

City of Johannesburg Council 2024-03-19/20

COJ : MAYORAL COMMITTEE 2024-03-13

## **JOHANNESBURG CITY PARKS AND ZOO**

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### **70 AMENDMENTS OF TARIFF OF CHARGES FOR CEMETERIES AND CREMATORIA, PARKS, OPEN SPACES, NATURE RESERVES AND ZOO: FY 24/25**

#### **1 STRATEGIC THRUST**

A Caring and Well-run City

#### **2 OBJECTIVE**

To obtain approval for the amendment of tariff charges for services provided by Johannesburg City Parks and Zoo (JCPZ) for cemeteries; crematoria; parks, open spaces, nature reserves, and the Johannesburg Zoo, for the 2024-25 financial year with effect 1 July 2024.

#### **3 BACKGROUND**

JCPZ applies minor tariffs for burials, cremations, venue hire and access to the Johannesburg Zoo which have social responsibility implications that require the CoJ cross-subsidizing for the benefit and well-being of communities. It should however be noted that fees need to be market-related and as such the increase in fees has been adjusted with a 4.8% increase for the 2024-2025 financial year as recommended by the CoJ. The increase in fees has not been applied to venue hiring to ensure that JCPZ provides a more competitive offering to encourage the use of its facilities.

Fees are rounded off to the nearest rand to facilitate the billing process, particularly in the case of the Johannesburg Zoo where cash transactions are involved. All other payment methods are limited to electronic funds transfer (EFT) a direct deposit to JCPZ to avoid the handling of cash.

#### **ADMINISTRATION FEES**

An administration fee is charged only for the hiring of a venue and will not be increased as well.

#### **CEMETERIES AND CREMATORIA**

Since 1996, cemeteries and crematoria have been classified into two billing categories: Category A, which includes Westpark Cemetery, and Category B, which includes all other active cemeteries including Olifantsvlei, Waterval and the Diepsloot cemeteries.

JCPZ has a comprehensive policy for indigent and pauper burials, and cremations to assist vulnerable families who are unable to afford the cost of interment of their loved ones.

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The tariffs for a second interment in the same grave of a family member, and for a cremation are lower than the tariff for a new burial site. This is aimed at encouraging communities to choose alternative burial options, to optimize the use of existing cemeteries and to effectively utilise dormant land in cemeteries.

The fees across all cemeteries and for cremations have been increased by **4.8%**, as recommended by the City.

A benchmarking exercise was conducted to determine the proposed increase as per the following schedule for the current fiscal:

#### **Cemetery and Burials Tariff Benchmarking Schedule**

<b>ENTITY</b>	<b>CATEGORY</b>	<b>ADULT BURIAL</b>	<b>CHILD BURIAL</b>	<b>CREMATION</b>
<b>City of Joburg</b>	A	R3432.40	R1714.40	Adult R1 389,15 Child R571,67
	B	R2146.62	R1075.11	
<b>City of Tshwane</b>	A	R1480.00	R1176.00	Adults R1 338.00 Children R881.00
	B	R1 213.00	R550.00	
	C	No charge	No charge	
<b>City of Cape Town</b>		R2 420	R1 200	Adult R1 560 Child R840
<b>eThekweni Municipality</b>	A	R2 193,91 Mon to Fri R2 882,61 Sat, Sun and Public Holidays	R1 964,00 Mon to Fri R2 493,00 Sat, Sun and Public Holidays	Adult – R788,00 Child – R394,00
	B	R785,00 Mon to Fri R1 302,00 Sat, Sun and Public Holidays	R 525,00 Mon to Fri R 785,00 Sat, Sun and Public Holidays	
	C	R500,00 Mon to Fri R880,00 Sat, Sun and Public Holidays	R249,00 Mon to Fri R347,00 Sat, Sun and Public Holidays	
<b>Ekurhuleni Metropolitan Municipality</b>	A	R 2420.00	R 1826.00	Including chapel fees R 585.00

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ENTITY	CATEGORY	ADULT BURIAL	CHILD BURIAL	CREMATION
	B	R 1729.00	R 1285.00	
		R 1320.00	R 1098.00	
		<b>Adults</b>	<b>Child</b>	<b>No Crematorium but Burial of Ash</b>
<b>Fourways Memorial Park</b>	Private Cemetery	R34 0000 – R35 000	R21 000	2 urns R8 000 upto 12 urns R25 000 - R58 000
<b>Nasrec Memorial Park</b>	Private Cemetery	Standard R14 000 - R 52 000	R6 000	

The above analysis found that Category A which includes the Westpark cemetery is often in most demand, has higher service standards in place, and is appropriately priced. Similarly, Category B cemeteries are comparable with other municipalities in the country and are affordable and accessible with adequate space to meet the City of Joburg's growing population needs. Private burial costs at both the Nasrec and the Fourways Memorial cemeteries range between R14 000 and R52 000

The City of Johannesburg's Social Services has set aside a budget to waive all costs for a maximum of 350 indigent and pauper burials for the 2024/2025 financial year.

The current fees do not cover the required maintenance cost of cemeteries. Costs over the last 8 years were as follows with a shortfall of R14m in the previous financial year:

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
2021/22	47 777 709.67	40 886 209.24	6 891 500.43
2022/23	46 828 631.07	32 738 971.03	14 089 660.04

The cost of maintaining and managing cemeteries and crematoria in the CoJ, cannot be fully recovered by the revenue generated, it can however be supported by the recommended increase in fees aligned with CPI, of 4.8% for the financial year 2024/25.

