

City of Johannesburg Council 2024-03-19/20

COJ : MAYORAL COMMITTEE 2024-03-13

TRANSPORT

63 TARIFFS FOR THE JOHANNESBURG INTERNATIONAL TRANSPORT INTERCHANGE (JITI) FOR THE PERIOD 1 JULY 2024 TO 30 JUNE 2025

1 STRATEGIC THRUSTS

Financial sustainability
Sustainable service delivery
Job opportunity and creation
Sustained economic growth

2 OBJECTIVE

For Council to consider the proposed tariff charges for the Johannesburg International Transport Interchange (JITI) for the period 1 July 2024 to 30 June 2025.

3 BACKGROUND

The requirement for safe, vibrant, and efficient intermodal transportation hubs in the Inner City of Johannesburg is integral for both long-distance and daily commuters. The Inner City of Johannesburg currently accommodates 6 800 taxis through the provision of ranking facilities, leaving an additional 2 800 taxis ranking and holding on the streets. This creates traffic congestion and unsafe conditions for pedestrians, commuters, and other road users.

To heighten the quality of life for commuters, streamline the flow of traffic and strengthen the commuting connections with the rail service, triggered the need for the construction of integrated transport facility.

Kazerne, a dilapidated and vandalised facility served as a taxi ranking and holding facility. This underdeveloped facility and the vacant land located between Harrison, Queen Elizabeth bridge and Gwigwi Mrwebi Street, created an opportunity to construct a brand-new holding and ranking facility for cross border and long-distance (inter-provincial) taxis and buses.

In the 2013/2014 financial year the Transport Department entered into a development agreement with JDA for the demolition of Karzerne, as well as the development of an architectural and engineering detailed design, and the ultimate construction of Johannesburg International Transport Interchange (JITI) in the Johannesburg CBD.

JITI is intended to be a multimodal cross border and inter provincial transport interchange cross border and inter provincial transport interchange where travelers can safely and easily connect from taxi to bus, bus to taxi and taxi to taxi.

City of Johannesburg Council 2024-03-19/20

COJ : MAYORAL COMMITTEE 2024-03-13

TRANSPORT

The JITI facility consists of the following elements:

- Long distance minibus taxi facilities including ranking and holding, and Trans-continental cross-border bus facilities (ranking only). The ranking and holding bays have a total floor area of 47 940 m² and have been allocated as follows:
 - Taxi ranking: 158 units
 - Taxi holding: 648 units
 - Bus ranking: 20 units
 - Metered taxi: 9 units
 - Drop-off vehicles: 16 units
 - Private vehicles: 20 units
- Retail (formal and informal) – with a total floor area of 3 308 m² this entails 160 stalls.
- Office spaces, waiting area, ticket office, and storage – with total floor area of 1 250 m².

It is anticipated that JITI will be operationalized in the second quarter of the 2024/25 financial year, and the proposed tariffs to ensure the financial sustainability of the facility are outlined below.

4 PROPOSED JITI 2024/25 TARIFFS

Considering the nature of the JITI facility, various revenue streams are expected to make up the total revenue of the facility. These revenue streams were identified by the department, and the respective tariffs were estimated after discussions were held with various stakeholders including benchmarking, which are as follow:

(1) Ranking and holding tariffs for buses and taxis

The proposed tariffs for the ranking and holding for buses and taxis are categorized as follow:

(a) Bus ranking

This is the process whereby a bus enters the facility, proceeds to an open bus bay, parks, and loads its passengers. The allotted time to complete this process will be an hour.

The proposed tariff for bus ranking is R526 per hour.

TRANSPORT

(b) Minibus taxi ranking

This is the process whereby a minibus taxi enters the facility, proceeds to the allocated minibus taxi bay, parks, and loads its passengers. The allotted time to complete this process will be 15 minutes.

The proposed tariff for minibus taxi ranking is R7 per 15 minutes.

(c) Minibus taxi holding

This is a similar process as the minibus taxi ranking above with the exception that it allows minibus taxis to remain in its bays for longer, i.e. it may be more applicable to longer distance travel as opposed to “pick up and go” minibus taxis. Therefore, the time to load passengers and the time spent per taxi bay, would be longer at an estimated one hour per minibus taxi per pay.

The proposed tariff for minibus taxi holding is R7 per hour.

(d) Metered taxi parking

This tariff refers to reserved parking bays for metered taxis, which will operate on a similar basis as minibus taxi ranking. It is anticipated that a metered taxi operator could enter the premises and pay per minute or part thereof while waiting for passengers.

The proposed tariff for metered taxi parking is R5 per 15 minutes.

