unscrupulous landlords as well as the creation and provision of fictitious, over-inflated rental invoices by a host of unscrupulous professional people, as well as unscrupulous business people and or their accountants and more, and how the fiscus, and therefore the country, and the economy, are being deceived hands down in the dark: silently, yet deadly.

Sectional Summary of Part 4:

In **Part 4** we brought to mind the need to tax property rental income monthly, because it is something that escaped the attention of authorities. Although it isn't the objective of this document to finger at any individual or any organization personally by name, in this regard, it nevertheless remains something of concern, since it is happening and needs to be addressed, which is, rather sooner than later, because of socioeconomic justice.

Since this document identified property rentals as the new gold of the future, it is, in fact, from this sector where government will find the missing billions that are required annually, urgently and sustainably. It is not intended to be a brand new tax though that will be introduced, but a new and innovative method of dealing with the matter in a just and fair way. It will ensure socioeconomic justice to all, and not to the benefit of a selected few.

Government will therefore have the following two new sources of tax:

SLICE 1: Government will now get monthly tax income from all landlords throughout the country based on all the monthly property rentals that they collect from each and every tenant of theirs, each and every month. This is not a new tax though, but a pro-rata payment towards their annual tax liability, paid monthly to the fiscus. Although companies are taxed at 27%, it is suggested that the proposed property rental tax be set at 20% per month.

SLICE 2: **This is a new tax, known as the Higher Education Tax and will come from:**

- (a) a **3% tax** will be collected monthly from all landlords based on the rental income they collect every month from every **residential** tenant of theirs.
- (b) a **6% tax** will be collected monthly from all landlords based on the rental income they collect every month from every **commercial** tenant of theirs.

By creating two new slices and inserting it snugly into government's existing pizza, instead of mixing it up with the content of the other slices, will result in government having a much bigger pizza, and it will know exactly what amounts it is collecting from where, and where exactly it is coming from. So, should there be a need in future to get in more taxes, government would know which buttons to push and which not to push.

The solution proposed herein, i.e. the National Property Rental Income Register (NPRIR) is in essence is a dedicated, secured and specialised database, incorporating a billing system and is accessible by all landlords online. It is intended to be a fully automated rental certification and invoicing process, authenticating rental certificates and invoices between landlords and tenants, especially those tenants that rent business premises from landlords and claim such rentals paid to landlords as a business expense from the fiscus.

More of the solution will be described in the next sections of this document. The many benefits of the proposed solution will result in government, and the fiscus in particular, receiving a massive in flow of tax revenue every month, a tax windfall (if you will), month after month, which it may never have had experienced before. The objective of the range of solutions proposed herein, as contained in this document, is intended for a noble cause, especially for the socioeconomic upliftment of those most in need.

PART 5

The Ultimate & Comprehensive Solution:

Based on all the information provided hereinbefore and what follows hereinafter, ranging from all the manipulation and malpractices going on in the property rental sector and in the business world, to the recent student uprising throughout the country, it is the objective of Just Innovation Consulting to provide government with a unique, innovative, effective and comprehensive business service, i.e. a **National Property Rental Income Register** that will result in government getting in an additional and brand new source of tax income from which it can fund quality, fee-free, post-school, higher education and more.

NPRIR: The National Property Rental Income Register

- (1) The proposed NPRIR is a secured national database that is accessible online where all landlords throughout the country will be compelled to be registered by law.
- (2) All landlords will be compelled to complete a Landlord Profile on the database.
- (3) All landlords will be compelled to register each and every property of theirs on the database from which they receive monthly rental income.
- (4) All landlords will be compelled to register each and every tenant of theirs on the database that occupies each and every property of theirs.
- (5) All landlords will be compelled to complete a standard Tenant Profile appearing on the database, for each and every tenant of theirs, that occupies each and every property of theirs, together with the exact basic monthly rental amount each and every tenant pays per month, excluding all other charges, also excluding VAT – i.e. indicating only the “core” rental amount paid by the tenant to the landlord monthly.
- (6) All property rental amounts that landlords throughout the country receive from each and every tenant of theirs, each and every month, will now (for the first time ever) be recorded and reflected on a secured national database, which is accessible by the fiscus. This is because of the NPRIR and the PRAHET Certificate and Invoice system.

PRAHET: Property Rental And Higher Education Tax.

- (7) Access to the database is secured and can therefore only be gained via a username and password, created by landlords and their authorised agents.
- (8) All landlords will instruct the database (via its Landlord Profile) the day of the month the database is to generate and issue it with its PRAHET Certificates and Invoices.
- (9) The PRAHET Certificate will be like a vehicle registration certificate. It will contain all the necessary details of the landlord; of the property being rented out; about the tenant itself, and also the “core rental amount” payable monthly to the landlord.
- (10) For more information on the NPRIR database and the PRAHET Certificates and Invoices system, please refer to Annexure A, towards the end of this document.

The PRAHET Certificate & Invoice Process and How It Works?

- (1) Each and every month, when a landlord issues a tenant with a rental invoice for the next month's rental, it will also provide such tenant with a copy of a fresh and valid PRAHET Certificate – meaning the rental charged by a landlord, each and every month, for each and every tenant, is automatically recorded on the NPRIR database and printed clearly and boldly on the PRAHET Certificate.
- (2) A week prior to a landlord issuing a tenant with a rental invoice, the database will automatically generate and issue the landlord with a fresh and valid PRAHET Certificate for the next month's rental and email a copy thereof to the landlord.
- (3) Upon receipt thereof, the landlord will print the PRAHET Certificate and attach a copy thereof to the tenant's rental invoice and submit it together to the tenant, via email or post, for payment.
- (4) Each and every tenant will therefore receive their normal rental invoice together with a fresh and valid PRAHET Certificate from the landlord, each and every month for the next month's rental. The landlord (or his appointed agents) will repeat this process each and every month, for each and every tenant of his.
- (5) A law is to be passed that will make it illegal for any tenant to pay any landlord his monthly rental unless such landlord provides its tenants with fresh and valid PRAHET Certificates, issued for the month of rental asked, attached to such rental invoices.
- (6) No fresh and valid PRAHET Certificate attached to the rental invoice means no rental payment for the landlord for that month, until he does so. It is as simple as that.
- (7) The PRAHET Certificate serves as a confirmation to a tenant and others subconsciously that the monthly rental collected by a landlord for property rental doesn't go directly into the landlord's back pocket, but is fully declared to the fiscus via the NPRIR database for tax purposes and that the landlord pays a monthly tax to the fiscus on all such property rentals, like all ordinary working people would pay, when receiving their salaries from their employers that are deducted with PAYE.

Therefore:

- (1) Because of the NPRIR and the PRAHET Certificate and Invoice system, all landlords throughout the country will now pay a monthly tax to the fiscus on all monthly rental income they receive, each and every month, from each and every tenant of theirs. It could be a fixed percentage, and the rate thereof determined by the fiscus.
- (2) As indicated earlier, this is not a new tax, but a pro-rata monthly payment towards the landlord's annual tax liability, paid monthly to the fiscus, like all other ordinary people whose salaries are taxed with PAYE, when they receive their salaries.
- (3) In addition to the pro-rata Property Rental Tax reflected on the PRAHET Certificate, which is a tax on the rental income received, the PRAHET Certificate will also indicate a Higher Education Tax all landlords are required to pay towards higher education.

- (4) These two amounts would appear as two separate items on the PRAHET Certificate as well as the combined sum total thereof, and would exclude all other charges such as Water, Electricity, Insurance, and all other taxes such Rates and Taxes and VAT.
- (5) At the time of generating and issuing the landlord with a PRAHET Certificate for the tenant, the database will at the same time also generate and issue the landlord with a PRAHET Invoice, indicating the respective taxes separately on the PRAHET Invoice, and also the sum total thereof, which the landlord has to pay over to the fiscus.
- (6) Landlords will pay their PRAHET amounts over to the database as per their PRAHET Invoices, on all their monthly rentals that they receive each and every month, from each and every tenant of theirs, and to do so by no later than the 7th day of each and every month, before the next PRAHET Certificate and Invoice can be issued.
- (7) The database will receive all such payments each and every month, directly from each and every landlord, for each and every tenant of theirs and will update the landlord's PRAHET account on the database with all such payments received.
- (8) The database will subsequently inform the fiscus of all such payments received and provide the fiscus with the necessary details thereof, via email, also attaching any copies of any proof of payment thereto, for the fiscus' record.
- (9) When the fiscus' computer system receives payment details from the database, it will auto-populate the details received against the landlord's tax account as well as against the lessee's tax account, especially in the case where the lessee is a business owner, leasing premises from a landlord for business purposes, and will claim such rental amounts paid to the landlord as a "tax deductible" business expenses.
- (10) Each and every PRAHET Certificate will have a unique serial number, sequentially threading the PRAHET Certificates of each landlord, monthly and annually. It will also be printed in machine-readable format such as in barcode form or in QR-code form. This is to eliminate any form of fraud or duplication of any PRAHET Certificates.

Furthermore:

- (1) With the PRAHET Certificate and Invoice system in place and active, no landlord will be able to collect any monthly rentals from any of its tenants, unless it provides such tenants with fresh and valid PRAHET Certificates for each and every month's rental.
- (2) No PRAHET Certificate will be issued in time to any landlord, unless such landlord makes timeous payment of its PRAHET amounts to the database. This means that no tenant is liable or can be compelled by law to pay any landlord his "next" monthly rental, unless such tenant is presented with a fresh and valid PRAHET Certificate.
- (3) It is not uncommon for landlords to pass all such fees and all other charges related to their property, which are their personal liability and responsibility to settle, over to their tenants, and make their tenants pay for it. Although this forms part of the agreement between them, it nevertheless still amounts to unfair business practice of making and holding others "legally-liable" to pay another's liability.

