

ITEM NUMBER: C 40/01/10

943

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 20 JANUARY 2010**SMC 08/01/10 TARIFFS FOR PUBLIC TRANSPORT SERVICES RENDERED DURING THE 2010 FIFA WORLD CUP™ AND ASSOCIATED TEST EVENTS FOR THE 2009/2010 FINANCIAL YEAR**

Ald. Neilson proposed that, in order to clarify that the new tariff would be implemented in the current financial year for rendering a bus/shuttle service in support of the 2010 World Cup event **and** associated test events, the words "*during the 2010 FIFA World Cup*" be deleted from the recommendation in the report on the agenda.

The above proposal was duly supported.

RECOMMENDED that the following proposed tariffs for the Airport Service and the Inner City Loop Service rendered in the 2009/10 financial year, be approved:

Services	Tariff charged
Airport service	R50
Inner City Loop service	R8



1. ITEM NUMBER : SMC 08/01/10

2. SUBJECT

TARIFFS FOR PUBLIC TRANSPORT SERVICES RENDERED DURING THE 2010 FIFA WORLD CUP™ AND ASSOCIATED TEST EVENTS FOR THE 2009/2010 FINANCIAL YEAR.

ISIHLOKO

ULUHLU LWAMAXABISO EENKONZO ZEZITHUTHI ZIKAWONKE-WONKE EZIZA KUNIKEZELWA NGEXESHA LENDEBE YEHLABATHI YEBHOLA EKHATYWAYO KA- 2010 NEENDIBANO ZEEMVAVANYO EZIPHATHELENEYO ZONYAKA-MALI KA- 2009/2010

ONDERWERP

TARIEWE VIR OPENBAREVERVOERDIENSTE GELEWER GEDURENDE DIE 2010 FIFA Wêreldbeker en verwante toetsgebeurtenisse vir die 2009/2010-boekjaar

3. PURPOSE

The purpose of this report is to propose and recommend for approval to Council the tariffs for the proposed airport and inner city loop public transport service in support of the 2010 World Cup event and associated test events, which will be rendered to the general public.

4. FOR DECISION BY

Council in terms of the SYSTEM OF DELEGATIONS, CITY OF CAPE TOWN; (Amended by Council on 31 October 2007; Item No. C74/10/07; Amended by Council on 29 August 2007; Item No C34/08/07; October 2007 EDITION.) PART 1 – NON-DELEGABLE POWERS OF COUNCIL, Item 1 (c) Imposition of rates and other taxes, levies and duties; and section 160(2) of the Constitution.

5. EXECUTIVE SUMMARY

In response to the to the 2010 World Cup transport statutory requirements, the 2010 World Cup Host City Transport Plan has identified seven (7) priority transport services. Of these services, **only two (2) services will charge fares that are new tariffs for the City of Cape Town. These services are the Airport-CBD and Inner City Loop services.**

The proposed fares for these services are as follows:

Services	Tariff charged
Airport service	R50
Inner City Loop service	R8

Assuming a 50% seat take-up, the projected revenue for these services are estimated at R5.48m. The City has budgeted R 80 million (R 50 m 09/10 & R 30 m 10/11) for 2010 FIFA World Cup™ Transport Operations which includes the costs of providing a 2010 FIFA World Cup™ public transport service.

Accordingly, the provision of the World Cup 2010 Public Transport services will result in no additional impact on the City of Cape Town's budget.

6. RECOMMENDATIONS

Not Delegated: for decision by Council:

It is recommended that:

- (a) The proposed tariffs for the Airport Service and the Inner City Loop Service for the services rendered during the 2010 FIFA World Cup™ in the 2009/10 financial year be approved.

IZINDULULO

Azigunyaziswanga:isigqibo seseBhunga:

Kundululwe ukuba:

- (a) Makuphunyezwe uluhlu lwamaxabiso oluphakanyisiweyo lweemali zokuhamba ngeBhasi: Inkonzo yesikhululo senqwelo-moya neemali zokuhamba ngebhasi: Inner City Loop Service ukwenzela iinkonzo eziya kunikezelwa ngexesha leNdebe yeHlabathi yeBhola eKhatywayo ka- 2010 kunyaka-mali ka-2009/10.

