

FINAL REPORT:
BUFFALO CITY MUNICIPAL SURVEY

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Prepared for:
Buffalo City Municipality

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Revision Number: 1

Revision date: 10 April 2003

1 INTRODUCTION AND BACKGROUND

In January 2003, Buffalo City Municipality commissioned Africon to conduct a sampled survey to provide feedback from municipal stakeholders on a number of matters associated with the municipality's rates and tariff policies. A sampled survey was conducted amongst municipal residents and business ratepayers using both qualitative and quantitative methodologies to determine:

- Current levels of understanding of Buffalo City Municipality's rates and tariff policies;
- Buffalo City Municipality's present communications with ratepayers on rating and tariff policy matters;
- Buffalo City Municipality's present ability to resolve rating and tariff billing and payment queries;
- Preferred mechanisms (either rates or tariffs) for funding particular municipal services;
- Any other general comments on rates and tariff policies.

2 METHODOLOGY

A combination of qualitative and quantitative approaches was used to strengthen the design of this study. Five focus groups were conducted with stakeholder representatives and a total of 74 survey questionnaires were completed.

With the quantitative survey questionnaires the reactions on a limited set of questions with specific response categories were measured. In this way data was generated that could be quantified and compared for different groups and between questions. The qualitative nature of the focus group discussions that were conducted with stakeholders provided the opportunity to discuss issues in depth and detail, as well as to identify other relevant issues or problems. Combining the results from the questionnaires and the focus group discussions also provided the opportunity to test the results from the different methodologies against each other.

2.1 Sampling

Survey questionnaire

Random samples of sixty-three residential households and eleven businesses were included in this study. For identification of residential participants, three suburbs in the Buffalo City Municipal area were selected, representing households or businesses with a high, medium, and low contribution to municipal rates.

Fieldworkers were provided with a map of the randomly selected residential properties in the area. They were required to make two visits to a property before they could replace the sampled property with a property next to it. Samples of 23 respondents were selected from Bonza Bay representing households with a high property valuation and a mix of affluent black and white property owners, 19 from Braelyn covering properties in the mid range and property owners representing a diversified group of Coloured, Indian and Black property owners, and 21 households in Mdantsane Zone 3 with lower valued properties.

Residential respondents were equally distributed with regards to gender, while 61.9% of respondents were educated to matric level or higher and 41.3% between the ages of 26 and 45 years (See Figure 1 and Figure 2).

Figure 1. Age distribution of residential respondents

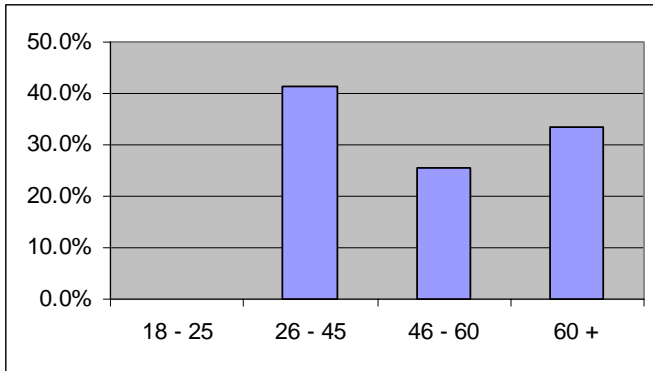
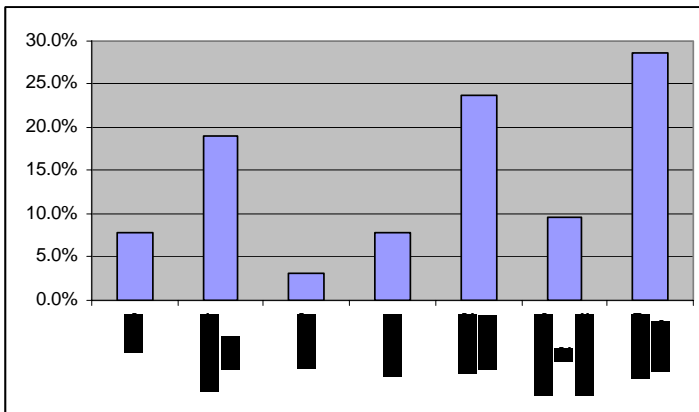
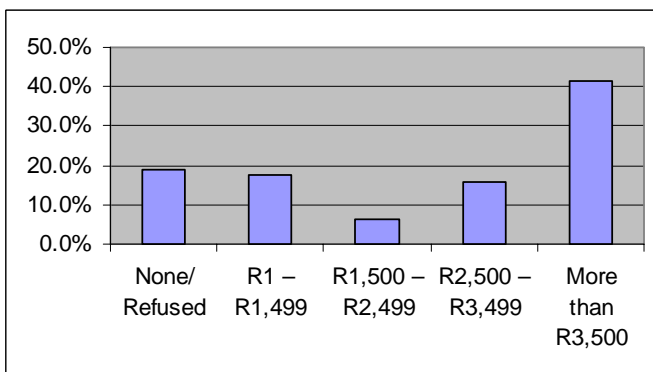


Figure 2. Educational level of residential respondents



The average size of households that were included in the sample amounted to about 5 people per household, with most households consisting of 4 members. Although the majority of households (41.3%) have a monthly household income of more than R3,500, just less than a fifth (19.0%) refused to indicate their income or have no monthly income (See Figure 3).

Figure 3. Monthly household income



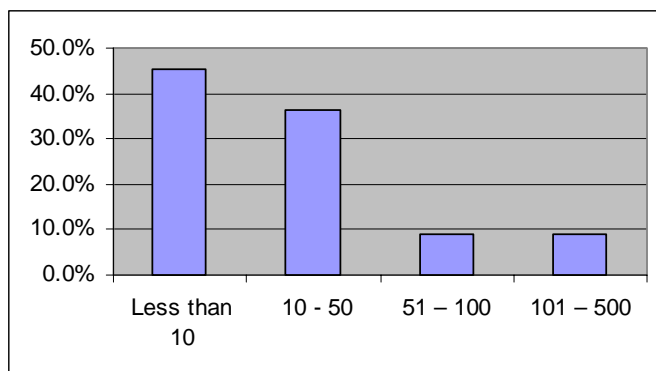
In sampling business ratepayers, fieldworkers were originally assigned erfs in East London CBD, Southernwood and Haven Hills that were randomly sampled from information obtained from the municipality's database. With collection of data, it was however found that there were mostly no businesses on the properties. Fieldworkers consequently approached any business within the area they were assigned to.

A number of businesses that were approached were only rented. Fieldworkers also experienced business owners to be uncooperative. As a result, only 11 respondents were included in the sample. Seven of these businesses were located in Amalinda and four in East London CBD. All of these business respondents had an educational level of matric and higher.

The majority of businesses (9) belonged to the business sector, with the rest (2) belonging to the commercial sector. Four businesses were in the services industry and the rest (7) in retailing or wholesale.

Six of the businesses indicated that they have a monthly turnover of less than R15,000, three between R15,000 and R100,000, and one more than R100,000.

