



**By 2030 eThekweni will be Africa's
most caring and liveable city**



REVENUE SOURCES MUNICIPALITIES

P du Plessis

TYPES MUNICIPALITIES

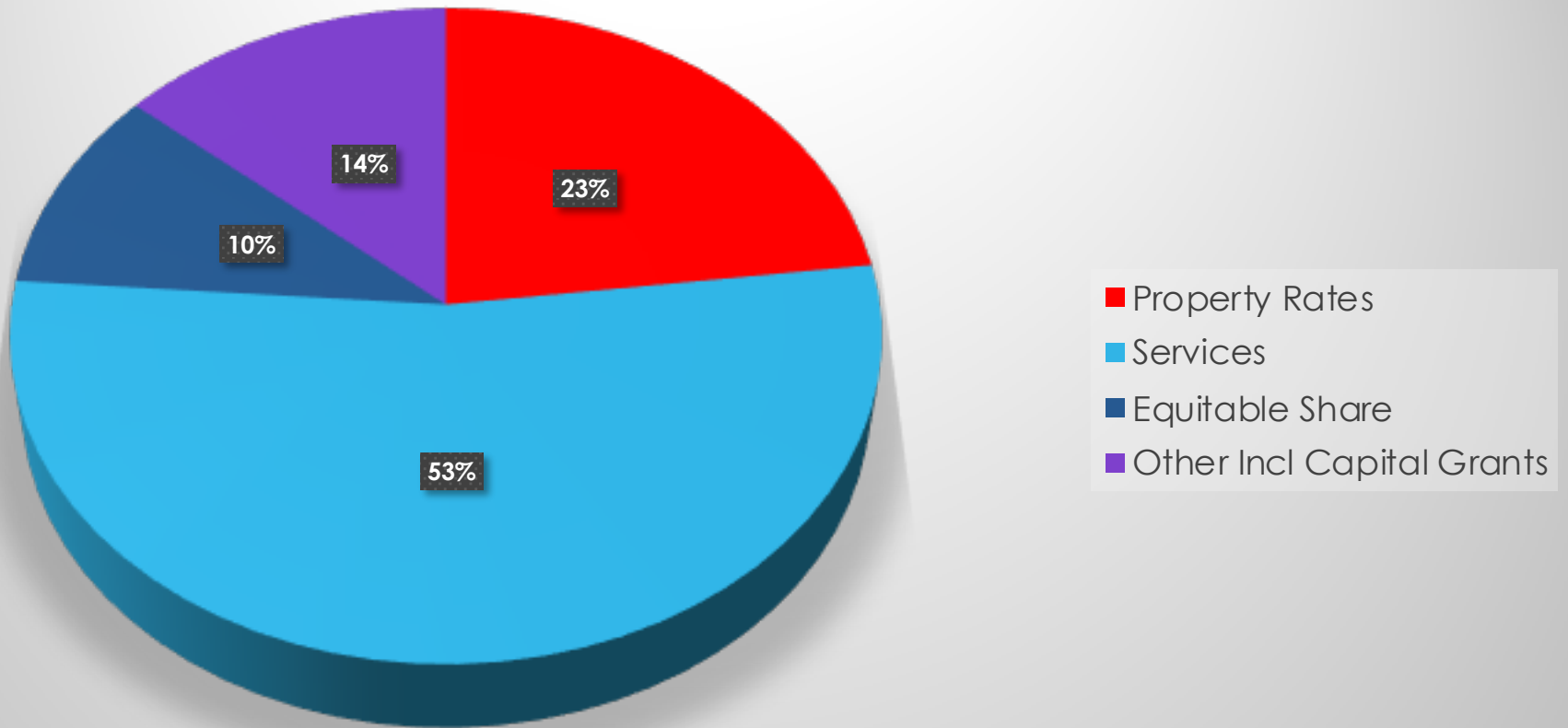
- **Category A – METROPOLITAN MUNICIPALITIES**
 - All powers and Functions listed in Schedule 4B and 5B of the Constitution
 - Water Sales, Sewer/Waste Water, Electricity Sales/ Property Taxes and Refuse Collection
 - Additional Services e.g. Municipal Police
 - Equitable Share
- **Category B – LOCAL MUNICIPALITIES**
 - Selected Powers and Functions listed in Schedule 4B and 5B of the Constitution
 - Main Sources Electricity, Property Taxes, and Refuse Collection
 - Equitable Share
- **Category C – DISTRICT MUNICIPALITIES**
 - Selected Powers and Functions listed in Schedule 4B and 5B of the Constitution
 - Main Sources Water Sales, Sewer/Waste Water) and Equitable Share