A summary of the proposed tariffs which will translate into rental income from bus and taxi facilities are as per the table below:

Description	Proposed tariffs
Bus ranking	R526 per hour
Minibus ranking	R7.00 per 15 minutes
Minibus holding	R7.00 per hour
Metered taxi parking	R5.00 per 15 minutes

(2) Property rentals

The proposed tariffs for property rentals are categorized as follow:

(a) Retail rental

Similar shops in the Johannesburg central area, the expected foot traffic in the facility, and the fact that the subject shops are brand new informed the proposed tariffs.

City of Johannesburg Council 2024-03-19/20

COJ : MAYORAL COMMITTEE 2024-03-13

TRANSPORT

The proposed tariff for the retail property in the facility is R272 per m² (square meter).

(b) Office rental

Although the subject offices are new, they are (1) not freestanding offices that could be rented out separately as they form part of the transport complex, and (2) they are much larger than the benchmarked offices in Johannesburg central. These factors informed the proposed tariffs for the office rental in the facility.

The proposed tariff for the office in the facility is R146 per m² (square meter).

(c) Storage rental

Benchmarking against the stores section of property within the Johannesburg central area, informed the proposed tariffs.

The proposed tariff for the storage in the facility is R82 per m² (square meter).

A summary of the proposed tariffs which will translate into rental income from retail, office and storage facilities are as per the table below:

Description	Proposed tariffs per m ²
Retail rentals	R272
Office rentals	R146
Storage rentals	R82

5 POLICY IMPLICATIONS

This report is in line with the tariff determination policy. Council is authorized to approve this request.

6 LEGAL AND/OR CONSTITUTIONAL IMPLICATIONS

In terms of the City delegations framework, council is authorized to approve this request.

7 FINANCIAL IMPLICATIONS

The expected revenue to be generated from the 2024/25 JITI proposed tariffs is R19 660 000.

City of Johannesburg Council 2024-03-19/20

COJ : MAYORAL COMMITTEE 2024-03-13

TRANSPORT

8 COMMUNICATIONS IMPLICATIONS

The relevant information regarding the 2024/2025 JITI tariffs as determined will be communicated to all role players in the manner as prescribed by law. In addition, users of the facility will be consulted on the proposed tariff during the IDP consultation process.

9 OTHER DIRECTORATES / BODIES CONSULTED

COJ Finance Department
COJ Johannesburg Property Company

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), the City of Johannesburg proposes tariffs for the Johannesburg International Transport Interchange (JITI) with effect from 1 July 2024 as set out in Annexure "A" hereto.**
- 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 representatives in respect of the City's declared intention to amend or determine Tariffs of Charges.**
- 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 as any other organ of the state or municipality affected by the budget to solicit their views.**

City of Johannesburg Council 2024-03-19/20

COJ : MAYORAL COMMITTEE 2024-03-13

TRANSPORT

- 4 That the Group Chief Financial Officer in conjunction with Group Head: Legal and Contracts, 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 drafts of the Tariffs of Charges for approval.**
- 5 That the report be submitted to the relevant Section 79 Committee for comment.**

(TRANSPORT)
(Mr. B Petersen)
(Tel: 082 560 9145)
(mm)

THE NEXT ITEM FOLLOWS THE ANNEXURE TO THIS ITEM

City of Johannesburg Council 2024-03-19/20

COJ : MAYORAL COMMITTEE 2024-03-13

TRANSPORT**ANNEXURE A****CITY OF JOHANNESBURG****PROPOSED TARIFF OF CHARGES FOR THE JOHANNESBURG INTERNATIONAL TRANSPORT INTERCHANGE (JITI)**

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(1) and (3), 21A and 75A(3) and (4) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended, it is hereby notified that the City of Johannesburg has, in terms of Sections 11(3)(i) and 75A(1) and (2) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended, read with Section 24(2)(c)(ii) of the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003), proposed tariffs for the Johannesburg International Transport Interchange with effect on 1 July 2024.

Proposed 2024/25 JITI tariffs

The proposed tariffs for the Johannesburg International Transport Interchange (JITI) for the 2024/25 financial year are as per the tables below. These proposed tariffs will strive to achieve an optimum balance between operational and financial sustainability, and user affordability.

Table 1: Proposed 2024/25 JITI bus and taxi tariffs:

Description	Proposed tariffs
Bus ranking	R526 per hour
Minibus ranking	R7.00 per 15 minutes
Minibus holding	R7.00 per hour
Metered taxi parking	R5.00 per 15 minutes

Table 2: Proposed 2024/25 JITI retail, office, and storage tariffs:

Description	Proposed tariffs per m ²
Retail rentals	R272
Office rentals	R146
Storage rentals	R82