- (4) Landlords are to be held solely responsible for paying PRAHET and not their tenants.
- (5) Therefore, the necessary laws should be passed, that no landlord shall be allowed to pass; or allowed to charge; or allowed to recover; or allowed to make any of his tenants pay his PRAHET Invoice amounts; nor can any landlord hold any tenant liable and or extort any such PRAHET amounts from any tenant. This should be a law.
- (6) It should be illegal for any landlord and tenant found doing so, because the PRAHET amounts that landlords are compelled to pay, is a tax directly related to a landlord's property rental income, and has absolutely nothing to do with a tenant.
- (7) No tenant should therefore entertain any landlord by accepting to take over and or pay any landlord any or all of the PRAHET amounts due and or outstanding.
- (8) As a matter of interest: the one area of concern that comes to mind, that needs to be addressed, in the event the NPRIR and the PRAHET systems come in to operation, are the laws concerning 'security of tenure', that may need to be amended, because it is believed to be widely abused, mostly by those for whom it was not intended.

Financial Year-end Reports:

At the financial year-end:

- (1) On a date determined by the fiscus and the database administrator, the database will automatically generate an 'Annual Rental Summary Certificate' (ARS Certificate) for all rental received during a full fiscal year from each and every tenant of the landlord and will forward a copy thereof to the landlord as well as to the fiscus.
- (2) The landlord will forward a copy of the ARS Certificate to each of his respective tenants, for their and their accountants' records, and for their accountants to use when preparing their clients' annual financials, especially business owners who will be claiming monthly rentals paid, as a business expenses.
- (3) The database could also generate a "Comprehensive Annual Report" (CA Report) for each and every landlord, indicating in detail (and in table form) all the rentals received from each and every tenant of theirs during a fiscal year.
- (4) A copy of the CA Report will be emailed to each landlord as well as to the fiscus. The landlord will forward a copy of the CA Report to his accountants for their use when preparing their client's annual financial returns.
- (5) The database could also provide the fiscus with a detailed list (a sort of matrix) listing all the landlords registered on the database, together with their tax reference numbers and the amount of rental each and every landlord received in total from each individual tenant for that financial year per property as well the gross rental each and every landlord received in total from all his properties together.
- (6) This process will therefore provide the fiscus with massive and genuine hardcore rental data regarding the rental each and every landlord received from each and every tenant of theirs for the fiscal year. The system will also provide the total sum of rental every landlord received from all his tenants together for the full fiscal year.

The Benefits of Such a System:

- (1) With the NPRIR database and the PRAHET Certificate and Invoice system in place, the fiscus would no longer be deceived by unscrupulous landlords, understating and or not fully declaring all their property rental income received each and every month from all its tenants. This means the fiscus will have a clear insight into each and every landlord's exact property rental income, collected monthly.
- (2) This means, because of the NPRIR database and the PRAHET Certificate and Invoice system, the abuse and manipulation of over-inflating and or creating fictitious, over-inflated rental invoices, to reduce tax liability by those business owners and others including their accountants, who claim monthly rentals as a business expense, will be no more. The fiscus will have the true info on file and electronic format as well.
- (3) This is therefore a brand new source of tax income the fiscus never had before. The volume of additional tax revenue collected by the fiscus, whether over a month or a year, will speak volumes for itself and the fiscus can therefore technically determine and calculate the extra revenue received because of the NPRIR and PRAHET system.
- (4) Tenants receiving their monthly rental invoices directly from their landlords every month, together with fresh and valid PRAHET Certificates, will know subconsciously that their landlords are ethical and moral and are registered on the NPRIR database and therefore contributing to the fiscus and is not a hell-bent, unscrupulous person.
- (5) Also, no court in the country will consider any matter in front of it between a landlord and a tenant regarding any dispute for evictions or where non-payment of rentals is concerned, unless a landlord is registered on the database. This is because landlords have had unfair advantage over their tenants till now by using (abusing) state resources, such as the criminal justice system, to uphold and secure their property rights without the courts knowing whether a landlord is indeed tax compliant or not.
- (6) It will therefore be a law that landlords that are not registered on the database will not be able to bring any legal action against any non-compliant, non-paying tenant. This will ensure that landlords register on the database and pay their dues.
- (7) Landlords registered on the database approaching any court about property matters relating to non-payment of rental and or eviction orders, will provide such court with copies of all such unpaid PRAHET Certificates and Invoices. The PRAHET Certificate and Invoice system will therefore ensure that no landlord will use any of the state's resources, unless being a fully compliant taxpayer.
- (8) All property rental amounts paid by business owners via the NPRIR database, who would claim such rentals paid as business expenses, will be posted automatically to the fiscus where it will be auto-populated against such businesses' tax accounts, and can be compared automatically against the actual rental amount submitted by such businesses. This can be a fully-automated process of populating the rental amounts against business owners' tax accounts where it can be compared to what the landlord and tenant declared in comparison with what the NPRIR database fed into the fiscus' system. The information provided by the NPRIR will be held as the official version.

- (9) This solution and methodology presented herein will ensure that no landlord and or tenant and or any business and or any other person dealing in property rentals that are entitled to claim such rentals as business expense, among others, can submit fictitious, over-inflated, rental amounts any longer and that the fiscus will no longer be deceived by such unscrupulous landlords, tenants, business owners, accountants and all sorts of other such devious people.

Therefore, with the proposed National Property Rental Income Register:

- (1) All landlords whether (Formal or Informal) | (Local or Foreign) | (Ethical or Unethical) that have “played” (manipulated) the property rental sector, will no longer be able to do so. With this system in place, every rental transaction will be above board and, like everything else, there could be some teething problems in the beginning, but this is normal with everything new. Those issues, too, will pass, until such time we have a proper, perfect and functional PRAHET system in place.
- (2) All landlords that collected massive rental income from their tenants in the past, but never paid any income tax on their rental income, will no longer get away with it. With this system in place, they are going to be identified and brought to book and held accountable and responsible for their actions.
- (3) All landlords that collected massive amounts in rentals from their tenants for all the years in the past, but only declared a small portion thereof for tax purposes, will no longer get away with it anymore. With this system in place, they are going to be identified, brought to book and held accountable and responsible for their actions.
- (4) All ordinary and professional business people who lease premises for business and other purposes, claiming “rental” as a business expense and manipulating the tax system whether singularly or in cahoots with their accountants, such as by creating fictitious, over-inflated, rental invoices etc, will no longer get away with such devious activities any longer. Because of this system in place, they are going to be identified and brought to book and held accountable and responsible for their actions.
- (5) All business people having businesses where they are landlord and tenant and who manipulate the tax system for their benefit such as claiming massive fictitiously over-inflated rental amounts, extracting it from their businesses and paying it over to the landlord (who happens to be themselves, in their personal capacity, and not registered with the fiscus as the landlord, thereby not paying tax) will also no longer get away with these devious practices. Because of this system in place, they will be identified and brought to book where they will be held accountable and responsible.
- (6) All business people and others having good businesses doing great turnovers and producing outstanding profits but pretend to be “small businesses” operating below the radar and not fully tax compliant, will be identified by the PRAHET system and are going to be brought to book where they will be held accountable and responsible for their actions. These people and all others like them will be identified via the intelligence produced by the system via the rentals they’re paying and compared to other data of theirs residing with the fiscus where any suspicion will be flagged.

In summary of the above:

Based on the information provided hereinabove, it is evident that there are indeed lots of manipulation and malpractices going on in the property rental sector which will be solved by this solution. As mentioned hereinbefore, it is not only the property sector that is in need of a shake-up. There are many other sectors within the economy that are also in need of a shake-up, that's bleeding taxes like water gushing down the Niagara. But it just happens that the property rental sector is the one that appears to be the biggest, easiest and quickest to address, within the shortest period of time, bringing maximum income.

Although no amount can be quantified, it is estimated that tens of billions of rand in rentals are changing hands on a monthly basis in the property rental sector between all landlords and tenants throughout the country each and every month, and are not taxed properly.

The solution presented here is not about introducing a new tax. No. The solution presented is about providing an effective and comprehensive solution to government that will ensure the fiscus receives its full and proper taxes from this sector every month so that government can have the money to do what needs to be done, i.e. to do fulfill its mandate.

Also, an interesting observation worth mentioning is that property values used to escalate very slowly in the past, but today, the value of property escalates almost daily. In other words, there is continuous growth in property values daily and no longer annually.

In addition to the above, another interesting observation worth mentioning, is the fact that whether a property is leased out short-term or long-term, monthly rentals escalate annually. Annual escalations used to be governed by the CPI, but this is no longer the case. Property rentals increase more frequently these days and generally exceeds the CPI by far.

And what is more interesting is that landlords won't, for example, drop their rentals when there is a dip in the economy or whether the economy is in recession. No. They appear not to care (though not all). All they want is their rentals and they want it in full. That's it.

It is usually the tenants (business owners) that take the hard knocks and their workers are first in line to go when austere cost-cutting measures are introduced which affect the income and stability of many families in sub-economic homes. And while these people are losing their jobs, landlords live it up, although not all landlords, but most of them.

Therefore, like anything else that's new in life, there are those who would welcome the proposed NPRIR and the PRAHET solution, and then there would be those that wouldn't.

The idea of taxing property rental income monthly may not be a favorite with all landlords, but with some of them, it will be okay, especially those that have played the game by the rules. What percentage they represent is unknown though, and could become known.

The PRAHET system could be stepping on some toes. But this isn't about stepping on toes.

This is about solving two very different, yet two very important social problems currently experienced extensively in society. And in doing so, it will cultivate honesty, truthfulness and integrity in society, and in business thereby, directly and indirectly helping setting the tone for honesty, truthfulness and integrity in other areas of life.

PART 6

The Impossible Made Possible:

Based on all the information presented hereinbefore, it is evident that quality, fee-free, post-school, higher education may have appeared to be a pipedream, but it no longer is. It is a practical possibility, just few inches away from becoming reality.

The uprising and demand countrywide for quality, fee-free, post-school, higher education **and** all the manipulation and malpractices going on in the property rental and business sectors, are two massive issues, both requiring urgent and practical solutions. The one is known, vociferous and open in the public, while the other is operating quietly in the dark.

It is by solving the one, that the other is solved. It is by solving all the manipulation and malpractices that's going on in the property rental sector and in the business world that will lead us to the funding that are required annually and urgently by government to solve the funding crisis in the country so as to provide and fund quality, fee-free, post-school, higher education for all qualifying and deserving South African students.