AANBEVELINGS

Nie gedeleger nie: vir besluit deur die Raad:

Daar word aanbeveel dat:

- (a) Die voorgestelde busgeld vir die lughawediens en vir die middestad-kringdiens vir dienste gelewer tydens die 2010 FIFA Wêreldbeker in die 2009/10-boekjaar goedgekeur word.

7. DISCUSSION/CONTENTS

7.1. Motivation

2010 statutory requirements

The requirement for the City of Cape Town is to provide or coordinate certain transport services for the 2010 World Cup (WC) event (referred to below as 'the event') is contained in a number of legal documents as listed below:

Stadium Use Agreement (Signed on 04/17/2007 between FIFA, the LOC and the City of Cape Town)

- *Clause 14.2:* "The LOC shall ensure, in collaboration with the competent government authorities, sufficient and efficient public and private transportation to the Stadium."
- *Clause 14.3:* "The LOC shall ensure, in collaboration with the competent government authorities, sufficient and efficient transport to the Stadium from –
 - a) the parking facilities outside the Stadium Perimeter directly adjacent to the Stadium Building
 - b) the stations, stops and drop-off points of the public transportation servicing the Stadiums
 - c) any and all other locations deemed necessary"

Record of Decision for "The proposed New Green Point Stadium, Green Point Common, Cape Town" (Signed by Minister Tasneem Essop on 05/01/2007)

- *Section A: Description and Location of Activities, Clause: Construction and upgrading of transport infrastructure, Bus / Shuttle Service :* "In accordance with the relevant

transport management plan a bus / shuttle service will be operated to bus / shuttle people to the Green Point Common for specific events”

- *Section F: Conditions of Authorisation, Clause 10.3:* “A bus / shuttle service must be introduced for specific events in accordance with the Transport Management Plan referred to in paragraph 13.1.1 below to bus / shuttle people to the stadium from remote parking and public transport drop-off areas.”
- *Section H: Key Factors Affecting My Decision, Transport:* “.....The construction of the stadium will be an impetus for the upgrading of the public transport in the vicinity such as the re-instatement of the planned Inner City Bus Distribution System.”

Host City Agreement (Signed in February 2006 between FIFA, the Organising Committee and the City of Cape Town)

- *Section 6.6.3:* “The Host City, to the extent that it is empowered to do so, ensure that local and national buses and trains connecting into the Host City and/or operating within the Host City itself:
 - 6.6.3.1 are fully operational each and every Match day in the Host City; and
 - 6.6.3.2 continue to operate for a period of at least four (4) hours after the end of each match taking place in the Host City.”

Transport services required for 2010 event

In response to the above statutory requirements, the 2010 World Cup Host City Transport Plan has identified the following key services. The operational details of these services are contained in a document titled: 2010 World Cup Transport Services Requirements dated 26 November 2009. This document is available at request.

Priority 1: Match Day Shuttle service

The match day shuttle service is required to transport approximately 30 000 people between the Main Transport Hub and the Cape Town Stadium at a peak flow rate of 20 000 passengers / hour. This service will use the ordered IRT vehicles at no direct cost to the passenger.

Priority 2: Airport - City Shuttle service

The airport shuttle service will be required to transport 8 200 people per day between the Airport and the Main Transport Hub in the CBD at a peak flow rate of 480 pax / hour. This service will use the ordered IRT vehicles at a direct cost to the passenger. **This fare is a new tariff and approval of this tariff is the subject of this report.**

Priority 3: Inner city top-up transport service



Existing Inner City public transport services are required to be "topped up" to provide additional linkages between the official FIFA Fan Fest, the GP Stadium, the FIFA Hotel, the Convention Centre, the V&A Waterfront and a significant amount of accommodation in the Inner City, reducing the dependency on private vehicles in the CBD. The routes include the following:

- Hout Bay to CBD route: The operators will charge the existing fares and use their own vehicles to provide the service. No tariff will be charged.
- Queens Beach to CBD route: The operators will charge the existing fares and use their own vehicles to provide the service. No tariff will be charged.
- Inner City loop service: This will be a new service and will use the ordered IRT vehicles at a new fare. **This fare is a new tariff and approval of this tariff is the subject of this report.**

Priority 4: Transport from remote Park 'n Rides (Bus)

The Park and Ride (bus) from UCT upper campus to the Main Transport Hub is required to assist in minimizing the traffic in the CBD. This service will service 2500 passengers in the peak. There is **no** charge to the user associated with this service.

