

**N21 (R300) TOLL RING ROAD
DRAFT MINUTES OF FOCUS GROUP MEETING NO. 9**

DATE: Monday, 12 August 2002
VENUE: Goulburn Centre, Goodwood
TIME: 11h00-12h30
FACILITATOR: Sadia Chand (Chand Environmental Consultants cc)

1. Attendance

Name	Organisation
B R Nagel	Western Cape Provincial Taxi Council
P R Ruiters	Western Cape Provincial Taxi Council
A Dyason	Western Cape Provincial Taxi Council
S M September	Western Cape Provincial Taxi Council
J P Swarts	Western Cape Provincial Taxi Council
V Billet	Western Cape Provincial Taxi Council
I Stemela	Western Cape Provincial Taxi Council
R Bomseni	Western Cape Provincial Taxi Council
S S Ncato	Western Cape Provincial Taxi Council
S Adriaanse	Western Cape Provincial Taxi Council
H Byubeni	Western Cape Provincial Taxi Council
S T Amsterdam	Western Cape Provincial Taxi Council
S Williams	Western Cape Provincial Taxi Council
G Geyer	Western Cape Provincial Taxi Council
J Peters	Western Cape Provincial Taxi Council
Sadia Chand	Chand Environmental Consultants
Emily Herschell	Chand/Ecosense JV
Poens Venter	Power Group of Companies

2. Introduction

S Chand opened the meeting at 11h00 and welcomed all those present. She explained the agenda of the meeting: P Venter would first give a presentation, which would clarify the N21 (R300) Toll Ring Road Project in more detail. She would then explain the Environmental Impact Assessment process. A discussion session would follow, in which all questions would be answered.

3. The Peninsula Expressway Consortium

P Venter introduced the Peninsula Expressway Consortium as consisting of a mixture of local expertise and empowerment groups, that is the:

- Project Sponsors:
 - Murray & Roberts
 - Power Group of Companies
 - African Renaissance
- Construction Companies:
 - Murray & Roberts
 - Power Construction
- Toll Operating Company:
 - Tolcon
- Consulting Engineers:
 - Goba Moahloli Keeve Steyn
 - ASCH

- Kayad
- Jeffares and Green
- Financial Advisors:
PricewaterhouseCoopers

4. Project History

P Venter noted that the concept for this project had arisen in 1996 and Western Cape Cabinet Approvals had been given on the

- 14 May 1997
- 18 February 1998

After submitting a proposal to the South African National Roads Agency Limited (SANRAL) in October of 1998, Penway were awarded Scheme Developer status in January 2000 to develop their unsolicited proposal. An agreement was signed where Penway was allowed to develop the scheme on an exclusive basis.

The project has been split into two phases, the first of which, the Initial Phase of Scheme Development, was completed in November 2000. After due consideration that the project was feasible, SANRAL granted approval for Penway to proceed with the second phase, the Final Phase of Scheme Development, in July 2001. An agreement (with project specific and strategic conditions) was signed in November 2001 to proceed with this phase.

P Venter went on to describe that important approvals had been received, specifically from:

- Western Cape Premier: 10 May 2001
- Department of Environmental Affairs and Tourism: 14 May 2001 (accepted the Scoping Report)
- City of Cape Town: 23 May 2001

5. Project Locality

P Venter described that in general, the road would consist of a limited access freeway of two/four/six lanes. The former means that one could only access the road through an intersection. The road would be public transport-friendly and would use an electronic toll collection system, over a 30 year concession period.

P Venter also explained that the route north of Durbanville followed a new alignment, planned by the then Blaauwberg Municipality: the East-West Arterial. He noted that this section had already been through a Scoping Phase and a letter of comment was awaited from the Department of Environment, Cultural Affairs and Sport.

P Venter stated that the Philippi Link was originally proposed as an alternative to the toll road, however the traffic model indicated that it made sense to include it as well because it:

- a) served two different traffic catchment areas and
- b) enhanced the entire scheme.

He added that the City of Cape Town had granted Penway permission to make use of the planning for the Blaauwberg East-West Arterial and the Cape Flats Freeway Alignment.

6. The Environmental Impact Assessment Process

6.1 The Scoping Process

S Chand explained that a Scoping Study was undertaken in accordance with the requirements of the Environmental Conservation Act No. 73 of 1989 and the National Environmental Management Act No. 107 of 1998. This took place from February to November 2000.