Funding of Quality, Fee-Free, Post-School, Higher Education Made Possible:

Funding of quality, fee-free, post-school, higher education for all qualifying and deserving South African students is therefore the impossible made possible! Yes, the situation has changed: from negative to positive; from no hope to that of lots of hope.

Imagine the joy, the happiness and the excitement this news would bring to the hearts and faces of millions of present and future students right across the country that would otherwise not have had the opportunity to pursue a higher education and also of parents of such students that may not have been in a position to support their children financially?

What is the next step now that we know there's an infinite supply of money and where it's coming from to fund fee-free, post-school, higher education, sustainably, ad infinitum for all qualifying and deserving South African students, regardless of colour, race, religion or any other discriminatory factors, including whether they are rich or poor?

Well, one of the very first steps, apart from celebrating, is to put together a great team of highly professional experts in place, together with important systems and structures that will ensure the funds and the funding of students are efficiently and effectively managed.

Allocation of Student Funding:

Now that we know there's an infinite funding lifeline for post-school, higher education, it is important not to lose focus. Although it appears to be coming from government, which it is, it is more appropriate to say it's coming from all taxpayers.

Therefore, because where the funding is coming from, one of the very first step to propose, is that all post-school, higher education are to be made totally free to **all** qualifying and deserving South African students regardless of their colour, race, sex, religion, religious beliefs or any other discriminatory factors and also whether such students are rich or poor or, black, blue or white, as long as they meet the minimum admission and or any other requirements of the institution of study, and also, of the faculty of study.

As mentioned earlier in this document, South Africa is a country of vast wealth as well as a country of vast inequality, where the masses are trapped in a cycle of poverty, misery and disease. We as a nation need to take this evil called “discrimination” by the horns and start healing our wounds, and learn to co-exist equally. Could this be a new beginning?

Therefore, since the funding is coming from taxpayers of all colour and more, it is only just and fair that the off-spring of all such taxpayers also benefit from the good that’s intended regardless of their colour and or whether they are rich. This means that students coming from rich families of all colour will also be receiving quality, fee-free, post-school, higher education, because their parents too, are also contributing to the common tax pool.

What this means is that all students who qualify to study at the institution of their choice, including the rich, will therefore be fully subsidised by government to study at such institution, regardless of any discriminatory factors and could be subject to certain terms and conditions proposed a little later in this section of the document.

However, all costs related to any study material, transport, accommodation, extra tuition, laptops, living allowance and more, will not be paid for by the state. It will be for each and every student’s own account. It is obvious, students coming from wealthy families would be supported by their families. This would mean that students coming from impoverished homes are still left out in the dark. This is where the difference comes in.

The state will put the necessary support structures in place. Students coming from families that cannot support them, financially and otherwise, will approach the appointed support structures, put in place for this purpose, and apply for the necessary support.

In short, all such students will be put through the necessary processes and assessed, and when done, they will receive the necessary financial and other support. The financial support proposed is to be equivalent to the value of a full corporate bursary excluding the institution of study’s fees, which will be funded by the state. None of the financial support offered to such students, are to be loans. It is to be treated as grants and could be subject to certain terms and conditions, proposed a little later in this section of the document.

Therefore, now that we know the funds are there and how it is going to be allocated, and in order to see the kind of results that we would like to see, it is important that students are funded appropriately and comprehensively, otherwise it is going to be a waste of money and a waste of time – on both the part of the students, as well as the funding.

We must keep in mind that the bulk of our marginalised students come from historically impoverished homes and communities, and providing them with a narrow band of limited funding for their studies (for namesake) isn’t going to cut it for them and for no one else either, because it is and has been said and proven that student who receive limited funding for their studies, usually don’t make it through, although not all, but the majority don’t.

This is because they don’t put enough time and effort into their studies as they are at times compelled to take on piecemeal work after hours, and also over weekends, in order to supplement their income for survival. Therefore, in order to see the kind of progress that we would like to see, students are to be funded appropriately and comprehensively and are to be strictly prohibited (banned) from taking on any form of work to supplement their income, but to focus on their studies. The following funding considerations are proposed:

Needy Students are to Receive Additional Funding to Cover the Following:

- (1) Their full accommodation (whether on or off campus) including meals and laundry.
- (2) A full allowance for study material (e.g. books and stationery) including a laptop.
- (3) A reasonable monthly stipend (living allowance) to cover transport costs; acquiring minimal basic necessities such as clothing, toiletries, basic recreational activity, etc.
- (4) The total value of the Additional Funding will be equivalent to a full corporate bursary excluding the institution of study's fees, and will be determined annually in advance by organisations specialising in providing such services. This is to ensure fairness to all and that no student is unfairly treated or short-changed in the process.
- (5) The Additional Funding required by needy students and provided by government could form part of a "non-repayable" grant that could be subjected to certain terms and conditions, proposed a little later in this section of the document.

Proposed Pre-Admission Requirements:**The following thoughts came to mind and could be considered for implementation:**

- (1) All students will be applying as normal to the institution of their choice and will be considered for admission provided they meet the minimum admission requirements of such institution, as well as any minimum requirements of the intended faculty of study, and also the availability of seats, at the time of their application.
- (2) The application forms of all places of higher learning where the state subsidises the full fees of students, such application forms will have the necessary blank fields where the income tax numbers of parents or guardians of such students are to be disclosed.
- (3) No student's application will be considered without this information. Staff at the place of higher learning will inquire and verify with the fiscus whether such parents or guardians are registered with the fiscus as taxpayers. This is not so much about the amount of taxes paid for now. It is more about them being registered. It doesn't matter if their incomes are below the tax threshold. This is to prevent those students whose parents earn good incomes, but don't pay any taxes, not to benefit from a state funded education, because the funding is coming from taxpayers, and it is not fair towards other taxpayers that such students benefit unfairly from this gesture.
- (4) No student will therefore be able to study at any institution of higher learning, unless their parents or guardians are registered with the fiscus as taxpayers, regardless of whether their parents or guardians earn income that's below the tax threshold.
- (5) The parents or guardians of students will also provide institutions of higher learning with a specially-worded, standardised, sworn affidavit, issued by such institutions – stating that their income they earn, as per their tax returns, are true and correct and that it reflects all income earned. The reason for this will become clear a little later.
- (6) Upon fulfilling of these requirements, among others, government will automatically subsidise such students' studies and also provide those requiring Additional Funding with the such additional funding, subject to any additional terms and conditions.

Proposed Suggestions Regarding Subsidies and Additional Funding including Some Terms & Conditions:

It is evident that a lot of good is intended in providing students with state subsidies as well as providing Additional Funding to needy students, all of which is subject to incredible costing. Now that we have found a reliable and sustainably source of funding, the question therefore is: would government provide students with subsidies and Additional Funding that are totally unconditional, or would there be any terms and conditions attached to it, and if so, to make some of such proposed terms and conditions, conditionally-suspended?

Although this is a tricky question, it would possibly be answered best by those in high office who would be best qualified to do so. However, it is suggested that student subsidies and Additional Funding be subjected to strict terms and conditions, some of which could, for example, be conditionally-suspended and are, among others, listed below here:

- (1) Since government will fully subsidise the fees and Additional Funding of all qualifying South African students, all that students will have to do, is submit their applications to the institution of their choice. The institution will submit applications for subsidies to government for payment. This process will follow after a student's application has been approved by the institution of choice and accepted by the student.
- (2) Because subsidies could become an automatic "basic student right" for all South Africans students, no student can be denied a subsidy because of any adverse listing revealed or discovered, should a student's affordability and creditworthiness checks be done as in ordinary loan applications. Although these checks would not be necessary, it doesn't mean a student who have adverse listings, can be denied a subsidy. These inquiries, if done, could just be a formality. Any person of any age could qualify for a student subsidy, subject to the terms and conditions related to it.
- (3) Since subsidies and Additional Funding will be issued to all qualifying and deserving South African students, it is expected of such students to appreciate the value of the opportunity provided to them and to use it as a gateway for a better future and perform extraordinarily well academically, and not to squander the opportunity. It is therefore expected of students to perform extraordinarily well throughout the entire academic year, each year, and to pass all their courses every year.
- (4) A **Student Subsidy Account** will be opened by the fiscus for each and every student who receives a subsidy. This account will technically-speaking consist of two distinct columns. The first column will list the individual amounts paid to the institution progressively to date. The second column will list the cumulative interest outstanding on the amounts paid to the institution to date. More on this a little later.
- (5) An **Additional Funding Account** will be opened by the fiscus for each and every student who receives Additional Funding from government. This account will also consist of two distinct columns. The first column will list the individual amounts paid to the student progressively to date. The second column will list the cumulative interest outstanding on the balance amount to date. More on this a little later.

- (6) The Additional Funding, paid in two or more parts to such students annually to cover their basic expenses such as study materials (books, laptops, stationery); a stipend (to cover accommodation, meals, transport, clothing, etc) could in fact be modelled and determined annually in advance by the institution of study or by any other recognised institution specialising in providing such services, whose decision will be final, binding and non-negotiable, unless proven otherwise.
- (7) Students getting Additional Funding could in fact be issued with institutionalised, co-branded banks cards, and will strictly use such bank cards to effect all transactions. This could be mandatory. It is to monitor the use of the Additional Funding. Students' bank accounts could therefore be audited, should any such suspicion be "flagged".
- (8) The Additional Funding is to be used strictly for the purpose it was intended and that students should refrain from misusing or misappropriating funds in order to acquire any material goods, such as branded designer clothing or indulging in extravagance, etc. This includes individuals that could club the proceeds of their Additional Funding together to acquire, for example, a vehicle or other items, not part of the intention.
- (9) No student receiving Additional Funding will be allowed to take up any work after hours or over weekend or during any holidays to earn income at the expense of the time that's supposed to be dedicated towards their studies, unless such work forms part of their course of study. Students that still experience hardship, even after getting Additional Funding, equivalent to a corporate bursary, should get in touch with the support structures, specially set up by government for this purpose, and discuss it with such office bearers, with a view of resolving any such issues amicably. This outright banning of students working while studying will directly result in many vacancies becoming available to be taken up by unemployed seeking employment.
- (10) Any student who fails any of the courses in any year or the whole course in any year, such students will not be funded for their repeat of any failed courses, but have to fund the repeat of any such failed courses at their own expense. Their subsidy and Additional Funding benefits will be suspended automatically in such cases and will only be released after such student fulfilled the necessary admission requirement to pass to the next higher level of study towards completing their courses.
- (11) The subsidy and any Additional Funding issued to students will be limited to a student acquiring a first qualification. This could be a first degree (arts, science, etc) or a first diploma (nursing, teaching, etc) or a first certificate (chef, plumbing, etc). It will also include any first qualification requiring the completion of two separate degrees that will result in one qualification, such as in the case of law or medicine.
- (12) Students wishing to participate in post-graduate studies will have to fund their own post graduate studies at their own cost, or it could be funded by the intended institution of study, or sponsored by government or a corporate entity, assuming if such post-graduate study is of interest to such sponsors.
- (13) After completing their studies, and because of the Student Subsidy Account as well as the Additional Funding Account, mentioned hereinbefore, government will know the exact amounts it paid towards each and every graduate's education. The amounts paid per graduate over the study period should be seen as an investment with many upstream and downstream benefits, and not as an expense or liability.