Figure 4. Number of employees at businesses included in the sample



The majority (5) of businesses included in the sample have less than 10 employees.

Focus groups

The five focus groups that were held represented residents from Potsdam, a poor peri-urban community; residential and business ratepayers from East London; residential and business ratepayers from Bisho, Border Kei Chamber of Business, and East London Taxpayers' Action Organisation.

Focus group participants in Potsdam were sampled with the help of the school governing body. Six female and three male property owners participated in the discussion. Focus group participants in Bisho and East London were recruited by making random telephone calls to residents and businesses in the area.

2.2 Data gathering instruments

Survey questionnaire

Two survey questionnaires were designed together with the client representative to address perceptions on rates and tariff policies within the Buffalo City Municipal area for residential properties ([Annexure A](#)), as well as business properties ([Annexure B](#)). An additional questionnaire was developed to assess the perceptions of members within ward committees. Ward committees were requested to complete questionnaires to assess the knowledge and perceptions of these stakeholders. Due to a poor response an analysis of ward committee survey forms however, was not undertaken as originally planned and their results will consequently not form part of this report.

For residential properties, the owner of the property or the head of the household completed the questionnaire. For business or organisational properties, the questionnaire targeted the owner of the business, the Chief Executive Officer, or the Managing Director. This aimed to ensure that the survey capture perceptions of the ultimate decision maker that resides on the property or use the property for business purposes.

Focus group interview schedule ([Annexure C](#))

An interview schedule was developed to guide focus group discussions. The facilitator also encouraged participants to explore related issues around the municipality's rating and tariff policy.

2.3 Data collection

Three fieldworkers collected survey questionnaire data in a two-week interval. They were trained in the principles of sample surveys, the purpose and aim of the study, important definitions, and techniques to ensure reliable and valid data.

Survey questionnaire data was collected on a one-to-one basis. Fieldworkers were responsible for asking questions and taking down respondents' answers. Where necessary, questions were asked in the respondent's home language. Africon's field manager, to ensure high quality data, checked all questionnaires as fieldworkers returned the completed questionnaires.

Fieldworkers experienced some problems in getting ratepayers to participate in the study. Especially business ratepayers were uncooperative and were not interested in completing the survey questionnaire.

2.4 Data analysis

Survey questionnaire data was analysed with the use of basic descriptive statistics. Results from the residential ratepayers' survey and the business ratepayers' survey were combined where applicable. Results were put into

context by looking at relationships between perceptions on certain issues, and the profile of the respondents sampled.

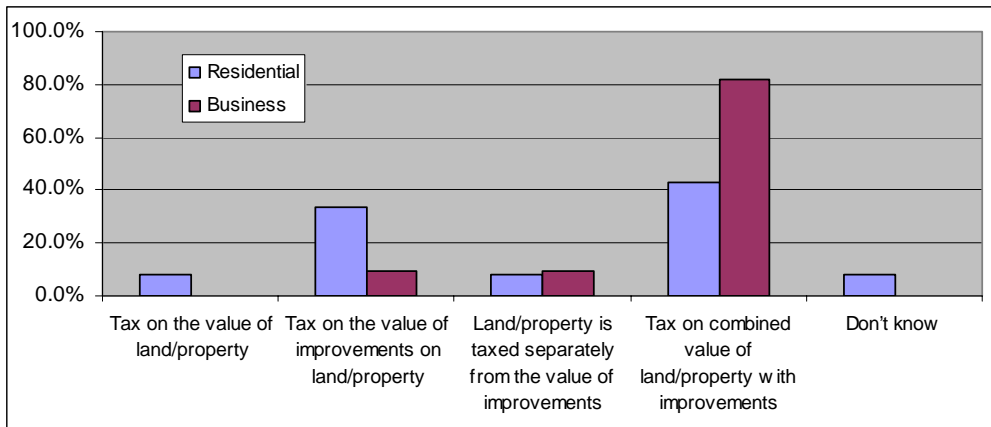
Qualitative data was thematically analysed to discover patterns in perceptions around rating and tariff issues. The analysed data from the focus group discussions was used to confirm or question quantitative results.

3 RESULTS

Results will be presented according to the theme addressed in each section of the questionnaire and in the focus group discussion schedule. In some instances as a result of a limited sample size and the nature of the question, results will represent a combination of residential and business respondents' answers.

3.1 Municipal rates

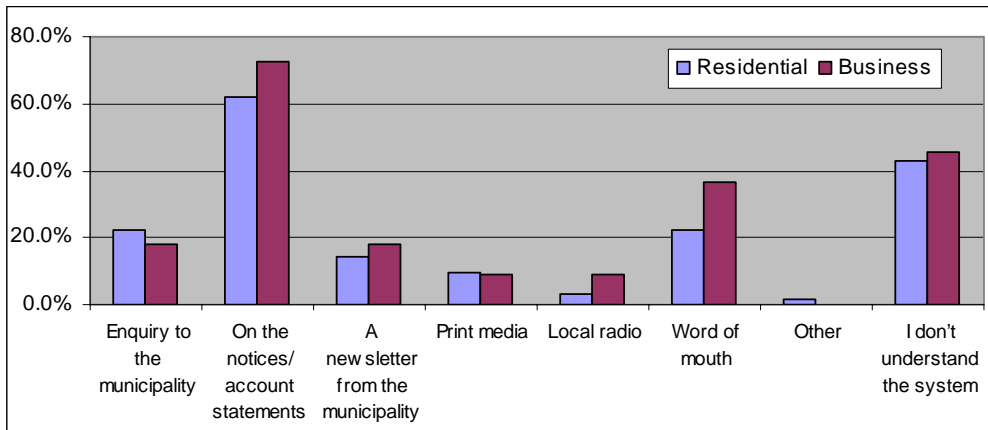
Figure 5. Residential and business respondents' understanding of the system for levying rates



While residential respondents seem to be unsure of how Buffalo City's system for levying rates works, there is more agreement between business respondents. Almost half of residential (42.9%) and business (45.5%) respondents' indicated however, that they do not understand the system (See Figure 5). In focus group discussions it were also clear that a large proportion of participants did not understand how rates and tariffs were determined and levied.

Representatives of the business community in the focus group conducted with the Chamber of Business were unclear on how property valuations for rating purposes were done, and the basis on which rates were levied. More information around the calculation of rates and tariffs are required. Participants felt that property owners should be advised on changes in property valuations and information should be supplied on when property valuations are done.

Figure 6. How residential and business respondents learnt about the system for levying rates¹



The majority of respondents (63.5%) indicated that they learnt about the municipality's system of levying rates through their notices or account statements, or through word of mouth (See Figure 6). In focus group discussions, ward meetings were also seen as a source of information. But it appears that some communities' attendance at these meetings is poor.

The means of communication are seen as limited and consequently some members of Buffalo City's population are excluded when messages are communicated. Participants raised concerns about the inaccessibility of information to non-ratepayers and the illiterate members of the population as a result of dissemination through notices or account statements.

