

City of Johannesburg Council 2022-03-16/17

COJ : MAYORAL COMMITTEE 2022-03-13

JOHANNESBURG CITY PARKS AND ZOO

52 AMENDMENT OF TARIFF OF CHARGES FOR CEMETERIES AND CREMATORIA, PARKS, OPEN SPACES, NATURE RESERVES AND ZOO 2022/2023

1 STRATEGIC THRUST

Service Delivery Excellence and Good Governance.

2 OBJECTIVE

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 2022.

3 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.

Where cash is accepted (Jhb Zoo) fees are rounded off to the nearest round number to assist in managing change. Where fees are paid via bank transfers, decimal rounding off has been implemented.

ADMINISTRATION FEES

The administration fees are increased by 5% as it covers the cost of all administration processes such as printing, paper and telephone costs.

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 **5%**, as recommended by the City. Pauper and indigent burials are excluded as the city does not charge any fees for these burials.

52.2

City of Johannesburg Council 2022-03-16/17

COJ : MAYORAL COMMITTEE 2022-03-13

JOHANNESBURG CITY PARKS AND ZOO

The current fees do not cover the required maintenance cost of cemeteries. Costs over the last 6 years were as follows:

Year	Expenditure (R)	Revenue (R)	Shortfall (R)
2015/16	42 876 177.28	20 805 739.48	22 070 437.80
2016/17	43 404 305.79	20 334 301.88	23 070 003.91
2017/18	47 192 875.19	21 388 553.93	25 804 321.26
2018/19	38 246 611.46	23 359 595.00	14 857 016.08
2019/20	42 161 683.00	23 849 903.00	18 311 781.00
2020/21	48 106 852.15	41 541 390.25	6 565 451.90

Average grave fees in South Africa:

According to Hippo.co.za average grave fees may range from R1 500.00 – R6 600.00 depending on the municipality.

Despite the fact that the costs of maintaining cemeteries cannot be recovered 100% by the revenue raised, the recommendation is to increase fees by the CPI of 5% for the financial year 2022/2023. The City of Johannesburg does cater for indigent and pauper burials.

PARKS AND OPEN SPACE

Johannesburg City Parks and Zoo used to experience an increase in the usage of the facilities under their control before COVID19. The events are profit driven and JCPZ needs to be more competitive to attract high profile events. It is recommended that the fees for venue hire and filming not be increased as the hosting of events has been hampered by COVID 19 restrictions.

ZOO

The tariffs pertaining to the Johannesburg Zoo did not increase during the previous financial year and it is proposed that the tariff for the 2022/23 financial year be increased by 5%.

Fees are rounded off to the nearest round figure to ensure change management is not a challenge.

The admission fees have been benchmarked against similar attractions in the market as well as other non-related competitive entertainment.

Facility	Adult	Child	Student	Pensioner	Group Rates
Jhb Zoo	R115	R67	R68	R67	R42
Montecasino Bird Gardens	R90	R62	N/A	R62	(15 or more) Adult/Teacher – R62

52.3

City of Johannesburg Council 2022-03-16/17

COJ : MAYORAL COMMITTEE 2022-03-13

JOHANNESBURG CITY PARKS AND ZOO

Facility	Adult	Child	Student	Pensioner	Group Rates
					Pensioners – R50 Children (tours) – R56
Two Oceans Aquarium	R210	Under 4 – free (4 – 13) - R100 (14 – 17) - R160	R160	R160	N/A
World of Birds	R130	Under 3 – free (3 – 16) – R50	R85	R85	N/A
Lori Park Animal and Owl Sanctuary	R110	(2 – 11) – R80 (12+) – R110	N/A	R50 Monday's – R40	N/A
National Zoo	R110	R75	N/A	N/A	R45 – R65 p p
Table Mountain Cableway	R380 (am) R300 (pm)	R190 (am) R150 (pm)	N/A	From R50	N/A

It should also be noted that the revenue generated does not cover the expenditure required by the Zoo and that the Zoo is underfunded in terms of development and maintenance:

Year	Expenditure	Revenue	Shortfall
2016/17	R57.2 m	R25 m	R 31.1m
2017/18	R61.6 m	R20.6 m	R41m
2018/19	R65.5m	R24.1 m	R41.3 m
2019/20	R90.9 m	R12.6 m	R78.3 m
2020/21	R76.5 m	R16.4 m	R60.1 m

To improve the Zoo to be competitive in a tourism market, more investment is required for upgrading the facility with its gaining infrastructure. The possibility of implementing seasonal and/or variable tariffs are also being investigated. The Zoo will be celebrating 119 years in 2022.

Consideration for seasonal fees as well as variable fees during the slow weekdays is recommended.

Mondays and Tuesdays should be a lower fee as the rest of the week for all groups – we recommend a R15-00 lower fee and winter months from June to August should be a lower fee as well.

NATURE RESERVES, BOTANICAL GARDEN AND CONSERVATION AREAS

The implementation of entrance fees for nature reserves commenced during the 2021/22 financial year. It is proposed that the entrance fees not be escalated this year.

City of Johannesburg Council 2022-03-16/17

COJ : MAYORAL COMMITTEE 2022-03-13

JOHANNESBURG CITY PARKS AND ZOO

4 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's tariff principles are in line with the City of Johannesburg's policies of addressing social, economic and financial imperatives.

5 FINANCIAL IMPLICATIONS

Tariffs are based on historical structures and adjusted annually.

6 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.

7 COMMUNICATION IMPLICATIONS

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

8 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 2022/2023 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 the 2022/2023 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), Johannesburg City Parks and Zoo declares its intention to amend with effect 1 July 2022 its Tariff of Charges for:**

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

City of Johannesburg Council 2022-03-16/17

COJ : MAYORAL COMMITTEE 2022-03-13

JOHANNESBURG CITY PARKS AND ZOO

- 2 That, in terms of Act, 2003 (Act 56 of 2003), the City of Johannesburg declares its intention to amend with effect from 1 July 2022 its Tariff of Charges:**

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

- 3 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) displays the notice and the documents and notice in the manner prescribed;**
- (2) seeks to convey to the local community by means of radio broadcasts covering the area of the City, the information contemplated in Section 21A(c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended; and**
- (3) publishes 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.**

- 4 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.**

- 5 That the Executive Director: Finance, in conjunction with Director: Legal and Compliance, in consultation with the Council's relevant Departments and all interested parties, report on the comments received in terms of Paragraph 2 above with recommendations on the final draft of the Tariffs of Charges for approval.**

- 6 That the report be submitted to a relevant Section 79 Committee for comment.**

(JOHANNESBURG CITY PARKS AND ZOO)
(Louise Gordon)
(tc)

THE NEXT ITEM FOLLOWS THE ANNEXURE TO THIS ITEM