- (14) The total amount each graduate received from government towards their studies would therefore appear against each graduate's personal tax account with the fiscus, hence the requirement that each and every student be registered with the fiscus as a taxpayer to qualify for funding, although they may not be earning any income yet.
- (15) Therefore, when graduates start working and earning, the taxes that the fiscus will receive from them, will appear against their personal tax accounts. This will provide the fiscus, and government in particular, with a 'quick snapshot' which could be used to determine the ROI quickly, based on the taxes paid by graduates after graduating and whether it is worth it or not, to invest in funding post-school, higher education.
- (16) Getting in more taxes, could therefore be one of the many benefits of government subsidising quality, fee-free, post-school, higher education and could provide highly-valuable information that could be used nationally by the fiscus and other organs of state, to produce predictable future funding trends, including many other uses.
- (17) Although it will not be required of graduates to pay back any amounts to the state which the state used to fund their education, subject to terms and conditions students entered into between the state and them, one of which is, that students would remain in the country after graduation and contribute actively to the economy and the future growth of the country, the economy and its people – hence the term "conditionally-suspended" terms and conditions.
- (18) However, any graduate, who, at any time after graduation, and whether working or not, decides to leave the country for greener pastures, or for whatever other reason, such graduates would first have to settle their full outstanding capital and interest amounts with government that government provided them, towards acquiring a professional qualification before leaving the country. This could, for example, be one of many conditionally-suspended terms and conditions that would in fact kick-in and become active and applicable, should a graduate decide to leave the country.
- (19) The reason for this is to discourage graduates from leaving the country where they received an interest-free, fully taxpayer-subsidised, education and qualification, but to retain them for the specialised skills and knowledge they have acquired that are required to build and shape the country and the economy for a better future for the benefit of all – hence the term "conditionally suspended" terms and conditions.
- (20) Government will setup the necessary administrative structures to administer the funding process and could involve, the Fiscus; the Department of Home Affairs; the Department of Foreign Affairs, NSFAS (National Student Financial Aid Scheme) and others. These entities would work together as a team administering the subsidies as well as the Additional Funding scheme for needy students. Students will enter into legally-binding agreements with the state regarding their subsidies as well as the Additional Funding. The reason for this will become clear a little later in this section.
- (21) Passports of students receiving subsidies and Additional Funding could therefore be endorsed by government to enforce compliance of some of the terms and conditions agreed to, such as in a case where a graduate wish to emigrate after graduating.

Reasons for Students to be Registered Upfront as Taxpayers:

The reason why students are required to register upfront with the fiscus as taxpayers, is because government will be subsidising their studies with taxpayers' money. Students will therefore receive a quality, fee-free, post-school, higher education funded by taxpayers' money, which will prepare and equip them with the necessary skills for life, from which they will earn an income for life. There is an obligation on the state ensure accountability.

Another reason for this is that all amounts that government will be paying towards each and every student's higher education, will be captured and reflected on each student's personal tax account with the fiscus. When such students graduate, and start working and earning after graduating, their employers will forward their tax contributions to the fiscus, which will reflect against their income tax accounts. By government having this info at its fingertips, and with a quick glance at it, it can accurately determine whether there are any material impact and benefit of funding students with the necessary, post-school, higher education, as alleged, and if so, determine any material value thereof, etc.

The Reason for Sworn Affidavits by Students and Parents or Guardians of Students

It is often that we come to know, via the media and all other sources of information, about all the fraud, corruption, abuse and many other evil deeds that are regularly committed in society, not only by common uneducated criminals, but also highly respected and highly qualified professionals, such as doctors, lawyers, accountants, scientists, etc.

The question therefore is: how come is it that such highly respected and highly qualified professionals get involved in crime? There are potentially many answers to it. However, one answer could be that these highly respected and highly qualified professional grew up in homes and environments where abuse and crimes were the order of the day and have therefore learnt these traits subconsciously, hence it became part of their psyche.

So although these people appear highly respected and highly qualified, which they are – because of their qualifications and also because of the prestige and reputation associated with the institutions where they studied, the fact remains, they have damaged psyches and compromised values, as they grew up in homes and environments where abuse and crimes were the order of the day and that they have therefore also learned such traits subconsciously, and have loads of unpleasant traits that are so deeply ingrained in their psyches, that it is now almost a permanent part of them – hence their deeds.

Because these people were born and raised in homes where crime was the order of the day, and have therefore lived off the proceeds of such ill-gotten gain where, for example, no taxes were paid, it has become part of their way of life of such people not to pay taxes.

Therefore, students coming from homes and environments where crime and other evil are committed regularly, including also not paying any taxes, are therefore unknowingly accepted into institutions of higher learning. They work their way through the system, acquire a qualification, graduate, move into the public or private sector or even into their own practices or businesses, once settled, start incorporating their wicked unconscious traits which learned while growing up – hence the resulting crimes by such highly qualified and respected individuals which include tax evasion, harming others, deceiving clients, etc.

There are therefore many students that come from such families that are cash-flush and because of their ill-gotten gains, including not paying taxes, and thereby not contributing to the fiscus for the development of the country, the economy and our people, and yet benefitting from the many public services provided by government, because of other people's tax contributions, they have the kind of cash at hand and can therefore afford to pay their children's basic education as well as their children's post-school higher education of many years, in one go. Yes, there are many of these people in all of our communities.

Although this doesn't apply to everyone, it is happening and it is happening all the time. Society needs to take a stand against such social evil and deal with it head-on. Institutions of higher learning could therefore become a filter to filter out all such unwanted elements, and the sworn affidavit system proposed in this submission, which needs to be properly worded, could become a standardised tool that can be considered by government for its implementation at all institutions of higher learning and training to identify and filter out all such students and set up the necessary structures to rehabilitate them for their re-integration into society – thereby starting to break the mould of crime and corruption.

The Reason for Additional Sworn Affidavits by Students and Parents or Guardians of Students Requiring Additional Funding:

- (1) All deserving students requiring additional support in the form of Additional Funding from government for their studies, especially where such students' parents cannot support them financially and or otherwise, because of their domestic socioeconomic circumstances, such students will apply to the appointed structures, specially set up by government to deal with it in this regard.
- (2) Such applications will be assessed and investigated, and when found wanting, such applications for Additional Funding will be approved and allocated to such students.
- (3) Because this benefit can be abused by opportunistic individuals, students and their parents or guardians will have to undertake specially worded, officially-standardised, conscientious-binding, sworn affidavits, attesting that they are not by the means to support their child financially and otherwise during his/her term of study, and that they are honest and truthful in their declaration to acquire the necessary assistance.
- (4) Should it come to light that students and or their parents and or their guardians have lied and thereby deceived the state, by misrepresenting the facts, etc, in order to obtain the material benefits of such Additional Funding, such students and or their parents and or guardians will be held liable and responsible for such action and will be dealt with accordingly. Should government be favour to include sworn affidavits as part of the subsidy and Additional Funding process, it will provide students, parents and guardians with more details of the consequences of misuse in this regard.
- (5) The purpose of the sworn affidavits by students, parents or guardians, is to prevent students and or their parents and or their guardians from misusing the Additional Funding offered to them by government. This is over and above the special sworn affidavits that are also required to be undertaken by parents or guardians and to be provided to the institution of study, as well as providing copies thereof to government, attesting the income they earn, as reflected in their tax returns, are true and correct, and that it reflects all income earned by such parents or guardians.

BREAKING NEWS!

The two “in-words” of modern society today, among many others, are “corruption” and “money laundering” and have their roots going back a very long time. Due to the constant clampdown of corruption and money laundering globally, corruptioneers and money-launderers are constantly on the lookout for opportunities to invest their ill-gotten gains.

It is therefore not uncommon to find highly-talented students, that have the ability, zest and endurance to study and acquire a qualification, and are so desperate to do so, but cannot, because of their compromised financial circumstances, which results in them approaching or being approached by corruptioneers, money launders and their sidekicks.

Corruptioneers, money launders and their sidekicks are not to be underestimated. They have found a brand new market for their money and are funding highly talented, young and brilliant students. They have the resources to employ their own psychologists and other professionals to screen such students “applying for funding”.

It is understood that there are lots of students throughout the country that are already being funded by organised crime, and once they graduate and completed the necessary in-service training, as required, they will be taken up by their “funders” who are already considering setting up their own private hospitals, legal firms, scientific laboratories incl. going into other industries and more. We can therefore understand that there are many things happening which we may not be aware of, which we’ll come to know in due course.