The Scoping exercise entailed initial specialist studies and public participation process. The Final Scoping Report was submitted and approved by the two environmental authorities, the Department of Environmental and Cultural Affairs and Sport (DECAS) and the Department of Environment Affairs and Tourism (DEAT) in Pretoria.

6.2 Impact Assessment

Based on the results of the Scoping Report, a Plan of Study for an Environmental Impact Assessment was submitted to the environmental authorities during May 2001. Approval for an Environmental Impact Assessment was received on 4 July 2001.

The Environmental Impact Assessment would entail a further public participation process and detailed specialist investigation.

The specialists have been commissioned to investigate:

- Vegetation
- Birds and butterflies
- Reptiles and Amphibians
- Wetlands and Rivers
- Geohydrology
- Planning
- Visual
- Social
- Archaeology

Economics

As a result of the public participation process thus far, the need for two further specialist investigations has been identified. These include:

- Tourism
- Pedestrian desire lines

6.3 Specialists: Terms of Reference

The specialists are required to:

- Conduct field studies;
- Interact in the public participation process;
- Use existing data where necessary;
- Confirm and further investigate impacts/issues raised during the Scoping Phase;
Recommend mitigation measures to alleviate negative impacts;
- Use specified evaluation criteria to determine the significance of the impact both before mitigation and after;
- Assess implications and provide guidelines for the design, construction and operational phases of the development.

In addition, a successful workshop has been held with the specialists and engineers, so as to allow their interaction within the process.

6.4 Public Participation Process

The methodology for the public participation process involves:

- Continual updating of the I&AP list.
- Distribution of a second Background Information Document to make I&APs aware that the process is continuing.

- Conducting a 'Knock 'n Drop' of background information flyers (English, Afrikaans and Xhosa) to homes adjacent to the proposed road.
- Flyer handouts (English, Afrikaans and Xhosa) at intersections along the proposed route to target road users.
- Hosting Focus Group Meetings aimed at informing chairmen of civic/interest groups and organizations that the process is continuing and to assess whether there are any further issues/impacts that have not been considered during the Scoping Phase. Focus Group Meetings are still to be scheduled with a number of interest groups;
- Placing an advertisement of the Environmental Impact Assessment in the local papers.
- Hosting Open Houses in September.
- Public review of the Draft Environmental Impact Assessment Report and further Open Houses are also scheduled.

6.5 Products

The products of the Environmental Assessment Phase include:

- A Plan of Study for EIA (submitted to the authorities);
- An Environmental Impact Report including:
 - the specialists' inputs
 - the results of the Public Participation Process;
- A Draft Construction Environmental Management Plan, drawn up by M Sasman, to indicate construction mitigation specifications should the project reach the tender phase.

7. Conclusion

In conclusion, P Venter explained the toll strategy development and project of this project.

7.1 Toll Strategy Development

Distances travelled on the existing R300 are relatively short due to the urban nature of the surrounding areas. The traffic report's investigations show that daily trends reveal more people commuting for business purposes on a daily basis and for more than one trip per day. Thus people should be able to afford a toll.

Requirements in regard to discounts on tolls are being investigated (for regular users and those from disadvantaged communities). The prerequisites for the development of a toll strategy were as follows:

- Equitable (The user is to pay for that section of road that he uses)
- Relatively comprehensive (charge fairly for numerous different trip O/D patterns)
- Affordable

7.2. Project Viability

The transport economic study helps to prove project viability. A comprehensive financial model is needed for investors who are prepared to take equity.

P Venter added that this and more information could be found on the website: www.peninsula-expressway.org.za

8. Discussion

S Chand opened the floor for discussion.