Focus group participants voiced their dissatisfaction with both the effectiveness of communication from the municipality to its residents and residents' input with regards to municipal [general] policy and budget matters. Even though participants are eager to communicate to the councillors to give inputs and get information from them, some perceive them not as an official source of information and would prefer information to be disseminated by such a source. Participants would also like councillors to report back to communities on their performance.

It was felt amongst focus group participants that a variety of communication instruments should be utilised to communicate with the residents of Buffalo City. Local radio, postal services and direct communication with officials were mentioned as possibilities.

¹ Respondents could indicate more than one source of information.

Figure 7. Residential respondents' evaluation of Buffalo City Municipality's rating policy with regards to equitability, how informative it is, and its promotion of small business

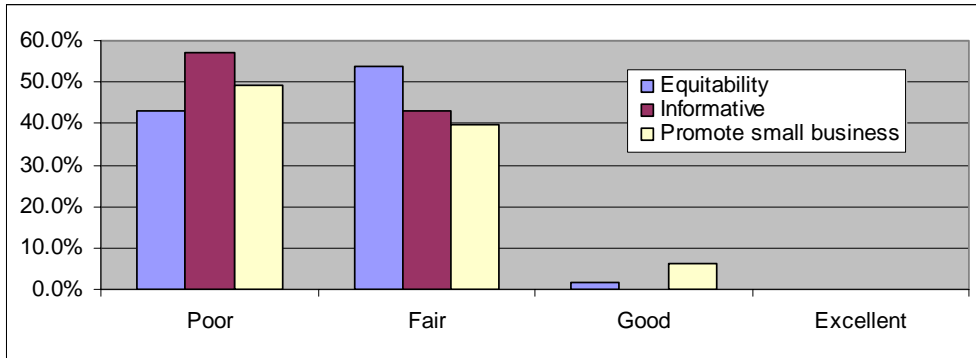
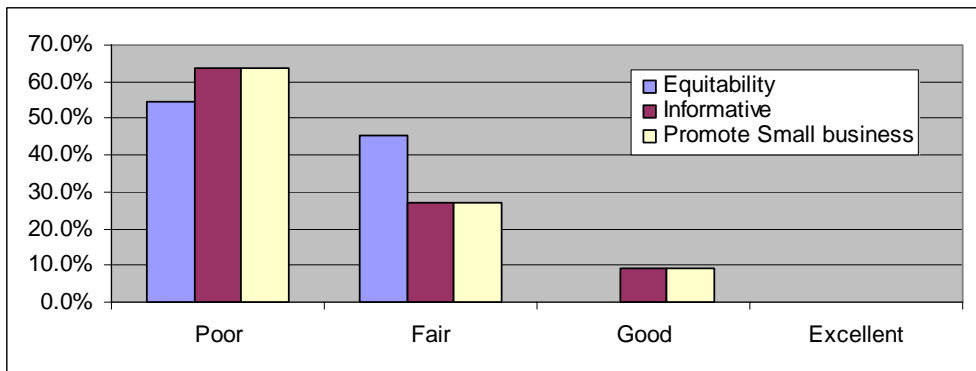


Figure 8. Business respondents' evaluation of Buffalo City Municipality's rating policy with regards to equitability, how informative it is, and its promotion of small business

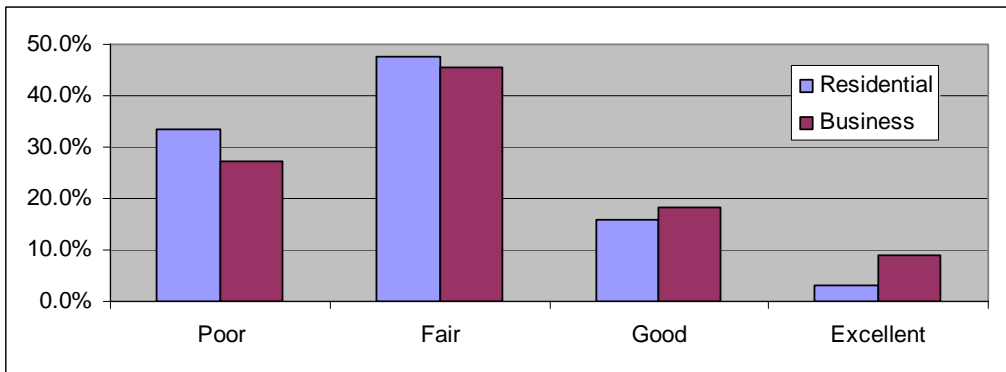


A large proportion of all respondents viewed Buffalo City Municipality's rating policy to be poor with regards to: equitability (44.6%), how informative the policy is (58.1%), and if it promotes small business (51.4%).

At the focus group discussion the taxpayers' organisation indicated that they were unhappy about inequality of rates between urban and rural areas. It was suggested that rates should be aligned with the number of persons living in a household. A few respondents suggested that rate charges be adjusted for different groups. Charges for pensioners should be lowered.

According to the focus group representing the business community, industrial properties are subjected to the same valuation rules as residential properties, resulting in business properties that are over-valued. Property rates in East London are also unfavourable compared to other cities. This causes East London not to be the preferred choice when investments are made.

Figure 9. Evaluation of notices with regards to how easy it is to understand it



Almost a third (32.4%) of all respondents to the survey questionnaire indicated that notices are poor, and almost half (47.3%) said that the standard was only fair.

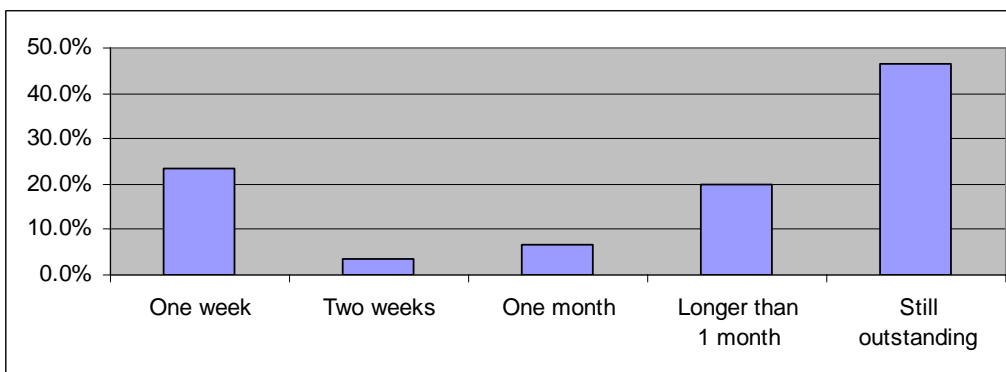
Statements were seen as too vague. Focus group participants in East London and Bisho said that they found certain aspects of the notices hard to understand and that this could be confusing. A few respondents and one focus group also mentioned that account statements were often late.

Respondents commented on notice periods, saying that ratepayers should be informed well in advance about when the municipality plan to do major repairs or to cut services like water and electricity for non payment. Another issue that was raised by more than one respondent was their dissatisfaction with the municipality that cut water and electricity when rates were not paid.