The world is in need of a new breed of professionals and leadership. Therefore:

- (1) By all institutions of higher learning and training throughout the country considering and adopting the recommendations of sworn affidavits by students, and by parents or guardians of such students, as proposed hereinbefore, it will result in a new breed professionals and leadership within the next five to ten years, after the introduction of such recommendations. In other words, places of higher learning can therefore become a filter to filter out all such unwanted elements from society and perhaps rehabilitate them, and the results apparent in a few short years.
- (2) Although there would be parents or guardians of students who would not opt for a state subsidised education for their children, because of egotistical and or any other reasons, and will therefore want to pay for their children’s education themselves, instead of a state subsidy. Whether this will be considered or not, parents of such students will still have to complete the specially-worded, officially-standardised sworn affidavits, attesting they are registered taxpayers and the income declared on their tax returns are true and correct and that it reflects all income earned.
- (3) Furthermore, on or before admission, all students at all places of higher learning and training will undertake an oath whereby they undertake they will serve humanity and that they will be honest and truthful in all their dealings with others whom they will be serving and not to harm and or deceive anyone in their dealings with others, and that such oath will be binding on their conscience. In this way, we will be able to deal with the scourge that is rotting the fabric of society. It may take five to ten years or so for the effects to filter through. We will eventually come to benefit of such fruit by then, in future, by planting such seeds now.

- (4) Again, on or before graduation, students will again undertake the oath, which could be the same, as they did when they started out, or worded slightly different. The purpose thereof is to remind them of their undertakings and to subtly re-inforce it.
- (5) Therefore, students coming from homes, backgrounds and communities where parents or guardians are or were involved with crime, corruption, tax evasion, tax avoidance, money laundering and more, where it is or was the order of the day, and are being perpetrated regularly, such students could therefore not be blamed for the circumstances they found themselves in, and are to be offered the necessary help and to help them rehabilitate, so that they too, can be re-integrated into society and live a normal, ethical and moral life and contribute to society in a meaningful way.
- (6) These rehabilitees would therefore experience a massive shift in their energies; in their mindsets; in their behavior; in their actions, and could therefore become exemplary community role models and go back to their roots, and who knows, their presence and or outspokenness of what they endured and what they went through, how they changed their lives, becoming better people and more, could in fact have a spinoff in their own homes, their families and their communities. All of this and more can be achieved, provided we start planting the necessary seeds right now, without any further delay, to weed out all future unpleasantness.

In Summary of this Section of the Document:

As indicated earlier in this document, South Africa is not only a country of vast wealth and resources, but also a country of vast inequality, where the masses are trapped, and live a life of poverty, misery and disease. It is also a country with a massively skewed economy and this is, in fact, coming on from a very-very long time. This has, in its wake, destroyed the lives of many individuals, families and communities, who have suffered and endured great hardship and the consequences thereof, because of such atrocities, inequalities and injustices that were perpetrated against them. Some of which, still exist till this day.

Therefore, by providing state subsidised, post-school, higher education to all qualifying and deserving South African students, including the rich, as proposed in this document, could be a step in the right direction of breaking the cycle and pattern of discrimination that exist in our society of black/white, rich/poor, etc and has to be broken.

Furthermore, and in addition to the above, all students coming from impoverished homes and marginalised communities, that cannot afford to fund their non-study expenses, such students will receive Additional Funding from government, and could be the equivalent of a fully-fledged corporate bursary, so that such students too, could, for example, achieve something in life. This should not be seen as a form of compensation for any wrongdoings of the past, but rather as a contribution by government to uplift those that are willing to be uplifted, given our current socioeconomic circumstances throughout the country.

The pinnacle is that it must become known loud and clear to society that students of parents and or guardians who do not pay any taxes (or who do, but don't do so fully) such students will not have the opportunity to access any institution of higher learning and training regardless of how wealthy they are or the amount of money they may have, unless they contribute honestly and truthfully to the country's fiscus.

PART 7

Wrapping it up:

It has indeed been an honour and a great pleasure to have compiled this document where government can find the missing billions that are required annually and urgently in order to provide and fund quality, fee-free, post-school, higher education. This is indeed a noble cause and I am very passionate about it. It has been a bold initiative on my part to get involved, because, if I wasn't confident enough and very passionate about it either, in terms of what I have to offer, I wouldn't have gotten involved with this project in the first place.

The fact that I am one hundred percent confident and sure that what I have come up with and what I have to offer, and the fact that it is indeed a workable solution for our country where government can get the billions that are required annually and urgently to provide and fund quality, fee-free, post-school, higher education for all deserving and qualifying South Africans regardless of their colour, age, sex, religious beliefs, financial status, etc, is what makes the difference, especially for those less-fortunate, who are in need of it.

Time has come for government to know that there's no longer any need to run around and search where to find the missing billions that are required annually and urgently, because it can now be resolved. It comes totally free and it's not a loan either. And since it is totally free and not a loan, there are no interest to be paid on it at all. This national student fee funding crisis can therefore be resolved within a matter of a very short period of time.

Although fee-free, higher education is said to be a fallacy and that it is neither feasible nor possible (because it is a pipedream with no prospect of it ever happening) the truth is it can happen and it can happen very fast. It can happen as fast as government would like it to happen, because what I have come up with is a guaranteed plan where government can get the missing billions that are required annually and urgently, and that it comes totally free. This is not a once-off contribution by some philanthropist or so, but a brand new source of revenue for government with unlimited supply, ad infinitum.

Furthermore, the entire country witnessed and experienced the uprising of students at almost every institution of higher learning across the country just over a year ago including just recently, when students went on the offensive and demanded FeesMustFall.

This incident was witnessed by many countries around the world because South Africa is not the only country in the world that has this problem. It is a problem that is common to many other countries. Therefore, assuming the solution presented herein works for our country, it can be packaged and exported to many other countries around the world that has a need for it and South Africa can earn a healthy foreign income from it as well.

Although the student uprising didn't bode too well for the country, the economy or our pristine image that we hold globally, which we fought for so hard, for so long, South Africa is perceived as one of few countries in the world that had a smooth and miraculous transition to democracy. Come to think of it, we were in fact edging towards the cusp of a full-blown revolution, a bloodbath, if you will, that was unbelievably averted. So, why can't we solve the educational crisis that is currently raging throughout the country? No one in the country would want an "Arabian Spring" to flare-up over here. It is in no one's best interest. The question therefore is: would we as a country, want this to happen?

Global icon, ANC stalwart, father of the nation, and first State President of a democratic South Africa, the late Nelson Rolihlahla Mandela may no longer be with us in body, but definitely in mind and spirit. We all know what he stood for especially his vision around education. He always emphasized the importance of a decent and proper education being the key to freedom. The idea of providing a totally free higher education to all deserving South Africans will therefore be in alignment with the burning spirit of his iconic legacy.

Also, think in terms of the long-term future benefits of free higher education for the youth of our country, and on our economy as a whole, where almost everyone in future could be highly-skilled? Our rising unemployment and crime figures will dwindle because our institutions of higher learning will be producing our very own "Einsteins" that will come up with great ideas; ideas that will inspire and transform societies as well as producing world-class entrepreneurs and that such entrepreneurs will start their own businesses transforming their ideas into tangible products and services. In doing so, they will create work for our people. People will have meaningful jobs, earn decent incomes, take care of their families, etc. These are some of the many benefits of a highly educated society.

We could therefore become a very different and progressive society within the next ten years or so, provided government starts laying down the foundation right now without any further delay. It all starts with investing in education: educating our people, especially the youth, who are to be the leaders of tomorrow. The entire country is therefore looking at government to take the lead. As a matter of interest, most advances made around the world, if not all, were made by people who are and were educated and skilled to do so.

Therefore, what I have to offer, would enable government to make higher education totally free to all deserving South Africans of all ages. It's an investment in our people, an investment in the future of our country – and perhaps a form of redress of past injustices. South Africa can be transformed within a very short period of time i.e. within a generation or two. Our population can be on its way to become highly educated and prosperous.

Every great venture that exists in the world today started out as an idea and those ideas were very well nurtured and taken care of by those who have taken the time, the effort and the responsibility required to do so, and have therefore transformed and grown those ideas into massive global industries and corporations that they are today.

This applies to the Wright brothers who invented the airplane and resulted in the aviation industry; Bill Gates of Microsoft that resulted in software for the computer industry; Steve Jobs of Apple and the smartphone industry and many others whose ideas have changed the face of the world radically including the way we live our life; the way we communicate the way we do business, and so on. We as South Africans also have our very own success stories such as Sasol; Pratley Putty; the world's first heart transplant, and many others.

Although what I have to offer is at an idea stage, it can nevertheless be regarded as the blueprint for a perfect and workable funding solution that will bring in the missing billions that government requires annually and urgently in order to make quality, fee-free, post-school, higher education a practical reality. I am one hundred and one percent confident about it. And so too, do I anticipate, will many others, after perusing this document.

Pre-Closure Summary:

It is now November 2016. It is now about 15 months ago when students right across the country started rising up against a “no increase in fees” for 2016. And three months later after the start of the uprising, with millions of rand in damages, government was compelled, with its back to the wall, to surrender to the protesting students’ demands, when it announced a “No increase in fees for 2016”! It was a victory for students.

It is now more than a year later and there appears not much of a solution on the table.

Students across the country have re-ignited their demand. They are no longer seeking a “no increase in fees”. What they are seeking and demanding is the total scrapping of fees: i.e. that no fees be paid at all. In short, they are demanding a totally, fee-free, post-school higher education. Universities and all other places of higher learning cannot afford what’s coming and have indicated closure of their doors could be imminent. A crisis is looming in places of higher learning and can it be averted...?

In addition to the above, our country’s credit ratings have nose-dived. International ratings agencies are watching us like hawks, regarding what’s happening politically and also economically in the country. How far are we from it, as the country stands a chance of being declared “Junk Status”. A crisis is looming for the economy and can it be averted...?

Furthermore, the ruling party has taken a massive beating in the recent local government elections. It has lost control over three major, yet very important metros in the country to the opposition. What is the message to the ruling party? Is it a sign that the electorate have lost hope and faith? A crisis is looming for the ruling party and can it be averted...?

What have gone wrong? Why the Problems?

What South Africa Needs Right Now is an INSTANT MIRACLE:

The idea presented hereinbefore regarding a National Property Rental Income Register to record all monthly property rentals paid to landlords throughout the country every month is a brand new and original idea. It is envisaged to be new and novel and the first of its kind. The idea of a National Property Rental Income Register together with the systematic issuing of PRAHET Certificates and Invoices, are deemed to be innovative and novel and that it meets with the necessary requirements of patentability. Patent applications have therefore been filed locally as well as with the PCT International Bureau.