COMMENTATOR	COMMENT	RESPONDENT	RESPONSE
S September	I acknowledge what you say about a 'public transport friendly' road, but what about the cars that will use it? Is there no subsidy from the government?	P Venter	A detailed traffic study has been conducted to investigate this. No money would be received from the government. Equity shares have been attained from the three sponsors listed.
S September	How are you going to pay this back to these banks?	P Venter	Through the toll fee.
		S Chand	In other words, if one chose to use the road, one would pay for that section of road used.
A Dyason	How much would one pay?	P Venter	We cannot give you a set amount now, as we still have to go out for tender, but it would be in line with the National Government's limits for toll roads.
A Dyason	Would there be a tendering process?	P Venter	Yes, Penway is paying for the Scheme Development Phase, which includes the Environmental Impact Assessment, until the tender phase.
A Dyason	To whom does the information thus far acquired belong?	P Venter	To Penway and then to SANRAL.
A Dyason	Is Penway tendering for the road?	P Venter	Yes, we have to in terms of our agreement with SANRAL.
S September	I am concerned because the poorest of the poor would have to pay.	P Venter	The road user would pay for that section of road that he would use. The concessionaire would have to build and maintain it. In terms of toll rates, note that approximately 75% of the R300 is used for business purposes. Concessions are being investigated for the poorer and the captive communities.

S September	I disagree that 75% of trips are for business purposes. It is more likely that 60% of working people use this road.	S Chand	Note that this road would open up areas and allow communities to access more places.
S September	This would, however, decrease our business, as people would be encouraged to use their own cars.	P Venter	We are offering an improved facility to what is available now. To go to town today, one would have to travel on a congested N2 highway.
J Peters	The equity stakeholders, I believe, are covering the initial costs. You are working at a risk.	P Venter	Yes, we are working at 100% risk.
J Peters	What equity is in it for us, being one of the greatest road users in Cape Town?	P Venter	The Consortium pays to have this road built. This is the equity I am talking about. Users are considered roleplayers.
J Peters	In terms of black empowerment, what are you offering us as a roleplayer?	P Venter	Interested sponsors are welcome to contact us.
J Peters	I can understand why you put up a toll for a new section of road, but the R300 is an existing road. Why pay for an existing road? Is it not the government's responsibility to maintain it?	P Venter	Penway would spend money on upgrading this section of road. Hence it would also be tolled. If Penway upgrades it, Penway would maintain it.
J Peters	This road links up with the M3, which runs through a higher income group area. The R300 runs through a lower income group area. Why is the M3 not connected to this road in terms of payment? This would be more equitable.	P Venter	This would not be practical in terms of the traffic study conducted. The southern link users would be coming from the higher income areas.
J Peters	The Tableview area is a developing node There seems to be discrimination towards people needing to go there. A traffic study should encompass movement from the South Peninsula to the north west coast. This should improve your road.	P Venter	This is the City of Cape Town's responsibility.

A Dyason	Nowhere do you mention why you have used the R300. In support of Mr Peters, why do we need to pay a toll on the existing R300? We understand what is being said, but there are reservations. I personally, am totally opposed to it. The position of it is not fair in terms of its surrounding communities, socio-economic characteristics and South Africa's context today. Impose toll roads where people can afford to pay. We are a business, we will have to increase cost and this will be transferred onto our users.	P Venter	Note that this is not a politically motivated project at all. When it was initiated, we objectively deduced its alignment from the City's current road transport network system.
A Dyason	Note that the National Land Transition Act places an emphasis on public transport.	P Venter	The Minister of Transport will have ensure that we comply with all transport legislation.
A Dyason	Will there be a concession for public transport providers?	P Venter	Regular users and public transport may get concessions – this would form part of the tender documents.
P Ruiters	About 300 taxis are registered to use the R300 per day.	P Venter	This road would provide these taxis with more opportunities, by giving them a greater choice of more transport routes.
A Dyason	You should identify opportunity by looking at the City's developing nodes.		
H Byubeni	My concern is that the people from Khayelitsha and Mitchell's Plain use the R300 to as far as Bellville and Kraaifontein. We will not accept toll collecting on this existing road.	P Venter	Noted, you do not want to pay a toll on the existing section of road.
B Nagel	I think the appropriate expression here would be 'die koeél is deur die kerk'.		