Customer service

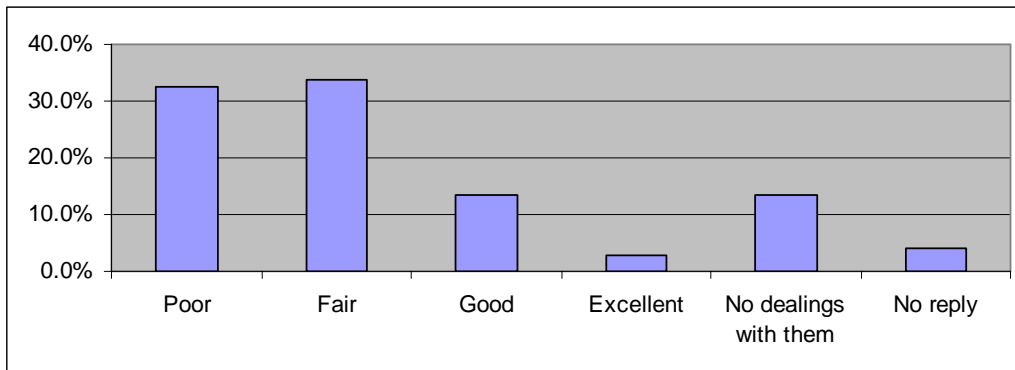
A substantial proportion (39.2%) of all the respondents in the study have queried a rates bill or rates arrears notice in the past year.

Figure 10. Time it took to resolve respondents' queries



Of the 30 respondents who indicated the time it took to resolve a query almost half (46.7%) said that it was still outstanding.

Figure 11. Respondents' satisfaction with BCM's service

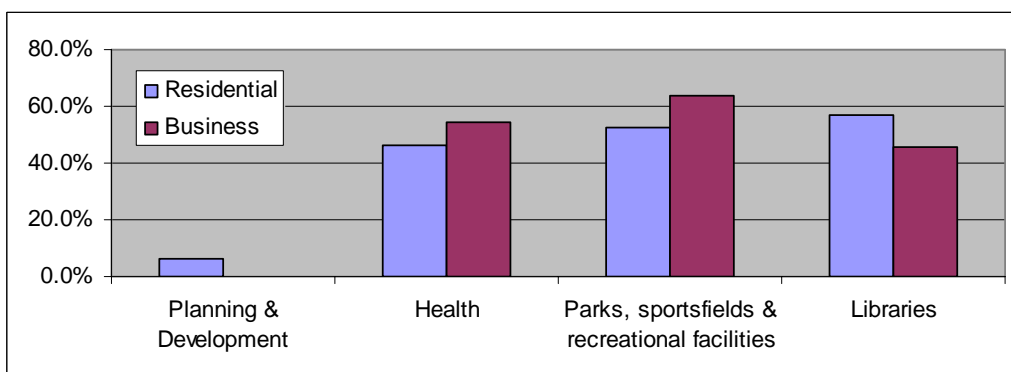


Respondents' dissatisfaction with the municipality's service is reflected in 32.4% of respondents' evaluation of the service as poor.

Focus group participants and respondents to the survey questionnaire complained about unprofessional, unhelpful and rude staff in an environment that is seen as not service orientated. Respondents said that it takes a long time to resolve a query over the phone. Service provision in terms of dealing with inquiries seems uncoordinated as difficulty is experienced in identifying the right official to raise queries with. It was generally felt that employees are not sufficiently informed and are consequently uncertain about how to handle certain issues. More effort and time should be spent on staff training.

3.2 Municipal services

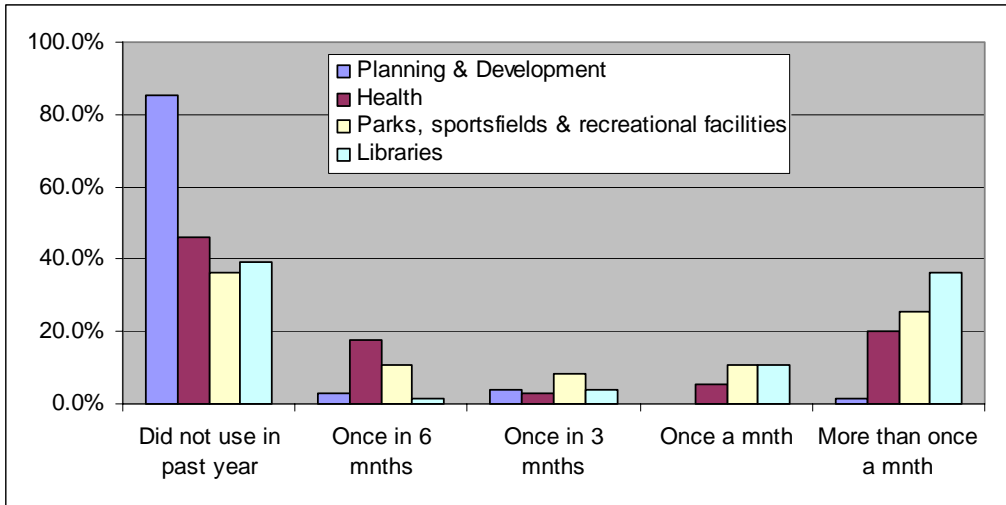
Figure 12. Respondents' usage of municipal services



Among residential respondents, the library was the service used by most (57.1%). About half of all respondents recorded usage of health services (47.3%), recreational services (54.1%) and the library (55.4%). The vast

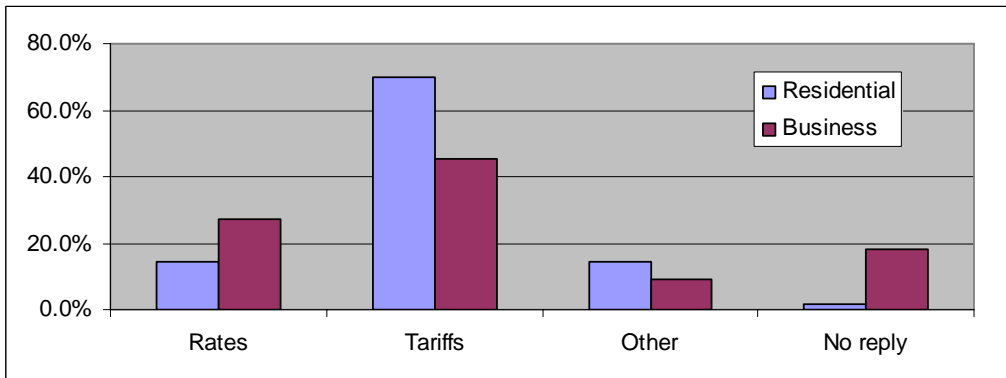
majority (93.2%) of all respondents indicated that they have not used planning and development services in the past year.

Figure 13. Frequency of respondents' usage of municipal services



Libraries are the most frequently used service. Respondents also often used parks, sportsfields and recreational services.