Therefore, the National Property Rental Income Register, when fully developed and rolled out, will be an accurate, innovative and comprehensive business tool that any government in the world can use to collect its rightful taxes on property rental income that are due to it that are currently being lost big time. The National Property Rental Income Register will thus ensure the South African government gets its billions in taxes on property rental income every month, year-in and year-out: amounts that it may never have had before that can be used to fund free higher education; funding the roll-out of the NHI and more.

The National Property Rental Income Register can be an INSTANT MIRACLE:

- (a) It will provide government with the funds to fund quality, fee-free, higher education;
- (b) It will provide government with the funds to fund the roll-out of the NHI and more;
- (c) International rating agencies will definitely like it and also welcome it because it will bring much-needed stability to the country and the country's economy; and
- (d) People throughout the country will like it, because everyone will benefit from it.

It is anticipated the national database i.e. the National Property Rental Income Register will be a reasonably sized institution itself and will in fact result in thousands of direct and indirect employment opportunities for all sorts of people throughout the country having all sorts of skills, ranging from menial workers to software engineers and more.

In addition to the above:

- (a) the National Property Rental Income Register will become a business tool that will unlock thousands of direct and indirect business opportunities.
- (b) it will result in bringing about new industries.
- (c) it will directly and indirectly empower millions of people.
- (d) it will directly and indirectly transform millions of lives.
- (e) it will directly and indirectly transform the country and the economy in many ways.
- (f) It could be what cellular phones did for the world.

Although this may not be apparent right now, but all the opportunities that can be unlocked by the NPRIR would be another study altogether, which is currently not the objective of this document.

Therefore:

All what is required now to make this a reality, is for the South African Government to step in and play its part (and play it very-well) and support the cause one hundred percent with vigor and passion, and nurture it, so that it too, can grow into a strong and powerful solution like others before it, to make a meaningful contribution and difference to the country and its people, and to make the country a better place for all – especially for the poor, the marginalized, the uneducated, the unskilled and the disempowered, etc.

How would the Database Earn its Income?

The following is an indication how the database could make its money:

- (1) The database would charge all landlords a monthly service fee for rendering the service and for hosting their account on the database. The service fee could vary from “landlord to landlord” and will be determined by various factors such as the size and complexity of the rental portfolio, the number of properties, the number of tenants per property, the total value of all rental amounts collected monthly, etc.
- (2) In addition to the abovementioned “monthly service fee”, the database would also charge landlords a “flat-fee” for each and every PRAHET Certificate and Invoice combo issued for each and every tenant, each and every month.
- (3) Furthermore, it can be appreciated that the method that exists currently how tax on property rental income is determined, monitored and collected, leaves much to be desired, and that the fiscus is definitely being massively short-changed in the process. The fiscus could potentially be losing tens of billions of rand in tax income monthly.

It is anticipated the fiscus will have some sort of figures on hand regarding the amount of tax income it gets in annually at present from all landlords throughout the country regarding their property rental income. This amount can be used as a reference.

Therefore, because of the proposed NPRIR and the PRAHET Certificate and Invoice system, the fiscus will experience a massive inflow of tax income, no longer once annually, but monthly, coming from monthly rental income from all landlords right across the country – a form of monthly cash windfall, if you will, month after month.

This may never have happened before.

The NPRIR and the PRAHET system is anticipated to be like a strong, tightly-woven fishing net. Once cast, it catches all. There is no escape for anyone. The system has been conceptualised as such that no landlord and tenant can escape. That’s the idea.

When the system is implemented, and figures start coming in, the fiscus will have a good idea of the monetary value the system brings to the table, month after month.

Therefore, knowing by then what the new system brings, in comparison to with what the fiscus used to get in, sums can be made to determine the difference.

A mutual-beneficial agreement can be entered into between the Fiscus and Just Innovation, where the Fiscus will reward Just Innovation annually with a commission for its innovation. This could be a percentage based on the difference between all the tax income its getting in via the NPRIR database and what it used to get in.

- (4) Therefore, although the three methods outlined here above, came to mind of how Just Innovation could earn its income, none of the abovementioned suggestions are cast in stone. Just Innovation Consulting is open for negotiations. It is Just Innovation’s objective to negotiate a win-win situation with government for the benefit of all parties involved, including for the benefit of the country, the economy, our people, and especially for the upliftment of the poor, the needy, the destitute, the previously disadvantaged, the marginalised of all communities and more.

Rolling out the System Nationally:

As it is now known, the NPRIR is in essence a dedicated, secured and specialised database that is accessible online and that it would also incorporate a comprehensive billing system together with a unique processing system that will ensure that all landlords throughout the country are registered on the database and pay their fair share in taxes to the fiscus on all property rental income that they receive each and every month, from each and every tenant of theirs, for the progressive development of the country and its people.

It is also evident from all the information provided hereinbefore, the solution proposed hereby is to deal with the malpractices currently happening in the property rental sector, as well as in the business sector, is possible and do-able with today's technology.

Because of the nature of the solution proposed and presented, and the size of the market that's being addressed, this is no small system either. It could be regarded to be similar in magnitude as government's ENATIS (Electronic National Traffic Information System).

Also, apart from the size of the NPRIR database, it can also be compared to be similar in functionality to that of a Google or Uber, or perhaps more appropriately, with that of a local entity such as Discovery Health – except in this case, it has to do with managing the property rental income of a whole country, i.e. of all landlords throughout the country.

In order for the NPRIR database and the PRAHET system to be fully functional and operational, it has to be uploaded with the necessary "landlord/property/tenant" details which has to be gathered from, among others, all Deeds Offices throughout the country.

However, due to the nature of the many different systems running throughout the country, not all Deed Offices may be fully computerised and or online and or up to date with their filing, this could therefore pose a technical challenge for implementing the system.

It would therefore become the landlords' responsibility to upload all required information to the database. The accuracy of the information uploaded to the database by landlords and or their officially appointed and authorised agents, will rest with the landlords and or their officially appointed and authorised agents and not the database administrators. It should be an offence to upload any false or misleading information to the database by any landlord and or any of his officially appointed agents.

The rollout of the system can be gradually phased in over time, province-by-province or such as sector by sector, or in alphabetical order, or in any other suitable manner that is befitting the purpose. A typical example of such last mass roll out was the introduction of the card-based drivers' license system that was phased in over many years.

JUST INNOVATION IS LOBBYING GOVERNMENT FOR A LICENSE:

I, Surajudin Latief, I am the founder of Just Innovation Consulting (Pty) Limited, and the inventor and innovator of the National Property Rental Income Register (NPRIR), together with the Property Rental and Higher Education Tax (PRAHET) Certification and Invoicing system – an automated Property Rental and Higher Education Tax Certification and Invoicing System, more fully described in its Submission to The Presidential Commission of Inquiry into Higher Education and Training:

The proposed NPRIR and PRAHET systems would provide the South African Government with a brand new and additional source of monthly tax revenue, thereby providing it with the missing Billions that are required, annually and urgently, in order for it to provide and fund quality, fee-free, post-school higher education to all qualifying and deserving South African students. Just Innovation Consulting (Pty) Limited is hereby initiating the process of lobbying the South African Government to consider granting it an exclusive license to establish and operate the NPRIR and PRAHET system based on its invention and innovation.

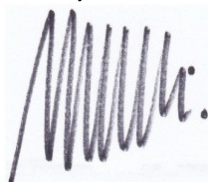
Alternatively:

- (a) Due to the nature and magnitude of the intended project, Just Innovation Consulting is willing to enter into a Public Private Partnership (PPP) with the South African Government in order to establish and operate the NPRIR as a joint initiative for the greater benefit of the country, its people, the economy, and more, based on the original objectives, intended and expressed throughout hereinbefore; or
- (b) Just Innovation Consulting is willing to consider licensing its IP (Intellectual Property) in this regard, exclusively to the South African Government, for its use.

All of the proposed licensing options mentioned hereinabove, would be subjected to any and all terms and conditions brought about and agreed upon by both parties.

Just Innovation Consulting hereby wishes to place it on record that, although it is confident with the project it is bringing to the table and the many benefits associated with it, for the greater good of all, it is not familiar with the necessary licensing processes, and would therefore appreciate any and all assistance and guidance from Government in this regard.

Thank you.



Suraj Latief



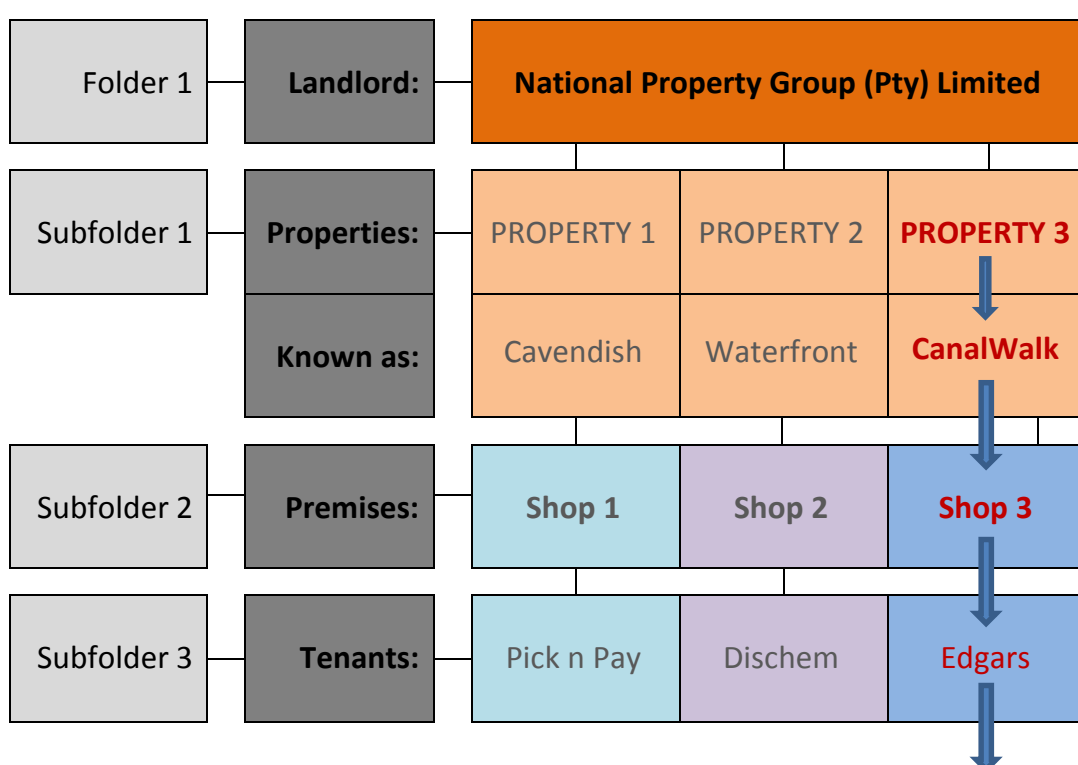
ANNEXURE A

Draft Operational Specifications of the Database:

- (1) A national database is envisaged where all landlords throughout the country will be required to be registered by law.
- (2) The database should cater for listing at least one million landlords.
- (3) The database should be expandable to cater for at least five million landlords.
- (4) The database should be expandable to cater for continuous growth in landlords.
- (5) The database should be accessible via manned call-in centres countrywide.
- (6) The database should be accessible via manned walk-in centres countrywide.
- (7) The database should be accessible via online portal.
- (8) **To start:** Every landlord will access the database and create a Landlord Profile.
- (9) **Landlords** will populate all the fields on the Landlord Profile with all the necessary details such as their full names; RSA (or Foreign) ID Numbers; residential and postal address; contact telephone and fax numbers; contact email addresses; bank account details; personal income tax number (if landlord is operating in his personal capacity) or business income tax number (if the landlord is operating as a legal entity), etc. When done, the landlord will click the "Next" button at the end of the page indicating he completed the page. The system will verify whether all relevant fields have been completed, and if not, prompt the landlord to complete those areas.
- (10) **Next:** the system will move to the next stage which is a subfolder listed under the Landlord Profile that is horizontally expandable with tabs starting from the left of the page moving to the right (see diagram on next page) where under each ascending tab is used to list each of the landlord's properties. The landlord will complete the relevant details of each property under a new tab.
- (11) **Next:** the system will move to the next stage which is a subfolder of the previous subfolder that is also horizontally expandable and with tabs starting from left to the right (see diagram on next page) where under each tab are listed the various lettable spaces (including area size) under that property that are meant for renting. Assuming there are more than one lettable space to be rented out, the landlord will click the button "Additional Space" to add additional tabs to list the additional spaces.
- (12) **Next:** the system will move to the next stage which is a subfolder of the previous subfolder that is also horizontally expandable also with tabs starting from left to right where under each tab are listed the relevant details of the tenant occupying that space. Assuming there are more than one tenant renting premises on that property, the landlord will click on the "Additional Tenant" button to add additional tenants and list the details of each additional tenant for the relevant additional space.

- (13) When the landlord enters the details of the tenant, he will also select from a scroll-down menu the date of the month he wants the system to generate the monthly PRAHET Certificates and Invoices (PRAHET Combo) for the tenant and him. The certificate will be a one pager and almost like that of a vehicle registration certificate.
- (14) The PRAHET Combo will list all the necessary details of the landlord; the details of the rented premises and of the tenant; the size of the premises; the “core” rental component of the monthly rental excl. all other charges also excl. VAT; the date (month and year) for which the rental certificate is issued together with a unique certificate number that can also act as a tracking number (in barcode, QR Code or any other machine-readable form) that can track the PRAHET Combo electronically. The PRAHET Combo will have security features build in to prevent fraud, etc.
- (15) The PRAHET Combo will be processed and issued automatically every month by the database on the date indicated by the landlord for this to happen. The system will convert the PRAHET Combo to pdf and email (post) it automatically to the landlord.
- (16) **This brings us to a point where the database will reflect the following:**
 - (a) **Folder 1** listing the Landlord Profile;
 - (b) **Subfolder 1** listing all the landlord’s properties one next to the other;
 - (c) **Subfolder 2** listing each of the lettable space under that property; and
 - (d) **Subfolder 3** listing the details of each of the landlord’s tenants that occupies lettable space at that property.

Example of a Landlord Profile:



- (17) The diagram on the previous page is a snapshot of what a Landlord Profile will look like. Each of the colored squares is a button. Clicking any button along the Properties axis will open the list of all premises under that property such as Shop 1 / Shop 2 etc and below each shop number will be the names of the tenants. By clicking on any of the "Tenant Buttons", all the details of such tenant will appear on the screen. Clicking on the "Newage..." Button, for example, will open up the Landlord Profile, etc.
- (18) In addition to the above, there will also be an additional button on the Tenant Profile indicating "Previous Tenant" (and when clicked) will go to a previous folder and bring up the page listing the details of the previous tenant. This page will also have a similar button (and when clicked) will bring up the details of the previous tenant ad infinitum until it gets to the very first tenant that was recorded on the database by the landlord when the landlord first registered as a Registered Landlord on the database. This is a "layered" subfolder – i.e. a folder having many layers of info of previous tenants?
- (19) Furthermore, in the event where a premises is vacant, the system will automatically indicate it as such under the Tenant Profile. A button 'Premises Vacant' can be added. By the landlord selecting this button, the system will create a blank profile, indicating the premises is vacant. The system will therefore produce a 'NIL' PRAHET Certificate for each month that the premises is vacant until such time it is rented out.
- (20) Also, after registering as a landlord on the database, the database will generate and issue the landlord with a unique Master Account Number (MAN). This could be an alphanumeric code. This will be a lifetime account number assigned to every landlord registered on the database and could be required in future by all other government department and municipal service providers such as Eskom, Telkom, the fiscus and others, and it will be integrated into their systems. This number will therefore be the main trigger number that will link all properties belonging to a landlord, together.
- (21) Therefore, by entering the MAN, all properties belonging to a landlord and all related accounts such as water, rates and taxes, electricity, refuse of such landlord can be called up in one go by entering this one master number. In this way, it can now be determined exactly how much natural resources are consumed by a landlord for all his properties together, even though if they are all rented out. This will be helpful to determine the consumption of all electricity, water and all other natural resources used by a landlord for all his properties together albeit all rented out, and in doing so, every landlord's collective carbon foot print can be determined very accurately and the growth thereof, monitored at any time, just by the pressing of a few buttons.
- (22) When all is done, the database will take the landlord through a process that will allow him to select a User Name and Password to access the database at any time in future. The landlord is now registered on the database.
- (23) Landlords can also appoint an authorised agent to act on their behalf. The appointed will therefore be fully authorised by landlords to access the database and act on their behalf and will also be registered on the database and will therefore also have their own User Name and Password to access the Landlord's Profile, etc.

ANNEXURE B

Background to the 2015 Student Uprising:

This attachment is about the national student uprising that started in 2015 when students from all over the country started out with demanding a “no-increase in fees” for 2016. This demand was immediately followed by a new demand calling for higher education to be made totally free, to which government responded, it didn't have the funds to do so.

In addition to the above, the main document presented government with a workable solution how the issue of fee-free, higher education can be resolved amicably and where government can get the missing billions that are required annually and urgently to do so for all qualifying, deserving and motivated South African students regardless of colour, race, sex, age, religious beliefs, whether rich or poor or any other discriminatory factors.

Although South Africa appears to be a country that is rich in many ways, a country of vast wealth and resources, a country of many possibilities, which it is, it remains a country where the masses are trapped in a cycle of poverty, unemployment and many other social ills. It is a country where you have a very few living the high, opulent life, compared to the masses, living a life of misery, disease and poverty. It is indeed a country of vast inequality.

Even after the fall of apartheid and the advent of democracy, everyone, especially the masses, expected a better and decent life for all in a so-called ‘free-society’, but this hasn't materialized much for the masses either, who fought since then for the liberation of the country. The masses are still struggling. The biblical words “the rich will get richer and the poor, poorer, even the little they have will be taken from them”, appears to be alive.

Every morning, millions of workers from townships across the country rise up long before daybreak and rush to work to earn an income to feed their families and to provide their children with a decent education so that their children can have a better future, because they believe and know that education is key, and it is the only hope they have that can make a difference. It will provide them and their children with a better life and a better future. But this too is becoming impossible, because education, and especially higher education, has become exorbitantly expensive. It has risen beyond what most can afford.

Furthermore, apart from getting a decent education and being saddled with huge student debt, finding appropriate and decent employment after graduation is another challenge especially for those graduates of colour who are fresh in the job market and who happens not to have graduated from “branded” institutions. This is another issue altogether.

Therefore, in summary of the foregoing, what can be expected?

- (a) Did we think that everything was “safe and sound” and under control; or
- (b) Did we expect students to sit back and wait for the economy to take a turn; or
- (c) Did we not expect them to down tools, pick up arms and start revolting?

The Biggest Problem of All: Demands for Fee-Free, Higher Education

It was around mid-2015 when students at campuses across the country's institutions of higher learning were rising up against a "no increase in fees" for 2016. The situation was volatile and rampant and was having the country in grips for many months to follow until such time where government was technically forced to give in to protesting students' demands and declaring the inevitable – i.e. that there will be no increase in fees for 2016!

This didn't bode too well with government because government was caught off-guard and didn't have much of an option of moving "between a rock and a hard place" other than giving in to the students' demands, in order to save the peace.

This was indeed a victory, not only for students, but for the entire country. It wasn't even a full weekend for students to celebrate their victory and for the dust to settle when they returned full force the following week, taking their demand to a brand new level.

This time they escalated their demand that no fees be paid for all higher education at all. Their new demand is for fees to be scrapped and higher education to be made totally free. Students were citing promises made to them by politicians in the past, and more so, they were also quoting famous passages from the Freedom Charter such as "the doors of higher learning will be opened to all...", followed by various interpretation thereof.

It is without dispute that promises of free higher education was one of the many major carrots that were dangled in front of the struggling and disenfranchised of this country by political leaders, before, during and after the liberation struggle.

The very marginalised and disenfranchised who bought into the promises of the leaders and supported the collective struggle, are today almost exactly where they were 20 years ago, and are in some instances, even worse-off than before. They are now demanding the fulfillment of those promises, because it is now more than 20 years ago since the first democratic elections, and the promise of fee-free, higher education to the masses has not been fulfilled, let alone the many other promises that remain unfulfilled.