Priority 5: Transport from remote Park 'n Rides (Rail)

The Park and Ride (rail) service originates at many different stations throughout the city and will be the backbone of the World Cup 2010 Transport services. PRASA has agreed to extend its hours of operation until 0200 every evening during the World Cup Period. PRASA will only charge their normal fare. These services will be operated by the existing services and not by the City of Cape Town.

Priority 6: Transport for public viewing areas

The transport for the public viewing areas will provide spectators with means of accessing the public viewing areas that are throughout Cape Town. These services will be operated by the existing services and not by the City of Cape Town.

Priority 7: Improved operations of existing public transport services

The existing public transport services are being informed of the projected transport demand for the 2010 World Cup, with the expectation that the industry will meet that demand. There is a need for extended hours of operations and safe and scheduled service. These services will be operated by the existing public transport operators and not by the City of Cape Town.



In summary, the following services will charge fares that are new tariffs for the City of Cape Town and approval of these tariffs is the subject of this report.

- Airport service
- Inner City Loop service

Furthermore, the City of Cape Town is planning to host 3 test events during January 2010 (20 000 seat event), February 2010 (40 000 seat event) and in April/ May 2010 (69 000 seat event). The following services are required for each event.

- January 2010 (20 000 seat event) – Match day shuttle
- February 2010 (40 000 seat event) - Match day shuttle
- April/ May 2010 (69 000 seat event) - Match day shuttle and Inner City Loop service, as well as potentially the CBD to Hout Bay service and the UCT Park and Ride service.

Financial implications

Methodology to determine proposed tariffs

Airport service: Used the distance based cost structure of the IRT system plan and design of **Base Fare + 0.30c per km**. Assuming a base fare of R40 and travel distance of 20km, this equates to R46 rounded up to R50.

Inner City Loop service: For the 2010 event and test events, segments of this new route will be shared with existing services. In negotiations with operators, it was agreed that any new service be charged more than the current services. Current taxi fares for segments along this route are R5. A fare of R8 is therefore proposed.

Expected revenue

The expected revenue is based on the projected passenger demand at various levels of occupation of the service. The following table shows these estimated revenue for the different seat take-up scenarios:

Seat take-up	Estimated Revenue
50%	R5.48m
60%	R6.56m
80%	R8.75m

Therefore, assuming a 50% seat take-up, revenue is projected at R5.48 million.



Expected Costs and funding

The City has budgeted R 80 million (R 50 m 09/10 & R 30 m 10/11) for 2010 FIFA World Cup™ Transport Operations which includes the costs of providing a 2010 FIFA World Cup™ public transport service. The actual costs are currently being finalized and negotiated between the City of Cape Town and the operators

Accordingly, the provision of the World Cup 2010 Public Transport services will result in no additional impact on the City of Cape Town's budget.

Fares charged

The proposed fares to be charged for each of the services during World Cup 2010, as well as the test events, are tabled hereafter.

Services	Tariff charged	Motivation
Airport service	R50	The fare is prescribed by the Integrated Rapid Transport project (R50 proposed). It is intended that only one fare be charged during the WC period and thereafter.
Inner City Loop service	R8	Passengers will be charged a higher fare than the existing fare as the existing minibus taxi services will still be operating and the 2010 World Cup Public Transport services should not be competing.

Also refer to Annexure A: 2010 FIFA World Cup™ Public Transport services - Proposed Tariffs for the 2009/2010 Financial Year.