CLASSIFICATION REVENUE SOURCES. Excl. Subsidies

- **Revenue is traditionally Classified**
 - **Rates and General Services**
 - Full cost can't be recovered
 - Paid for by Property Taxes
 - E.g. Municipal Swimming pools/ Public roads, etc.
 - **Economical Services**
 - Generally full cost should be recovered with no surplus
 - Tariff based on Fixed and variable costs
 - E.g. Refuse Collection
 - **Trading Services**
 - Buy commodity and sell it
 - Full cost to be recovered plus a Surplus Nett margin of 10% - 15%
 - Tariff should be based on consumption and fixed costs
 - E.g. Electricity

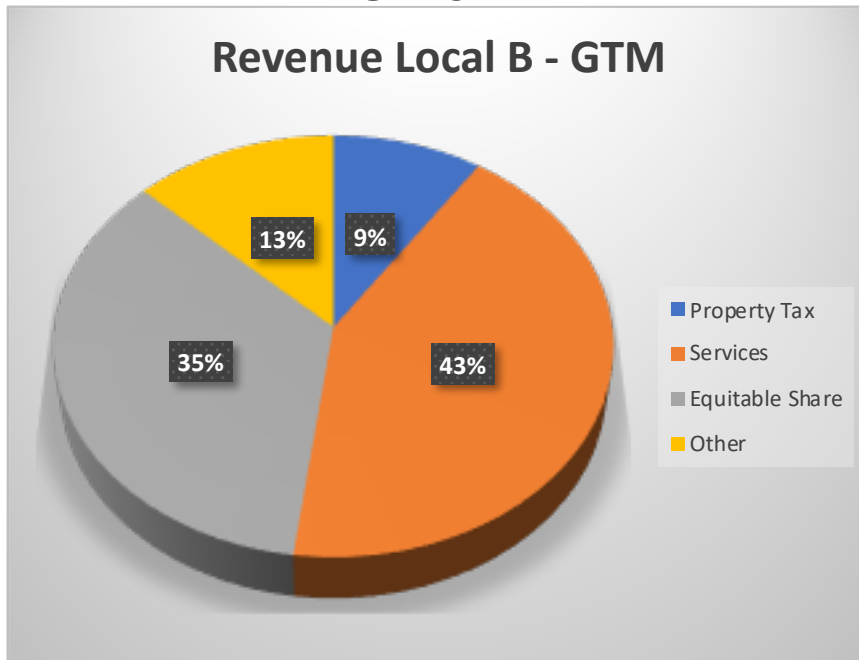
REVENUE SOURCES CATEGORY A MUNICIPALITIES

