

City of Johannesburg Council 2022-03-16/17

COJ : MAYORAL COMMITTEE 2022-03-13

## **EMERGENCY MANAGEMENT SERVICES**

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### **49 AMENDMENT OF TARIFF CHARGES FOR EMERGENCY MANAGEMENT SERVICES: 2022/23**

#### **1 STRATEGIC THRUSTS**

Improved quality of life and development-driven resilience for all. Provide a resilient, liveable, sustainable urban environment- underpinned infrastructure supportive of a low carbon economy.

#### **2 OBJECTIVE**

The purpose of this report is to obtain an approval for an increase of charges in the tariffs for Emergency Management Services (EMS) for the rendering of core business. The proposed increase will be at 5.0 % across the board with effect from 1 July 2022 for the 2022/2023 financial year.

#### **3 SUMMARY**

##### **BACKGROUND**

Tariffs and assessment rates aim to conform to the guiding principles of the City's Tariff Determination Policy with specific regards to the following:

Tariffs must provide basic access to EMS services to everyone, including poor households. For the purposes of definition, a basic service shall mean a response to a medical incident where basic or intermediate life support is provided, or response to a fire in a residential dwelling. All other types of emergency call out incidents are to be regarded as specialist services. This is to ensure that commercial and industrial entities are made to be accountable for the risk they bring to the City, and do not receive a free service.

Tariffs must also provide cross subsidization for the poor, where necessary and feasible. The tariff structure and process should be simple and easy to implement. Tariffs should be cost reflective and cost effective – it should enable EMS to recover what it costs to render the particular service. Tariffs should promote sustainability and the ability to extend new services – such as the extension of services by means of opening new base stations and adjusting to the changing risk profile within the City.

Emergency Management Services render a wide variety of services that may be classified either as public or private goods. Private goods may be classified as those services that primarily benefit the individual consumer, such as submission of building plans, or standby services at commercial events.

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### **AMBULANCE TARIFFS**

The ambulance service has been taken back by the GPG Health Department. Thus EMS is now on the process of requesting for an approval in offering our own registered COJEMS ambulance service. An interim tariff is now included in the report for the collection of income from our own ambulance service. As the tariff is now separated from the GPG tariff a new tariff structure is being introduced to fall between the cheaper GPG service and the tariff which the private ambulance services are charging. Ambulance charges are exempted for Value Added Tax (VAT) when supplied within the country.

### **FINES FOR FLAMMABLE LIQUIDS AND EMERGENCY SERVICES BY-LAWS**

These fines do not form part of the tariff report as they are determined by the Magistrate, only the issuing of registration certificates is charged for.

## **4 POLICY IMPLICATIONS**

The proposed amended tariffs are in keeping with the Council's Tariff Determination policy.

## **5 LEGAL AND CONSTITUTIONAL IMPLICATIONS**

- (1) The Fire Brigade Services Act, 1987, permits a local authority in control of a Fire Brigade Service to determine the fees payable for the use of the service which may be done by a resolution of the local authority.
- (2) The City of Johannesburg is authorised in terms of Section 11(3)(i) and 75A(1) and (2) of the Local Government System Act read with Section 24(2)(c) (ii) of the Local Government Municipal Finance Management Act to levy and amend tariffs of charges in respect of any function or service of the municipality. It should though be noted 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 2022/2023 Financial Year, it may not be further increased during that financial year, except when required in terms of a financial recovery plan as contemplated in the Act. For that reason it is essential to ensure that the proposed increases comply with the budgeted needs of the Council in respect of 2022/2023 Financial Year.

## **6 FINANCIAL IMPLICATIONS**

Due to the historically low revenue levels in EMS, it is difficult to make a true assessment of the possible income that could be realized from the minor increase of the tariffs. All charges being inclusive of VAT.

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However, the proposed tariffs as contained in the Annexure attached to the report are related to the indicative budget for 2022/2023. Should the proposed tariffs be approved, the potential additional income would be approximately R3 245 000 annually.

	<b>Description</b>	<b>2021/22 4.3% R000'S</b>	<b>2022/23 5% R000'S</b>	<b>2023/24 4.5% R000'S</b>
1	Firefighting services	341	358	374
2	Fire protection fees	598	628	656
3	Sundry revenue	1 316	1 382	1 444
4	Training Income	835	877	916
	<b>Total additional income</b>	<b>3 090</b>	<b>3 245</b>	<b>3 390</b>

## **7 COMMUNICATION IMPLICATIONS**

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

## **8 OTHER PARTIES/BODIES CONSULTED**

Budget Office  
Group Legal and Contracts Department

## **IT IS RECOMMENDED**

- 1 That in terms of Sections 11(3)(i) and 75A(1) and (2) of the Local Government: Municipal Systems Act 2000, (Act 32 of 2000), read with Section 24(2)(c)(ii) of the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003), the City of Johannesburg declare its intention to amend its Tariff of Charges for Emergency Management Services as set out in the Annexure hereto with effect from 1 July 2022 (Charges being inclusive of VAT).**
- 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 75A(3)(a), (b) and (c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended, the City of Johannesburg:**
  - (1) display a copy of the resolution and notice in the manner prescribed;**
  - (2) publish the notice in the manner prescribed and invite the local community to submit written comments or representations in respect of the amended Tariff of Charges; and**
  - (3) seeks to convey to the local community by means of radio broadcast covering the area of the City, the information contemplated in Section 75A(3)(c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).**

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- 3 That if no objections are received, the amended Tariff of Charges be published in the Provincial Gazette and be effective from 1 July 2022.**
- 4 That a copy of the notice referred to in Paragraph 2(b) above be sent forthwith to the MEC for Local Government as well as the National and Provincial Treasury in terms of Section 75A(4) of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000) and Sections 17(3)(a)(ii) and 22(b)(i) and (ii) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).**
- 5 That a copy of the finally approved amended Tariff of Charges be sent forthwith to the National and Provincial Treasury in terms of Section 24(3) of the Local Government : Municipal Finance Management Act, 2003 (Act 56 of 2003).**

(EMERGENCY MANAGEMENT SERVICES)

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THE NEXT ITEM FOLLOWS THE ANNEXURE TO THIS ITEM