Figure 14. How respondents want expansion of municipal services to be funded



The large proportion of residential respondents (69.8%) and business respondents (45.5%) indicated that they would prefer services to be funded by tariffs.

Among focus group participants the main concern was that services funded by rates are deteriorating and that there is an inequality in access and standard of services across suburbs. Business representatives however suggested that the rates base be broadened and payment should influence allocation of resources to the specific area. There was agreement that in

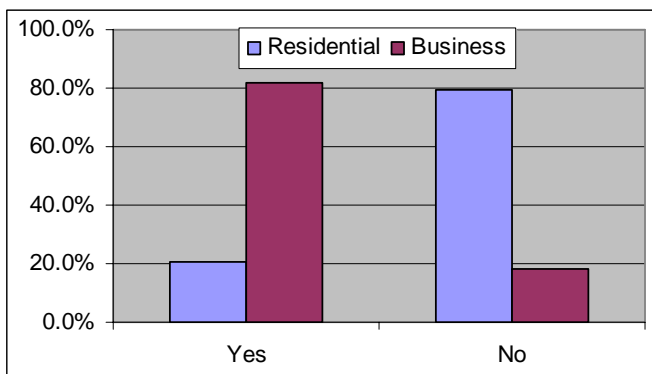
general, services should be upgraded. Participants suggested that services should be outsourced to ensure quality.

Policing was a concern for a few participants in the study. They felt that only certain areas are policed. General tidiness and cleanliness of the city should also be improved to encourage tourism.

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There were differences between focus groups as to how services should be funded. In general it seems as if participants accepted that planning and development and health services should not be funded by a tariff system. The taxpayers' organisation however feels that these services together with the police service are a national and not a municipal responsibility.

Figure 15. Respondents' willingness to pay more in rates to fund an expansion of municipal services

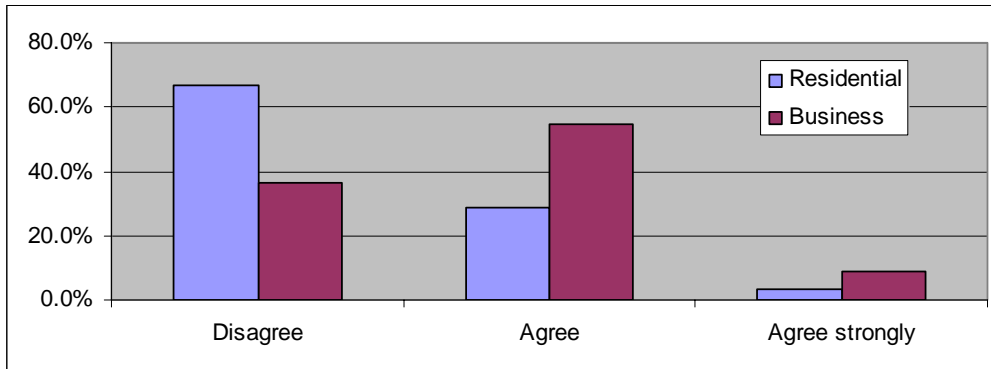


Although the majority of both residential and business respondents prefer tariffs to fund expansion of municipal services, 81.8% of business respondents are *willing* to pay more in rates to fund services while only 20.6% of residential respondents are willing to pay more in rates to fund an expansion of services. Two respondents indicated that both rates and tariffs should fund services.

The majority of residential respondents (71.4%) are not prepared to pay more in rates to fund expansion of road and transport services, while more than half (50.8%) own a motor vehicle. There seem to be no relation between owning a motor vehicle and being prepared to pay more in rates to fund an expansion of road and transport services.

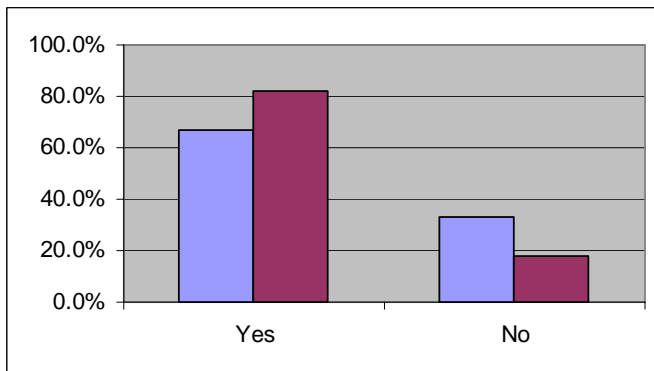
3.3 Water and Electricity

Figure 16. Respondents' perceptions on if the funding of free water and electricity is fair



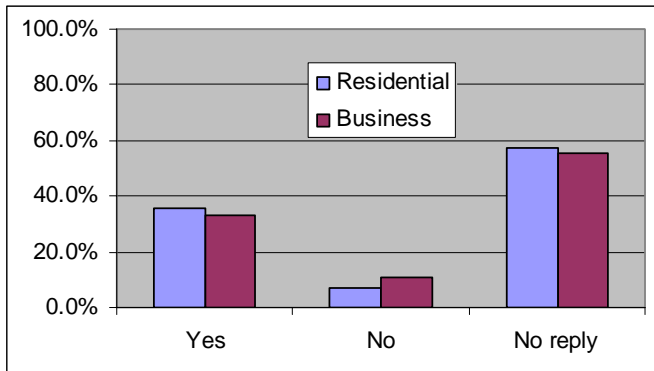
Two thirds (66.7%) of residential respondents disagree with the current system of funding free basic electricity and water. This compares to more than half (54.5%) of the business respondents that agree with the funding system.

Figure 17. Respondents that are up to date with their water and electricity payments



Only two thirds (66.7%) of residential respondents were up to date with their water and electricity payment.

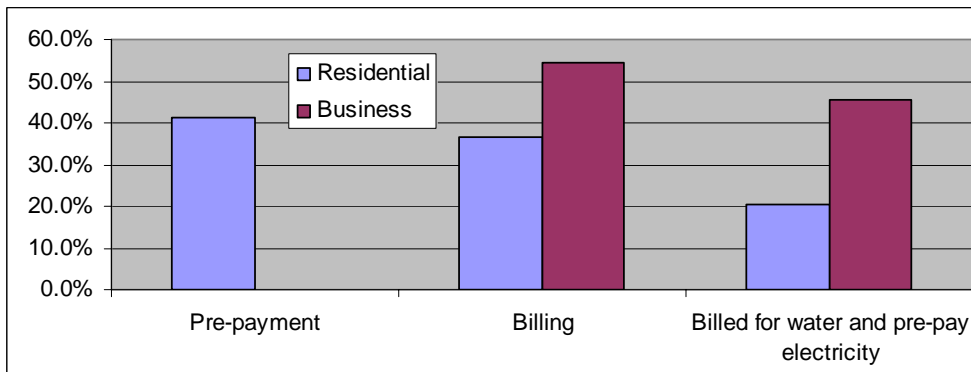
Figure 18. Respondents' willingness to pay more in rates to fund basic services rather than paying more for electricity and water



A proportion of respondents did not reply to this question. Of the 42 residential respondents that were up to date with their water and electricity payment, only 18 replied to the question. It seems as if respondents feel that they neither want to pay more in rates nor in tariffs.