A Dyason	No, this is not true, as approvals are still needed from the government. We need to appeal to the MEC of Transport, the ANC offices and raise this issue vocally.		
B Nagel	What are our options? We may be limiting ourselves. We support the project in principle, if we are exempted. This project may also initiate development along the route. However, this is our market – we need a 90% discount at least.	S Chand	The issue is therefore that you agree with the concept of the road, but not the tolling.
		P Venter	Note that we still need approval for the road itself, whether it is tolled or not.
A Dyason	When one builds roads, people are encouraged to use cars. We also speak for the community we serve, as we can directly see the impact of tolls on the communities.	P Venter	S Chand has appointed specialists who have investigated the poorer and the captive communities. We are in two processes at the moment: the first is to get the road approved, the second is to get the road declared a toll road. 'Die koeël is nie deur die kerk nie'. The Minister of Transport, the Western Cape Premier, the City of Cape Town and the Minister of Environmental Affairs all need to approve this proposal.
B Nagel	My statement then is inaccurate. Please indicate the process.	P Venter	Please refer to the Background Information Document handed to you for the Environmental Impact Assessment Process. We are also following the requirements of the National Roads and National Toll Roads Acts.
B Nagel	The government, however, is biased.		
A Dyason	Yes, they are just handing over maintenance responsibilities.		

B Nagel	With regard to the situation on the existing R300, as part of the formalisation process, permit holders must identify the routes that they serve. With this development, I do not know if there will be any changes in terms of the authorities allowing them to service this route.	S Chand	In other words, there is a body which allows certain taxis to use this route, and hence they will not, in fact, be able to choose an alternative route with no toll if they wanted to.
		P Venter	Who manages this?
B Nagel	The Local Road Transport Board and the Operating Licensing Board of the Provincial Government.	S Chand	This is a very important point.
J Peters	Please note that Delft has no other access to town other than the R300.	P Venter	Noted. One would pay less for shorter distances used. The principle is that one would only pay for that section of road that is used.
V Billet	May I have clarity on this map provided in the Background Information Document? What does 'Interchanges that are tolled' mean?	P Venter	This is an interchange which indicates an on and off ramp plaza, which is where one would pay. A mainline plaza is a plaza spanning the entire road.
S Williams	We would have to pay twice then on the way to the Transkei. Our customers will complain.	S Chand	Tolling is an issue. Are there any other issues that you can think of which are pertinent?
B Nagel	You are technical people – you want to say that you have conducted a public participation process, but we do not have the time and resources to understand it all. We were introduced to you as leaders of eighteen regions and this presentation needs to go down to our members.	S Chand	Please note we are not here to attain your support for this project. We are here to facilitate this meeting and to identify the issues that you have with this project and report them accordingly.

A Dyason	People have, historically, rebelled against toll roads. The location of this road is highly inappropriate. I challenge you to incorporate the M3 route into it, instead of the R300.	S Chand	Noted. To return to Mr Nagel's point, we hope that you could further our efforts in public participation by informing the communities and groups that you represent. Do you know of any other way of informing those who need to be informed?
A Dyason	Note that we are here not only as representatives of the taxi council, but as residents of the affected areas too. What is meant by electronic tolls?	P Venter	International practice of electronic tolling is to tag car windscreens. This tag charges you as you drive through the toll plaza. The tag can be prepaid, postpaid or linked to a credit card.
V Billet	So there is not even any job creation?	P Venter	Incorrect. In excess of 7000 jobs would be created within the construction phase and in the operation and maintenance phases over the 30 year period. We would also need both electronic and manual toll collection on this road. People would not only need to maintain fences and potholes, but also to man computers.
B Nagel	This project is seen as beneficial to the project managers. Where is the spinoff? I am disappointed in that the end user gets nothing. How are you incorporating the empowerment of women into your scheme?	P Venter	I would like to invite you to our Open Houses – come and talk to the economist. You would see that there would be a benefit to all road users on the Cape Town road network. The benefit-cost ratio is 13,2 which means the benefits obtained are greater than vehicle and time costs. There is a high economic rate of return. The empowerment of women would be reflected through their employment.

B Nagel	What has been done in terms of the social study?	S Chand	During Scoping, the specialist investigated the mix of communities through which the road would traverse. During the impact assessment phase this information was interpreted, and aspects such as environmental education, tolling, tourism, job creation and pedestrian access were looked at. Recommendations and mitigation measures were and impacts that could not be mitigated were noted. This report is in first draft, and will be made available to the public.
B Nagel	When this report is available, please will you send a copy to Dr Dyason.	S Chand	Certainly.
B Nagel	When you refer to engineers, what types of engineers are these?	P Venter	I refer to the civil, traffic and environmental engineers who are surveying, planning and designing this road.

9. Conclusion

S Chand thanked all those present for attending this meeting, noting the website address once again as www.peninsula-expressway.org.za and closed the meeting at 12h30.