

**N21 (R300) TOLL RING ROAD
DRAFT MINUTES OF INFORMATION SHARING MEETING WITH CAPE TOURISM**

DATE: Monday, 13 May, 2002
VENUE: Cape Town Tourism, Bree Street, Cape Town
TIME: 11h00-12h00
FACILITATOR: Sadia Chand (Chand Environmental Consultants cc)

1. Attendance

Name	Organisation
Sheryl Ozinsky	Cape Town Tourism
Sadia Chand	Chand Environmental Consultants
Emily Herschell	Chand Environmental Consultants
Poens Venter	Penway Consortium

2. Introduction

S Chand opened the meeting at 11h00 and explained that this meeting was an informal presentation and discussion session regarding the ring road, as Cape Tourism had been identified as a key Interested and Affected Party during the public participation process.

3. Discussion

COMMENTATOR	COMMENT / QUERY	RESPONDENT	RESPONSE
S Ozinsky	What are the financial advantages of this unsolicited proposal for Penway?	P Venter	Essentially, the investment in infrastructure and source of work for the construction company – more than R1 billion in construction is to be spent.
S Ozinky	I get the impression that it is becoming too easy to toll a road these days. If this road is so necessary, why has it not been built by the public sector?	P Venter	Although the plans for it have been in existence since 1975, there has been no funding available for construction.
S Ozinky	In Cape Town, there is a window of opportunity for tourism as it is relatively inexpensive. Can we not put a levy on hired vehicles, where the tourist is most captive?	P Venter	Point noted. Our traffic model, however, shows that 75% of the trips taken on this road are for business purposes only. The road is not expected to be used by a great majority of tourists.
S Ozinky	Tolls, together with the price of fuel means that the margins are getting lower for tourist operators. What exactly is the philosophy regarding the need for this road?	P Venter	The need for this road is a result of the traffic situation. The road itself was proclaimed in 1975 and since then Province has not had the funding for it. Note here that Penway has had to provide evidence to SANRAL that

			<p>a) this project was viable and</p> <p>b) that the road was indeed needed.</p>
S Ozinky	Where will the toll plazas be? Tolling is going to affect the poorest of the poor.	P Venter	A number of toll plazas – a combination of ramp and three mainline toll plazas are proposed for the route. We have commissioned a social impact assessment which will assess the impacts of it on the poor.
S Ozinky	I do believe that there is a place and a time for a toll road, but this road will really impact on how people spend for leisure purposes.	P Venter	The toll tariffs are not going to be large – the proposed values are in line with current national toll rate levels (20 to 30 c/km).
S Ozinky	This road will in fact prejudice those people who live far out from the centre of town.	P Venter	The successful concessionaire would be investigating requirements with regard to discounts for regular users and those from disadvantaged communities.
S Ozinky	I hear your reasons for the road, but I do not think that I can support it.	P Venter	Noted. This proposal has also still to go through all the structures of approval.
S Ozinky	It really is an issue of the poor. We are trying, through tourism, to do everything to assist the poor. What about the impact on the taxi operators?	P Venter	Taxi operators that we have spoken to like it for the reason that they will be able to make more trips. Note that discounts may be considered and that taxi trips are small compared to that of business trips.
S Ozinky	Can this money not be acquired in another manner? We need to spread the benefits of tourism into poorer areas. Tourist operators will not go into these areas if they must pay a toll. We must plan to benefit those who need it most.	S Chand	People have the choice and can still use the routes that they have always used. Note that there are other alternatives available.
S Chand	Which alternatives are available?	P Venter	We know exactly which parallel roads exist, which crossroads etc. We had to investigate this so as to prove to SANRAL that the project was still viable, even after subtracting those people who would choose

			not to use the toll road.
S Chand	With regard to the burden on tour operators - to what degree do they use this route now?	S Ozinky	Currently, they use it for wine tours and township tours. This area is also earmarked for future innovative product development involving cultural tourism. These days tourists are wanting an 'experience' and not necessarily a 'destination'.
S Chand	What is your opinion of the Zeekoevlei area?	S Ozinky	Rondevlei has a lot of potential for tourism.
P Venter	The toll road may allow for better tourist access to these natural areas.		
S Ozinky	I have met with the Zeekoevlei Environmental Forum. This area is pristine and unique.	S Chand	Point noted. Please note that there have been a lot of newspaper articles describing this project and providing incorrect details with regards to the public meetings and so on. Misinformation such as this has the potential to cause problems within the process.
S Ozinky	The impacts in this particular area could be serious. We must handle this in a professional manner. This is an area which can present good opportunities for good development, because it is so depressed. It is a very exciting tourism resource, although access to it is terrible. I think we should all be open-minded and wait until the specialist reports are out.	P Venter	Noted. We are concerned. We do recognize the area's potential and we will take note of impacts and mitigation.
S Ozinky	I acknowledge this. What is your business plan with regard to the road?	P Venter	The route would cost more than R1 billion to construct. SANRAL will call for tenders for the Concession Contract. Penway will also have to tender. The Concession Contract would last for a 30 year period, over which it is expected that the investment would be recovered.
S Ozinky	Would you still be	P Venter	Yes.

	proposing this road, if a fuel levy was put in place?		
S Ozinky	How would this road alleviate traffic congestion?	P Venter	The proposed route would attract traffic, and hence improve congested conditions on other roads. The internal rate of return equals 110%. This is a very high economic return, which indicates that most road users will benefit throughout the metropolitan road network. The road will also create over 5000 jobs.
S Ozinky	Will these jobs include permanent ones, for example, at the operating plazas and for daily maintenance as well?	P Venter	Yes. These would be private sector jobs.
S Ozinky	What about the knock-on effects for tourism?	S Chand	We have commissioned Prof. John Bloom from Stellenbosch to do a tourism/economic assessment of the impact of this road. If there was no toll, would you be against this road?
S Ozinky	Even if the government was implementing this, we would still need to see the feasibility studies (social, environment etc.). I think you have a big challenge ahead and I congratulate you on how far you have come. Much depends on what comes out of these reports and I would be interested to read them. If the road is in fact an opportunity for the future, it will be built at some stage.	P Venter	Yes, take Johannesburg for example. Development has occurred along their ring road. This ring road, if built, may eventually be owned by banks or the government, but the infrastructure will be there, that is, the investment will have been made and people will have the choice of using it.
S Ozinky	I acknowledge the risk you are taking. Our risk is that we do not want a 'white elephant' and we do not want it to destroy what could be used for people's own benefit.	P Venter	Noted.
S Ozinky	Who is paying for this process?	P Venter	Penway and SANRAL have entered into a 50:50 agreement. SANRAL

			contributes half as a result of the plans and studies conducted being worth something to the City of Cape Town in the future.
		S Chand	In terms of economic viability, if the specialists recommend mitigation measures that are too expensive, the project may not be able to go ahead. We are holding a specialist workshop on the 12 June this year so as to help incorporate the recommended measures into the design. How would you like to be kept informed of the project?
S Ozinky	Perhaps you could e-mail me the specialists reports to read. Are you holding summary meetings as well?	S Chand	Yes, these we are calling Open Houses.
		P Venter	Perhaps we should consider hosting focus group meetings again.
S Ozinky	It is very difficult to keep our city as it is and to develop it in a tourist-friendly manner. We are fighting to maintain what is unique about this destination. It is very important to maintain a balance between development and open spaces/tourist attractions. Thank you for meeting with me.	P Venter	Noted. Thank you.

4. Conclusion

S Chand thanked all those present for attending and closed the meeting at 12h00.