There were also differences between focus groups on how free basic water and electricity should be funded. Only two groups (East London and Chamber of Business) supported cross subsidisation across different socio economic levels of the population. The Chamber of Business felt however, that the matter was not well understood by the business community. Participants from Bisho were of the opinion that free basic water and electricity should be funded from national financial resources.

Figure 19. How respondents currently pay for water and electricity

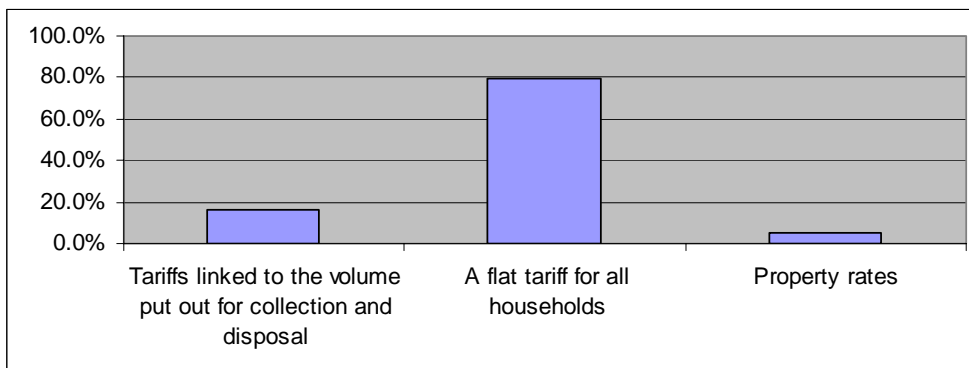


Forty one percent of residential respondents use the pre-payment method, 36.5% are billed for water and electricity and 20.6% are billed for water and pre-pay for electricity. Business respondents are either billed (54.5%) for water and electricity or billed for water and pre-pay electricity.

Focus group participants felt that the culture of non payment, should be eradicated and the installation of pre-paid technology should be encouraged.

3.4 Refuse removal

Figure 20. Residential respondents' view on how refuse removal should be funded

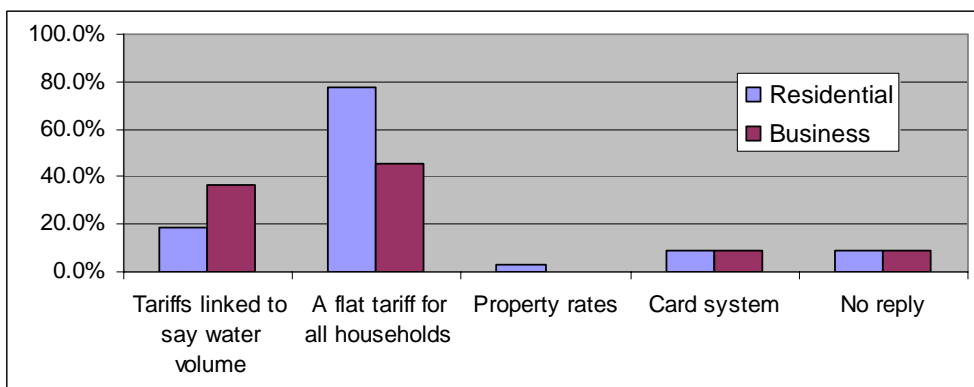


The vast majority of (79.4%) residential respondents prefer refuse removal to be funded by a flat tariff.

Refuse removal services were seen by almost all focus groups as irregular and unreliable. It is felt that although services in high-density areas are easier to service, residents pay the same in low-density areas. According to the Chamber of Business some areas paid for refuse removal services but received nothing. More than one respondent commented on the scarceness of refuse bags and requested the municipality to provide these.

3.5 Sewerage

Figure 21. Respondents' view on how sewerage should be funded



The vast majority (77.8%) of residential respondents indicated that sewerage services should be funded by a flat tariff for households. This compares to

45.5% of business respondents' preference for funding sewerage services with a flat tariff and 36.4% preferring tariffs to be linked to water volume.

There was a range of comments from focus group participants with regards to the funding of sewerage services. Participants want charges to be based on erf size, number of toilets on property or number of residents per erf. Sewerage charges are seen as quite high.

Business representatives from the Chamber of Business want fixed charges to be minimal, as availability charges were considered very high. They also questioned similar charges for higher and lower density areas. Basing charges on averages was considered unacceptable.

3.6 Repayment of rates and tariffs

Respondents felt that repayment options for rates and other services should be more flexible. The use of stop orders or debit orders should be promoted and rates should be charged over a period of time.

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Pay points should always be easily accessible. Focus group participants in Potsdam indicated that they have to pay R9 in transport cost to buy electricity.

It was suggested that for the promotion of business investment in the city, the payment of connection charges should be financed by the municipality and amortised in payment of tariffs.

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4 SUMMARY AND INTERPRETATION OF RESULTS

It seems as if ratepayers in Buffalo City lack an understanding of how property rates are determined.

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- A large proportion of survey questionnaire respondents and focus group participants indicated that they are unclear about Buffalo City Municipality's system of levying rates.
- More information around the calculation of rates and tariffs are required.

This problem could be related to the general feeling that communication between the municipality and its ratepayers is largely inadequate.

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- Respondents voiced their dissatisfaction with both the effectiveness of communication from the municipality to its residents and residents' input with regards to municipal [general] policy and budget matters.

- The means of communication is limited and consequently some members of Buffalo City's population are excluded when messages are communicated.
- Most knowledge on municipal matters was obtained through notices attached to account statements, and at ward meetings. Notices and statements are however experienced as difficult to understand.
- Although participants in the focus groups were aware that information is provided at ward meetings, it appears that some communities' attendance at these meetings are poor. Some participants did not see councillors as an official source of information and would prefer information to be disseminated by such a source.
- Local radio, postal services and direct communication with officials were recommended as means of communication.

Rating and tariff policy equity is poor.

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- The relative equity of the current rating policy is viewed as poor.

Complaints about customer service

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- The municipality's service when querying a bill or seeking information on rates or tariffs, is viewed as poor. It takes a long time to resolve queries.
- Participants complained about unprofessional, unhelpful and rude staff in an environment that is seen as not service orientated.
- Service provision in terms of dealing with inquiries seems uncoordinated as difficulty is experienced in identifying the right official to raise queries with. It was generally felt that employees are not sufficiently informed and are consequently uncertain about how to handle certain issues.
- More effort and time should be spent on staff training.

Utilisation and funding of services

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- The library is the service used by most and also the most frequently used service. It seems as if planning and development services are not often used.
- There were differences with regards to how participants in this study preferred services to be funded. Residential survey questionnaire respondents preferred services to be funded by tariffs and are generally not prepared to pay more in rates to fund expansion of services. In focus group discussions however, it seemed as if participants accepted that

planning and development and health services should not be funded by a tariff system.