A democratically elected government, put in power by the very people who fought for the liberation of this country, is pleading poverty. Instead of addressing the issue head-on by finding practical solutions for the fulfilment of those promises, especially for fee-free higher education for the masses, that could empower the youth, they are adding fuel to fire by claiming there's no money to fund free higher education. The truth is there is more than enough money in this country right now to fund fee-free higher education forever without any need for government to borrow or introduce any new taxes in order to do so.

The idea of offering free higher education is not a pipedream. It is practical and do-able.

Therefore, apart from the objective of the main document, which is how this could be made possible, and also provide government with a tangible solution how to make the problem of fee-free, higher education, a practical reality, and before doing so, there is a need to explain some of the reasons why students are behaving the way they do.

Some of the Reasons for the Student Uprising:

The New Age Economy & Unemployment:

It is a well-known fact that the global economy has become knowledge-based, and in order for any country, its people and its economy to survive, compete, and grow globally, it must have a population and a workforce that is educated and skilled otherwise it will never make it through. We should be thankful to our students for the 2015 uprising, because it may not have been pleasant at times, but it woke the country up just in time to a looming crisis of growing a population and a workforce of the future that could have largely been unschooled, uneducated and unskilled i.e. if no radical action was taken, albeit unpleasant.

As indicated hereinbefore, and as we all know, South Africa is a country caught up by vast inequalities. Large parts of the masses are unemployed and remains unemployed because they are not educated nor are they equipped and skilled with the necessary and appropriate skills required by the new economy, and because they are largely uneducated and or unskilled, they cannot find meaningful work in the new economy other than getting involved with menial piecemeal work, which at times, are not permanent nor rewarding.

Therefore, students living in households where there is abject poverty or where one or both parents are unemployment, endure great hardship because of these circumstances. Their chances of completing their studies are slim, because their parents cannot afford to pay their fees, nor keep them at those institutions. Are they destined for the inevitable?

The situation of such students are further worsened where other adult siblings in such households, that could have supported studying siblings, but cannot do so, because they too are unemployed and or financially unstable. But due to government's efforts, and with a variety of social grants, these households receive at least some form of income to sustain themselves with the bare basics. Given these circumstances and more, it is understandable why students are revolting. They are revolting for a decent education and an appropriate qualification that is free, which is the key to a better life and a better future. Isn't it silly and of no use being educated and qualified, yet enslaved by banks and pay them massive amounts of hard-earned cash (in interest for student loans) for many-many years to come?

Student Loans:

It is no longer a secret that education has become big business. Everyone including banks are aware of the knowledge-based economy and the importance of having a decent education and or an appropriate qualification because this is what is required by the new economy. If you don't have a decent education and or an appropriate qualification, the chances of finding meaningful work in the new economy, is technically zero.

The economy of the new world has resulted in a demand for education globally and, like everything else, where there's a demand, the price goes up. Education is no exception. Although education is a basic human right, the cost of obtaining a decent education and or an appropriate qualification has gone through the roof. Most households today can no longer afford to budget and pay for their children's studies from their regular income hence the need for student loans, and in doing so, they are getting into long-term debt.

Therefore, because of the demand for education, student loans have become big business for banks and they are coining it all the way. Although they are silent on this issue and very reluctant to divulge much information in this regard, it is alleged the size of the student loan market is massive by any standards with hundreds of thousands of new entrants (applications) approved annually. It is alleged the four big banks in South Africa together have more than 8.5 million active student loan accounts on their books at any one time and this market of theirs is mushrooming (growing) by leaps and bounds year-on-year by itself, without much of an effort. Although banks earn their income from many sources, student loans appear to be a favorite when compared to mortgages, because it doesn't come with all the issues and hassles, normally associated with mortgages.

Since parents are compelled to take out student loans to provide their children with a decent education and an appropriate qualification for a better future, and because of how these loans are structured, students and their parents (acting as surety and guarantors) are held jointly liable and responsible by banks with loan agreements stretching over long periods of time (up to 15 years and more) to service such loans from the very first day of inception until when they are freed from it, which is a new form of slavery, if you will.

On the other hand, there are thousands of talented potential future students who could make many meaningful contributions to society but whose parents don't have decent incomes or great paying jobs or creditworthy enough. They have no chance of obtaining the necessary loans from banks to provide their children with a decent education and an appropriate qualification – all which leads to unemployment, crime, gangsterism, etc.

Understanding Student Loans & The Exploitation of the Educated:

As we now understand it from the student uprising, students are no longer interested in a “no-increase in fees” but are now demanding “no-fees” to be paid at all. They are demanding an education that is totally free. This may appear selfish on their part, but if we understand and care to look deep enough, we will come to know their pain continues long after graduation, where it is “nose to the grinding stone” and they really have to work very-very hard for a very-very long time after graduation in order to pay-off their debt which are their student loans, which rob them of a very large part of their golden years.

Furthermore, we should also not forget, it is not only current students and graduates who are saddled with massive student loans. There are also many ex-students who progressed well with their studies, but could not continue and complete it because their parents could not qualify for additional loans to pay for their studies. These students and their families remain indebted to the banks for those loans and have to service (pay) those loans and yet they will have nothing to show for it at the end of the day, when the loans are fully paid.

It is said that student loans are a modern form of slavery driven by the greed of those exploiting the situation. It's no wonder students are rising up and revolting throughout the country, which should have been directed at the real culprits hiding quietly behind the scenes and not only government. It is an unhealthy and exploitive situation that should not be tolerated any longer. It keeps the educated (students, graduates and academia) trapped and enslaved for a very large part of their life – as if apartheid wasn't enough.

However, and as a matter of interest, slavery is the abuse of one human being by another with the abuser known as the master. In former years, the masters used to be the elite and slaves, generally the uneducated, who were then enslaved by the masters. As time progressed, slaves became aware of what was going on and started revolting quietly.

They realized education was key to their freedom. This is what they did. They empowered themselves, their families and their friends with knowledge and became freemen. The masters' egos suffered a big blow and they thought how the heck can they get back at those freemen that have become so thirsty for education and get them re-enslaved?

The masters, as clever as they thought they were, came up with a great plan. They said to themselves, if they can take charge of education and be in control of it, it means freemen will once again be under their control and be enslaved by them. The masters got this right. They have managed to hijack education quietly over the years. They did so with style and in doing so, re-enslaved freemen. Except this time the freemen are educated, some highly educated. They tricked (indebted) freemen with all sorts of loans, including student loans!

Therefore, where students find themselves today is not very much different where their forebears found themselves in the past. The scenario is exactly the same today except the context is different. In the past, slaves were toiling physically for their masters, but today they are educated and perhaps not much directly and physically enslaved by the masters of the new age, but indebted to them, financially, which, in fact, is a new form of slavery.

The Way Forward:

In today's world of technology, the masters are no longer much in need of slaves because almost everything is electronic, automated and computerized. What the masters do need though is money. Lots of it. In fact, tons of it. The question is: where do they get it from?

Well, masters usually get it by exploiting others. Their objective is to get as many people deeply indebted for as long as possible, and in doing so, people are paying massive amounts in interest monthly to them for many years to come. Finding new avenues to indebt people are their forte. Student loans is one of them. It's one of the biggest and easiest earners of interest for them. Millions of current and ex-students and graduates pay them hundreds of millions of rand in interest every month. Isn't this pathetic? Imagine: "millions of educated people" enslaved by debt! Something big has gone wrong.

However, this time the masters may have taken it a bit too far. Times have changed. The word "student loan" may not have existed 50 years ago and more, as it does today. It's only a matter of time before those words will become extinct. Current and future students will no longer be abused and exploited. The only way for current and future students not to become enslaved by the masters, is by demanding higher education that is totally-free.

Therefore, with fee-free higher education, the billions of rand paid in interest every year (by students and graduates and others) will be no more. Instead, that money can be used by such people to create a better life for them, their families and others. These people can also build their own empires and create employment opportunities for many others – thereby spreading wealth widely instead of enriching only a few. Let there be prosperity!

ANNEXURE C

Stop Press / Late Inclusions:

The following items (features) came a little late to mind and was therefore unintentionally not included in the main body of this document. They are the following:

1. Like all employers are regarded as “agents” and “policemen” of the fiscus when it comes to deducting PAYE and all other such statutory deductions from employees’ salaries, on behalf of the fiscus, and pay it over to the fiscus, the NPRIR database, together with the PRAHET Certificate and Invoicing system, will therefore act as “agent” and “policeman” of the fiscus, with regards to managing and authenticating the monthly rental certification and invoicing process between landlords, tenants and the fiscus, especially in the case where business premises are involved, and where such business owners claim business rentals as tax deductible business expenses.

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2. An additional feature that could potentially be considered for inclusion in the NPRIR database is a “Property Expense Record”. This is an additional layer or an additional folder linked to each of the landlord’s Property Subfolder where all maintenance, repairs and all other expenses that were incurred by a landlord of a property, is technically recorded.

All original invoices paid for such maintenance, repairs, etc of a landlord’s property could be scanned in and recorded on the NPRIR database under this Subfolder and submitted to the fiscus when the landlord submits his full annual tax return.

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3. The following two items, listed below here, were mentioned in the body of the main document, and due to the nature of the subject matter thereof, and not to confuse or mix it with the primary theme of this Submission, it was decided not included it, and that it could become a subject matter of its own, in a separate rendition, should there be an interest and need to do so, by government, when required:

- (a) All the irregularities, inefficiencies and malpractices committed by employers, by not deducting PAYE and or any of the other statutory deductions from employees’ salaries, or to do so selectively from some, and not from others, leaves for much to be desired, and is definitely having a massive negative impact on the fiscus’ mandate and can be resolved; and

- (b) The issue of government’s debt, more commonly known as national debt, which is said to stand at about R2Trillion currently, and the massive interest amount of R148 Billion paid annually to service such debt, is indeed implorable, and can be addressed. Just Innovation is confident that it can provide government with the necessary solutions that can reduce the national significantly, and the interest saved, can be used to fund other needs and services in the country.