

# **REPORT ON THE TRAFFIC MANAGEMENT REVENUE GENERATION**

## **Background**

Matjhabeng Municipality has embarked on a revenue enhancement program with the view to increase the revenue of the municipality to try and supplement the current income levels. The project was borne out of a Section 32 appointment since the same type of an exercise is already being implemented in other organs of state. This project is at the back of the challenges that are faced by the municipality of building capacity within the traffic department to collect satisfactory levels of revenue from traffic fines. By engaging the service provider, the municipality is able to mitigate the capacity challenges and seize the opportunity to collect maximum revenue which could be used to better the lives of the citizenry within the municipal area.

## **Purpose of the Report**

The purpose of the report is to give the municipality a sense of what the project entails and how the revenue enhancement is going to play out.

The appointed service provider will be deploying the latest technology on speed cameras and help the municipality with calibration of their current cameras for efficiency and compliance. Furtherer more the service provider will be helping the municipality to collect money from the traffic fine issued according to the prescripts of the law by way of conducting random road blocks within the municipal areas on approved sides by the DPP.

The service provider will be assisting the municipality to increase the current levels of traffic fines and thereby increase the Rand value to be collected. Currently the municipality is issuing an average of 3000 traffic fines per month which is a very low base, against an average of R500000.00 per month in terms of revenue. The average collection rate according to the current records is around 15%.

Through the engagement of the service provider the municipality has an opportunity to increase the traffic fine revenue by 80% within the financial year, which will be expressed in millions (the figure to be provided once the assessment is done).

The service provider is currently conducting the initial assessment to ascertain the estimated revenue to be collected so that an estimated figure could be provided together with milestones and targets to be achieved.

## **Financial Implications**

The municipality is not expected to make any capital investment on the project. Once the service provider is done with the assessment the municipality with given the financial estimates which will take into account the project cost.