- It was felt that services funded by rates are deteriorating and that there is an inequality in access and standard of services across suburbs. There was agreement that in general, services should be upgraded. Participants suggested that services should be outsourced to ensure quality.

Water and Electricity

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- The majority of residential survey questionnaire respondents disagreed with the current system of funding free basic electricity and water. This compares to more than half of the business respondents that agreed with the funding system. There were also differences between focus groups on how free basic water and electricity should be funded. It was felt that the matter was not well understood by the business community.
- A large proportion of residential survey questionnaire respondents use the pre-payment method to access electricity, while respondents are generally billed for water. Focus group participants felt that the pre-paid technology should be encouraged to eradicate the culture of non payment.
- Respondents felt that they should be warned well in advance if water and electricity is cut as a result of non payment.
- Water and electricity pay points should always be easily accessible to all users.

Dissatisfaction with refuse removal services

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- Respondents prefer household refuse removal services to be funded by a flat tariff.
- Refuse removal services were seen by almost all focus groups as irregular and unreliable. It was felt that the tariff should be adjusted according to the density of the area as it is easier to collect refuse in high density areas.

Sewerage

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- The vast majority of residential respondents indicated that sewerage should be funded by a flat tariff for households.
- Sewerage charges are seen as quite high, especially availability charges.

More flexible repayment options

- Respondents felt that repayment options for rates and other services should be more flexible. The use of stop orders or debit orders should be promoted and rates should be charged over a period of time.

5 CONCLUSION

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Although participants largely had a negative view of the municipality's policies and general service delivery levels, this could be enhanced by improving communication channels between the municipality and the population it serves. The municipality should focus on effective dissemination of information to the residents and improve its customer service delivery.

ANNEXURE A

SURVEY QUESTIONNAIRE

Questionnaire No.: _____
 Interviewer: _____

Community: _____
 Date: _____

Section A: Personal Details

ASK TO SPEAK TO THE PROPERTY OWNER OR THE HEAD OF THE HOUSEHOLD. THE PERSONAL DETAILS OF THAT PERSON NEED TO BE RECORDED BELOW. ALL INFORMATION OFFERED WILL BE KEPT CONFIDENTIAL.

1. Gender

Male	Female
1	2

2. Age group

	Q2 (✓)
18 - 25	1
26 - 45	2
46 - 60	3
60 +	4

3. Educational level

	Q3 (✓)
None	1
Grade 6 (or less)	2
Grade 7	3
Grade 10	4
Grade 12 (matric)	5
Post Grade 12 Certificates	6
Diploma/Degree	7

4. Household size

	Q4 (✓)
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
More than 8	9

5. Monthly income of the household

	Q5 (✓)
None/Refused	1
R1 – R1,499	2
R1,500 – R2,499	3
R2,500 – R3,499	4
More than R3,500	5

Section B: Municipal Rates

1. What is the current system used by Buffalo City municipality for levying rates?

	Q1 (✓)
Tax on the value of land or property	1
Tax on the value of improvements on land or property (e.g. Buildings and permanent structures)	2
The value of land or property is taxed separately from the value of improvements on land or property	3
Tax based on current combined value of land or property with improvements	4

2. How did you learn about Buffalo City municipality's system for levying rates? (MM)

	Q2 (✓)
Enquiry to the municipality	
On the notices/account statements I receive from the municipality	
A newsletter/public statement from the municipality	
Print media (Specify)	
Local radio (Specify)	
Word of mouth	
Other (Specify)	
I don't understand the system	

3. Please rate Buffalo City's rating policy with respect to each of the characteristics listed below.

	Poor	Fair	Good	Excellent
	1	2	3	4
Equitable: The rating burden is spread fairly across those groups who are able to make a contribution				
Informative: Ratepayers are provided with sufficient information about Buffalo City's rating policy				
Promotes small business: The rating policy does not unduly penalise small business				

4. Please rate Buffalo City's notices with respect to how easy it is to understand them.

Poor	Fair	Good	Excellent
1	2	3	4

5. A. Have you queried a rates bill or rates arrears notice this year?

Yes	No
-----	----

↓
→ → B. How long did the matter take to get resolved?

	Q5B (✓)
One week	1
Two weeks	2
One month	3
Longer than 1 month	4
Still outstanding	5

6. Rate your satisfaction with the service you have received when querying a bill or enquiring information from Buffalo City municipality on rates or tariff issues.

Poor	Fair	Good	Excellent	Have had no dealings with them
1	2	3	4	5

Section C: Services

7. Rates are used to mainly fund expenditure on council executive activities and community services not financed by tariffs.

A. Have you used any of the following services in the past year? (MM)

	Q7A (✓)
Planning and Development ²	
Health ³	
Parks, sportsfields and recreational facilities	
Libraries	

² Eg. Building inspections and permits, rezonings, special consents, business licences, township establishments

³ Eg. Health clinics and health inspectors

B. How frequently did you use these services in the past year?
(CHECK CORRESPONDENCE WITH 7A)

	Did not use in the past year	Once every six months	Once every three months	Once a month	More than once a month
	1	2	3	4	5
Planning and Development					
Health					
Parks, sportsfields and recreational facilities					
Libraries					

C. How do you think an expansion of the above mentioned services should be funded?

Rates	Tariffs	Other (Specify)
1	2	3

D. Would you be prepared to pay more in rates to fund an expansion of these services?

Yes	No
-----	----

8. A. Do you own a motor vehicle?

Yes	No
-----	----

B. Would you be prepared to pay more in rates to fund an expansion of road and transport services?

Yes	No
-----	----

Section D: Water and Electricity

9. The cost of delivering free basic services for electricity and water is borne mostly by users of electricity and water who pay tariffs rather than property rates.

A. Do you think this method of funding free basic electricity and water services is fair?

Disagree	Agree	Agree strongly
1	2	3

B. Are you up to date with your electricity and water payments

Yes	No
-----	----

↓
→ → C. Would you be willing to pay more in rates to fund basic services rather than paying more for your electricity and water; rate funding would increase but electricity and water tariff funding would be reduced?

Yes	No
-----	----

D. How do you currently pay for electricity and water?

Pre-payment	Billing	Other (Specify)
1	2	3

Section E: Refuse Removal

10. Household refuse removal is currently funded by tariffs. Do you think household refuse removal should be funded by:

		Q10 (✓)
Tariffs linked to the volume put out for collection and disposal	1	
A flat tariff for all households	2	
Property rates	3	
Other (specify)	4	

Section F: Household Sewerage

11. Household sewerage services are currently funded by tariffs that bear no relationship to the sewerage flows generated by households. Do you think household sewerage services should be funded by:

		Q11 (✓)
Tariffs linked to say water volumes	1	
A flat tariff for all households	2	
Property rates	3	
Other (specify)	4	

12. Do you have any other comments on Buffalo City's current rating policy?

ANNEXURE B

SURVEY QUESTIONNAIRE

Sector

Questionnaire No.: _____

Interviewer: _____

Date: _____

		(✓)
Business sector	1	
Commercial sector	2	
Industrial sector	3	
Institution	4	

6

Section A: Business Particulars

ASK TO SPEAK TO THE OWNER, THE CHIEF EXECUTIVE OFFICER OR THE MANAGING DIRECTOR. ALL INFORMATION OFFERED WILL BE KEPT CONFIDENTIAL.

