

11 AMENDMENT OF TARIFF OF CHARGES FOR CEMETERIES AND CREMATORIA, PARKS, OPEN SPACES, NATURE RESERVES AND ZOO 20015/16

1 STRATEGIC THRUST

Service Delivery Excellence and Good Governance

2 OBJECTIVE

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To obtain approval for the amendment of Tariff of Charges for Cemeteries and Crematoria, Parks, Open Spaces, Nature Reserves and Zoo with effect from 1 July 2015.

4 BACKGROUND

Minor tariffs applied by Johannesburg City Parks and Zoo, are a social responsibility that cannot justify cost recovery. Given the nature and lifespan of such facilities, the costing of a percentage allocation will be arguably inappropriate. It should however be noted that fees need to be market related and as such the increase in fees have been adjusted accordingly.

CEMETERIES AND CREMATORIA

Cemeteries and crematoria, since their amalgamation from the former administrations in 1996 have based their tariffs on the categorized grading of the various cemeteries and general activities. Since 1996 the categories have been reduced from the 6 categories to 2 categories due to cemetery development. Also over that period many of the existing cemeteries have become passive [second burials only/reserved graves] and therefore a revamp of the cemetery tariff was deemed necessary to be in line with the community and address the social commitment. The fees across the board had been increased by 6% as recommended by the City.

PARKS AND OPEN SPACE

Johannesburg City Parks and Zoo has experienced an increase in the usage of the facilities under their control. The events are profit driven and JCPZ needs to be more competitive to attract high profile events. This increase in usage, specially the commercial events created the need to do more regular clean ups of the facility after events. This meant an increase in costs to maintain the facilities. An increase of public complaints has also been experienced due to event's organisers not complying to rules and regulations. The event fees have been adjusted to ensure that it is market related and compliance is adhered to, to minimize damage control. A comparison was made with competitors such as The Walter Sisulu gardens and Kirstenbosch botanical gardens. The new suggested fees are in relation to these.

Facility	Capacity	Fee
Walter Sisulu gardens	3000 - 5000	R80 000
Kirstenbosch gardens	5800	R145 000
JCPZ facilities hosting music concerts;	3001 – 15 000	R150 000

CITY PARKS AND ZOO

Facilities: JHB Botanical gardens, Zoo lake, Kloofendal, Innisfree park, Mushroom farm park, James and Ethel Grey park, Florida lake, Dorothy Nyembe ,Thokoza park, Bezuidenhout valley, Pioneer park, Golden harvest park		
JCPZ facilities hosting music concerts: Facilities: JHB Botanical gardens, Zoo lake, Kloofendal, Innisfree park, Mushroom farm park, James and Ethel Grey park, Florida lake, Dorothy Nyembe ,Thokoza park, Bezuidenhout valley, Pioneer park, Golden harvest park, Rhodes park, Oppenheimer Towers, Mofolo park,	1 – 3000	R100 000

JCPZ facilities can accommodate between 2000 and 15 000 people.
The fees have been increased on average by 150 – 200%.

ZOO

The increase in tariffs will assist in ensuring that the Johannesburg Zoo strives towards the attainment of delivering the highest quality of service to the citizens of Johannesburg at a cost that is affordable and comparable to many of our competitors. The fees were standardized to assist online bookings which meant a reduction in categories. An online booking fee has also been suggested. The % increase varies as it has also been compared to the market.

Facility	Adult fees	Children fees
National zoo Pretoria	R85	R55
Tow Oceans aquarium	R125	R60
Johannesburg Zoo	R75	R46

5 POLICY IMPLICATIONS

This application for a tariff increase is in line with the common practice to apply for an annual tariff increase to the City of Johannesburg. Johannesburg City Parks and Zoo' tariffs principles are in line with the City of Johannesburg's policies of addressing social, economic and financial imperatives.

6 FINANCIAL IMPLICATIONS

Tariffs are based on historical structures and adjusted annually. Exceptions are highlighted.

7 ECONOMIC IMPLICATIONS

Minor tariffs applied by Johannesburg City Parks and Zoo, are a social responsibility that cannot justify cost recovery but fees should be market-related.

8 COMMUNICATION IMPLICATIONS

The relevant information regarding proposed tariffs will be communicated to all the role players in the manner prescribed by the law.

9 LEGAL AND CONSTITUTIONAL IMPLICATIONS

This report has been finalised in conjunction with Legal Services to ensure compliance with all relevant Legislation. It should though be kept in mind that by virtue of Section 28 (6) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), once the new tariffs have been determined in respect of the 2014/2015 Financial Year, it may not be further increased during that financial year. For that reason it is essential to ensure that the proposed increases comply with the budgeted needs of the Council in respect of 2014/2015 Financial Year.

IT IS RECOMMENDED

- 1 That, in terms of Sections 11(3)(i) and 75A (1) of the Local Government: Municipal Systems Act 2000, (Act 32 of 2000) as amended, read with Section 16(2) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the City of Johannesburg declares its intention to amend with effect from 1 July 2015 its Tariff of Charges:

For Cemeteries and Crematoria, Parks, Open Spaces, Nature Reserves and the Zoo as set out in Annexure A.

- 2 That, in terms of Sections 17(3) (a) (ii) and 22(a) (i) and (ii) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and Sections 21, 21A (1) and 2 of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000) as amended, the City of Johannesburg:

- (1) display the notice and the documents and notice in the manner prescribed;
- (2) seek to convey to the local community by means contemplated in Section 21 read with Section 21A of the Municipal Systems act, 2000 (Act 32 of 2000) the information contemplated in Recommendation 1 above.
- (3) publish a notice in the manner prescribed and invites the local community to submit written comments or representations in respect of the City's declared intention to amend or determine Tariffs of Charges.

- 3 That in terms of Section 22(b) (i) and (ii) of the Local Government : Municipal Finance Management Act, 2003 (Act 56 of 2003) a copy of the notice and documents be sent forthwith to the National and Provincial Treasury; MEC for local government; as well any other organ of state or municipality affected by the budget to solicit their views.

11.4

COJ: MAYORAL COMMITTEE
CITY PARKS AND ZOO

2015-03-18

- 4 That the Group Chief Financial Officer in conjunction with the Group Head : Legal and Contracts, in consultation with the Council's relevant Departments and all interested parties, report on the comments received in terms of Recommendation 2 above with recommendations on the final of the Tariffs of Charges for consideration.
- 5 That the report be submitted to a relevant Section 79 Committee for comment.

Author of report

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