7.2. Environmental implications

Does your report result in any of the following:

No

Yes (if yes, please complete the section below by clicking on the relevant tick boxes)

- | | | | |
|---|--------------------------|---|--------------------------|
| Loss of or negative impact on natural space and/or natural vegetation, rivers, vleis or wetlands? | <input type="checkbox"/> | Loss of or negative impact on the city's heritage, cultural and scenic resources? | <input type="checkbox"/> |
| An increase in waste production or concentration, pollution or water usage? | <input type="checkbox"/> | Development or any construction within 500m of the coastline? | <input type="checkbox"/> |

Does your activity comply with the National Environmental Management Act (NEMA)?
(mark by clicking on the tick box)

Yes

No

Does your report complement and support the City's approved IMEP strategies?

(if yes, please select from list below by clicking on the relevant tick box)

- Biodiversity Strategy and Biodiversity Network Coastal Zone Management Strategy Energy and Climate Change Strategy
- Environmental Education and Training Strategy Heritage Management Strategy Air Quality Management Plan
- Integrated Waste Management Strategy Invasive Species Strategy

Do the activities/actions arising from your report:
(if yes, please select from list below by clicking on the relevant tick box)

- Enhance Cape Town's unique environmental assets? Negatively impact on Cape Town's unique environmental assets?

7.3. Legal Implications

The tariffs comply with the requirements of the Local Government Municipal Finance Management Act No 56 of 2003 and the Local Government Municipal Systems Act 32 of 2000, as amended.

The supply of information complies with the Access to Information Act No 2 of 2000, as amended.

Access to information tariffs relating to prints have been removed as we do not have any jurisdiction over it. It is governed by the Access to Information Act No2 of 2000.

Once approved by Council, the tariffs have to be advertised in the press for comments and objections.

7.4. Staff Implications

Does your report impact on staff resources or result in any additional staffing resources being required?

No

Yes

7.5. Risk Implications

a) Does this report and/or its recommendations expose the City to any risk? (i.e. does it have any adverse influence on service delivery?)

No (If no, please delete table below)

Yes

b) If yes, please complete area below --

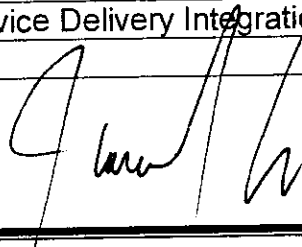
Risk Name: Opposition by existing operators					
Risk Background (Potential causes of risk):					
Impact: (Potential effect of event on Business Unit before controls are considered)- Tick appropriate rating	Catastrophic	Critical	Serious	Significant X	Minor
Likelihood: (Probability of event occurring for the Business Unit) - Tick appropriate rating	Almost Certain	Likely	Possible X	Unlikely	Rare
Controls: (List existing functional controls) Continuous communication and engagement Legal Compliance Enforcement					
Confidence in controls (Managements perceived effectiveness of controls to mitigate or reduce the impact of this risk) - Tick appropriate rating	Very Good	Good	Satisfactory X	Weak	Unsatisfactory
Envisaged Risk Owner	Department: IRT			Name: Mike Marsden/ Abdul Bassier.	

- c) I hereby confirm that I have informed the Chief Risk Officer (Ludwig.Geldenhuys@capetown.gov.za) of the Risk Implications of this report by e-mailing this report to him on _19/01/2010

ANNEXURES

ANNEXURE A: Transport - 2010 World Cup Public Transport Services - Tariff Table.

FOR FURTHER DETAILS CONTACT :

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DIRECTORATE	Service Delivery Integration
FILE REF NO	
SIGNATURE :PROJECT MANAGER - INTEGRATED RAPID TRANSIT PROJECT MR JOHN MARTHEZE	



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Rayed

REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

NON-COMPLIANT

LEGAL COMPLIANCE

RIAANA SAYED

TEL:- (021) 400-3516

DATE 19 JANUARY 2010

COMMENT:

Mike Marsden

EXECUTIVE DIRECTOR
Mike Marsden

Comment:

DATE 2010-01-19

CHAIR: 2010 MAYCO SUB-COMMITTEE

NON-COMPLIANT

COMMENT:

DATE _____