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### **PARKS AND OPEN SPACE**

Johannesburg City Parks and Zoo (JCPZ) provides for and encourages community-led activities in its parks and nature reserves. However a benchmarking exercise has found that JCPZs facilities do not have the added amenities offered in privately managed venues. It is on this basis that JCPZ has not applied the suggested 4.8% increase and retained the tariffs as adopted in the 2023/24 financial year.

A new fee for filming using a drone has been introduced of R500, to help coordinate requests and to address privacy and environmental concerns raised by communities.

### **JOHANNESBURG ZOO**

The proposed tariff increase for the Johannesburg Zoo has been increased by 4.8%, and has been benchmarked against similar recreational attractions in the market as well as other related competitive entertainment including the price of movie tickets, a visit to the Gold Reef Theme Park or to the Pretoria National Zoo, which varies between R107, R250 and R110 respectively per person. Fees are rounded off to the nearest rand for the convenience of the handling of cash.

The proposed increase of tariff charges at the Johannesburg Zoo is reasonable and justified. It is aligned with market rates and the cost-of-service delivery at the Zoo, while still providing affordable environmental and conservation education to communities.

JCPZ has in place the Masibambisane Programme to ensure that indigent schools are also able to visit the Zoo by waiving the entrance fee and or providing transport for no-school fees, public schools-- enabling the poorest of the poor to enjoy a visit to the zoo.

<b>Facility</b>	<b>Adult</b>	<b>Child</b>	<b>Student</b>	<b>Pensioner</b>	<b>Group Rates</b>
Jhb Zoo 2024/5	R126	R74	R	R	School groups -R47
Jhb Zoo 2023/4	R120	R70			School groups -R44
Two Oceans Aquarium	R235	R110	R165	R175	R175
National Zoo	R120	R95	R95	R95	School groups (Monday-Wednesday R70 Thursday-Friday R80)
Table Mountain Cableway	R395 (am) R340 (pm)	R195 (am) R170 (pm)	R230 Return	R110 Return R60 One	N/A

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Facility	Adult	Child	Student	Pensioner	Group Rates
			R130 One way	way	
Gold Reef City	R250	R250	R250	R250	(50 or more) R235

It should also be noted that the revenue generated does not sufficiently cover the expenditure of the Zoo and that the Zoo is underfunded to meet its development and maintenance mandates. Refer to below schedule:

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
2021/22	R73.1m	R26.4m	R46.7m
2022/23	R80.6m	R32.1m	R48.5m

To improve the Zoo's competitiveness in terms of pricing with the National Zoo in Pretoria, the Joburg Zoo will need to consider the option to implement seasonal and/or variable tariffs.

Consideration for seasonal fees, as well as variable fees during the weekdays, is recommended, particularly for the off-peak winter months at a reduced amount of less R15.00.

### **NATURE RESERVES, BOTANICAL GARDENS AND CONSERVATION AREAS**

The implementation of entrance fees for nature reserves is yet to be affected. JCPZ is in the process of tabling a comprehensive cash management system before implementing the new entrance fee for nature reserves. The fee is primarily to enforce access control and to supplement security and litter-picking interventions.

## **4 POLICY IMPLICATIONS**

This application for a tariff increase is in line with the common practice of applying 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 considerations.

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### **5 FINANCIAL IMPLICATIONS**

Tariffs are based on the historical fee structures and are adjusted annually. The proposed tariff increase except for venue hiring, is proposed at 4.8% for services rendered by JCPZ.

### **6 ECONOMIC IMPLICATIONS**

Minor tariffs applied by Johannesburg City Parks and Zoo, are a social responsibility that cannot justify full-cost recovery but needs to be market-related. The proposed tariff increase is competitive and fair, while maintaining affordability and accessibility to benefit all communities in the City of Joburg.

### **7 COMMUNICATION IMPLICATIONS**

The relevant information regarding proposed tariffs will be communicated to all the role players in the manner prescribed by the law. This will include displaying the schedule and the supporting report on JCPZs website and posting tariff signboards within active cemeteries and at the Johannesburg Zoo.

The City of Joburg is coordinating the stakeholder engagement process and will facilitate written submissions from residents in respect of the CoJs declared intention to amend or determine the tariff charges for 2024/25 financial year.

### **8 LEGAL AND CONSTITUTIONAL IMPLICATIONS**

This report has been finalised in conjunction with Legal Services to ensure compliance with all relevant Legislation. It should be noted that under 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 2024/2025 Financial Year, it may not be further increased during that financial year. Therefore, it is essential to ensure that the proposed increases comply with the budgeted needs of the Council in respect of the 2024/2025 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 declares its intention to amend tariffs for the period from 1 July 2024 to 30 June 2025 for Cemeteries and Crematoria, Parks, Open Spaces, Nature Reserves and the Johannesburg Zoo as set out in Annexure "A".**

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- 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) 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) Retains venue hiring fees as adopted in the previous financial year to ensure affordability and access.**
  - (5) Introduces a R500 fee for filming with a drone, to manage requests and to contain environmental and privacy concerns raised by residents.**
- 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.**
- 4 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.**
- 5 That the report be submitted to a relevant Section 79 Committee for comment.**

(JOHANNESBURG CITY PARKS AND ZOO)  
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(tc)

THE NEXT ITEM FOLLOWS THE ANNEXURE TO THIS ITEM