REVENUE METROPOLITAN MUNICIPALITY

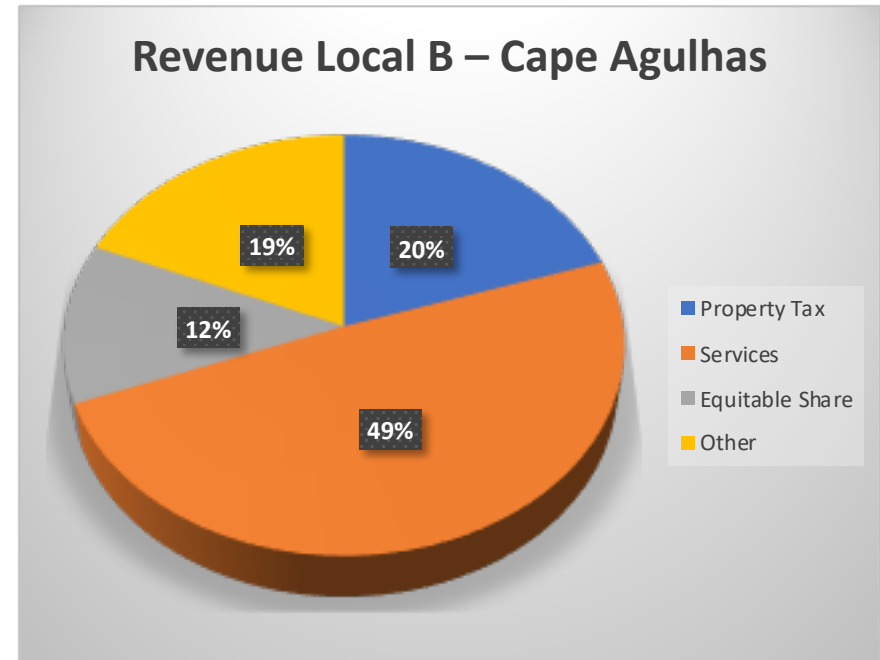


REVENUE SOURCES LOCAL B MUNICIPALITIES

- **GREATER TZANEEN MUNICIPALITY**

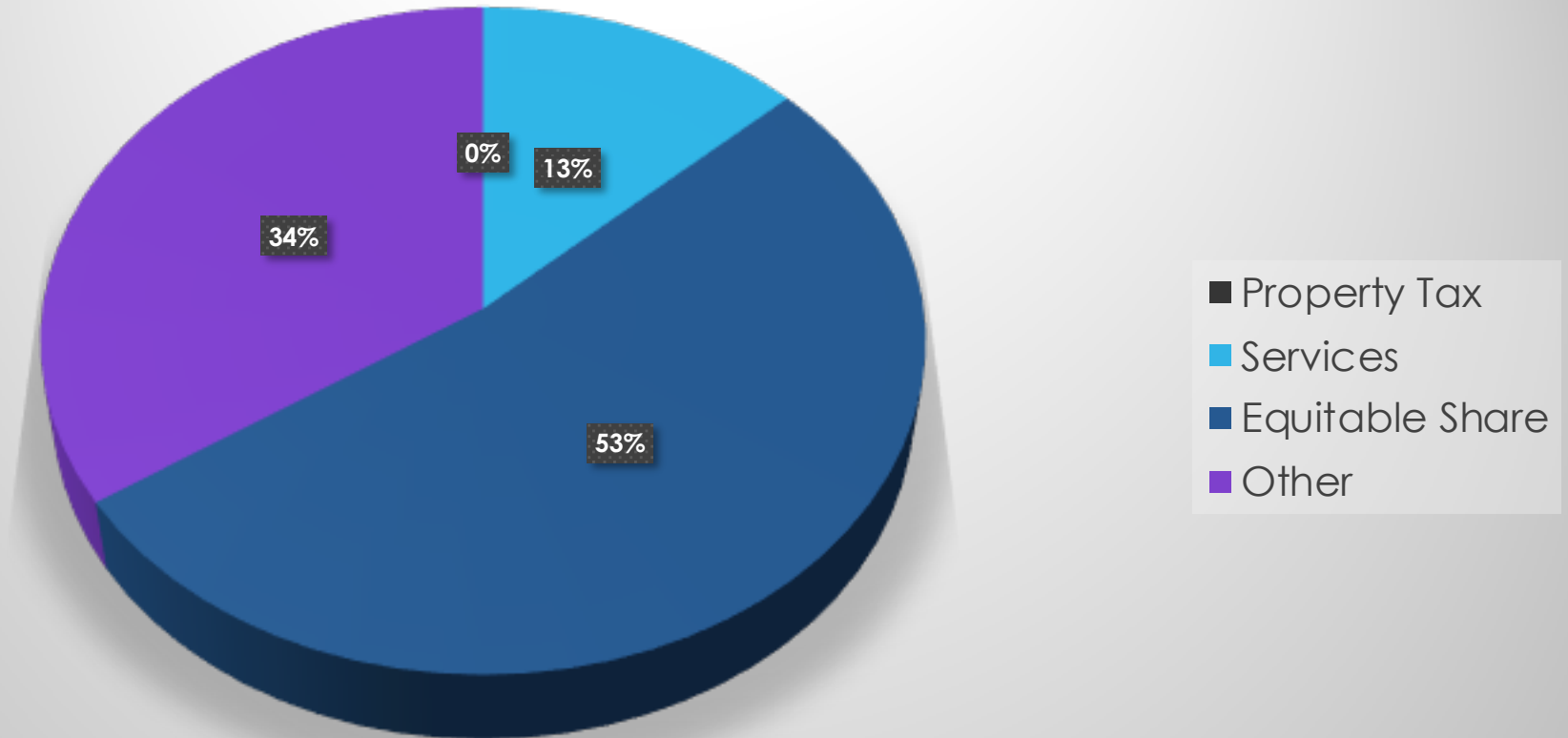


CAPE AGULHAS



REVENUE SOURCES CATEGORY C MUNICIPALITIES

Revenue - Category C Ilember District



DETERMINATION REVENUE

- **Calculation revenue based on 2 variables**
 - Cost
 - Consumption/Property Value
- **S74(2)(d) Charges in relation to Cost of services**
- **Local Government Municipal Property Rates Act and S229 Constitution**
- **Services Consumption related**
- **Services charges should have Capital Component**
- **Property Tax Property related based on value**
- **Equitable Share formula based on Indigent Households and cost to render free basic services**
- **Capital Transfers, Interest, Fines Tariffs, etc = Other**
- **Relationship between % increase budget and Tariffs?**



CHARGES ON THE BILL

- **Customer Experience**
 - High Bill – Property Rates
 - Look at Property Value
 - Objection, Appeal and or Valuation enquiry S78
 - Rebates – reduction compliance s14 Notice
 - Correct Category of Property – Tariff Applied
 - High Bill – Services (Water & Electricity)
 - Look at meter consumption for water test for leak
 - Check tariff classification in terms of approved tariffs
 - Check bill interval days for consistency





Thank you