1. Age group

		Q2 (✓)
18 - 25	1	
26 - 45	2	
46 - 60	3	
60 +	4	

2. Educational level

		Q3 (✓)
None	1	
Grade 6 (or less)	2	
Grade 7	3	
Grade 10	4	
Grade 12 (matric)	5	
Post Grade 12 Certificates	6	
Diploma/Degree	7	

3. Size of business (monthly turnover)

		Q6 (✓)
Micro (Less than R15k)	1	
Macro (R15k – R100k)	2	
Large (R100k and more)	3	

4. Type of business or organisation

		Q4 (✓)
Manufacturing	1	
Retailing/Wholesale	2	
Construction	3	
Services Industry	4	
Consulting Services	5	
Non profitable (eg. NGO,CBO)	6	
Government Department	7	
Other (Specify)	8	

5. Total number of employees based at this site

		Q5 (✓)
Less than 10	1	
10 - 50	2	
51 – 100	3	
101 – 500	4	
501 – 2,000	5	
2,001 – 10,000	6	
More than 10,000	7	

Section B: Municipal Rates

13. What is the current system used by Buffalo City Municipality for levying rates?

		Q1 (✓)
Tax on the value of land or property	1	
Tax on the value of improvements on land or property (e.g. Buildings and permanent structures)	2	
The value of land or property is taxed separately from the value of improvements on land or property	3	
Tax based on current combined value of land or property with improvements	4	

14. How did you learn about Buffalo City municipality’s system for levying rates? (MM)

	Q2 (✓)
Enquiry to the municipality	
On the notices/account statements I receive from the municipality	
A newsletter/public statement from the municipality	
Print media (Specify)	
Local radio (Specify)	
Word of mouth	
Other (Specify)	
I don't understand the system	

15. Please rate Buffalo City’s rating policy with respect to each of the characteristics listed below.

	1	2	Good 3	Excellent 4
Equitable: The rating burden is spread fairly across those groups who are able to make a contribution				
Informative: Ratepayers are provided with sufficient information about Buffalo City’s rating policy				
Promotes small business: The rating policy does not unduly penalise small business				

16. Please rate Buffalo City’s notices with respect to how easy it is to understand them.

Poor 1	Fair 2	Good 3	Excellent 4

17. A. Have you queried a rates bill or rates arrears notice this year?

Yes	No
-----	----

↓
→ → C. How long did the matter take to get resolved?

	Q4B (✓)
One week	1
Two weeks	2
One month	3
Longer than 1 month	4
Still outstanding	5

18. Rate your satisfaction with the service you have received when querying a bill or enquiring information from Buffalo City municipality on rates or tariff issues.

Poor 1	Fair 2	Good 3	Excellent 4	Have had no dealings with them 5

Section C: Services

19. Rates are used to fund mainly expenditure on council executive activities and community services not financed by tariffs.

A. Has your organisation used any of the following services in the past year? (MM)

	Q7A (✓)
Planning and Development ⁴	
Health ⁵	
Parks, sportsfields and recreational facilities	
Libraries	

B. How frequently did your organisation use these services in the past year?
(CHECK CORRESPONDENCE WITH 7A)

	Did not use in the past year	Once every six months	Once every three months	Once a month	More than once a month
	1	2	3	4	5
Planning and Development					
Health					
Parks, sportsfields and recreational facilities					
Libraries					

C. How do you think an expansion of the above mentioned services should be funded?

Rates	Tariffs	Other (Specify)
1	2	3

D. Would your organisation be prepared to pay more in rates to fund an expansion of these services?

Yes	No
-----	----

Section D: Water and Electricity

20. The cost of delivering free basic services for electricity and water is borne mostly by users of electricity and water who pay tariffs rather than property rates.

A. Do you think this method of funding free basic electricity and water services is fair?

Disagree	Agree	Agree strongly
1	2	3

B. Are you up to date with your electricity and water payments

Yes	No
-----	----

↓ C. Would you be willing to pay more in rates to fund free basic services rather than paying more for your electricity and water; rate funding would increase but electricity and water tariff funding would be reduced?

Yes	No
-----	----

⁴ Eg. Building inspections and permits, rezonings, special consents, business licences, township establishments

⁵ Eg. Health clinics and health inspectors

D. How do you currently pay for electricity and water?

Pre-payment	Billing	Other (Specify)
1	2	3

Section E: Sewerage

21. Sewerage services (excluding trade effluent) are currently funded by tariffs that bear no relationship to the sewerage flows generated by businesses. Do you think sewerage services should be funded by:

		Q9 (✓)
Tariffs linked to say water volumes	1	
A flat tariff for all households	2	
Property rates	3	
Other (specify)	4	

22. Do you have any other comments on Buffalo City's current rating policy?

ANNEXURE C

FOCUS GROUP SCHEDULE

Facilitator: _____

Number of participants _____

	Male	Female
Number		

Date: _____

Sectors represented

	(✓)
Business sector	
Commercial sector	
Industrial sector	
Institution	
Residential rate payers	

Section A: Municipal Rates

ASK PARTICIPANTS' PERMISSION TO RECORD DISCUSSION. ASSURE PARTICIPANTS OF CONFIDENTIALITY.

1. How do you understand Buffalo City municipality's (BCM) current system of levying rates?
2. How do you find BCM's current communication around rates and tariff policy?
3. What do you think about BCM's notices?
4. How do you experience the way that BCM handles its ratepayers with regards to resolving queries around rates bills or general questions on rates and tariff policies?
5. Discuss your views on BCM's rating policy with respect to:
 - a. Equitability
 - b. If it promotes small business

Section B: Services

6. Rates are used to fund mainly expenditure on council executive activities and community services not financed by tariffs. These services include: Planning and Development services eg. building inspectors and permits, health services eg. health clinics and health inspectors, parks, sportsfields and recreational facilities, and libraries.

Do you agree with BCM's current policy with regards to funding these services. How would you change that with regards to:

- c. Planning and Development services.
 - d. Health services
 - e. Parks, sportsfields and recreational facilities
 - f. Libraries
 - g. Environmental
-

Section C: Water and Electricity

7. The cost of delivering free basic services for electricity and water is borne mostly by users of electricity and water who pay tariffs rather than property rates. Do you think this method of funding free basic electricity and water services is fair?

Section D: Sewerage

8. Sewerage services (excluding trade effluent) are currently funded by tariffs that bear no relationship to the sewerage flows generated by businesses. How do you think sewerage services should be funded?

Section E: Refuse Removal

9. Household refuse removal is currently funded by tariffs. How do you think household refuse removal should be funded?

