

Transport reform and spatial integration



**DIAGNOSTIC AND SCOPING
EXERCISE
FINDINGS AND CONCLUSIONS**

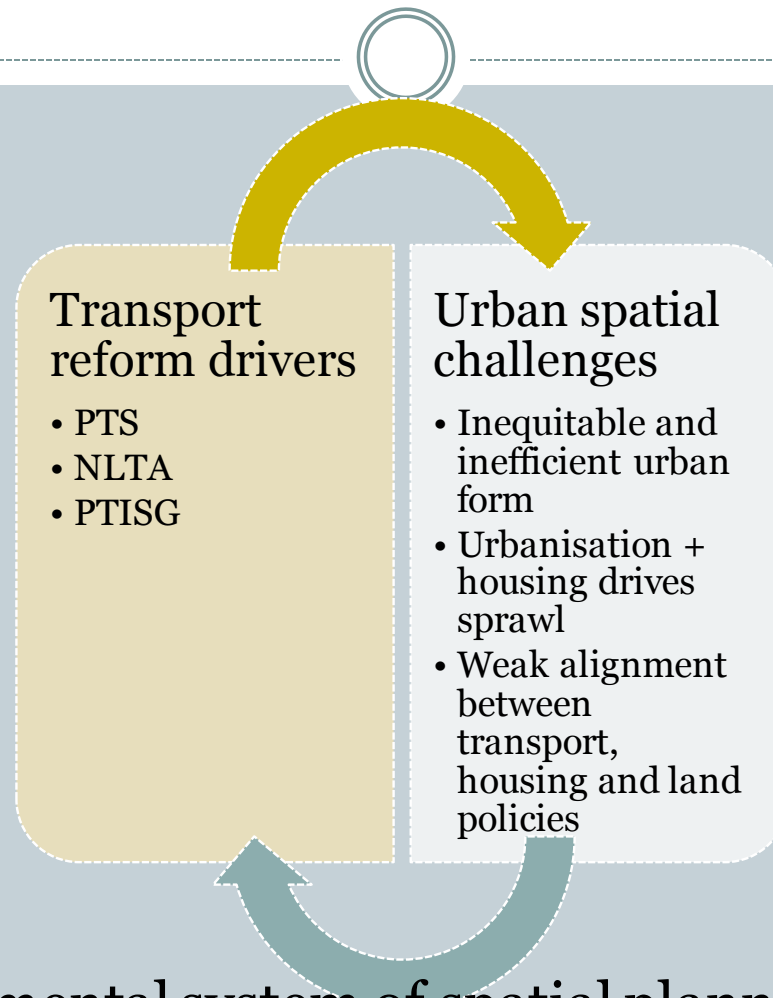
**PRESENTATION TO DBSA
TRANSPORT ROUNDTABLE
OCTOBER 2012**

Purpose



- To identify legal, policy, inter-governmental, institutional and human resource constraints limiting the potential of transport reform to impact positively on urban spatial integration
 - Understanding needs at city and national level to achieve more effective planning and implementation in public transport
 - Identifying research and other interventions required to support this
 - Emphasis on capacity
- Input into developing programme for CSP

Transport reform and spatial integration



“SA’s intergovernmental system of spatial planning has been slow to develop and coordination has often been poor” (NDP 2011)

Approach



- Rapid exercise based review of literature and strategic interviews with transport and planning officials in metros as well as key national department officials and researchers
 - Focus on surfacing common “big issues” requiring common response or national support
- *Very different realities and emphases of different metros – some leading with rapid implementation of IRPTNs, others with enhanced integrated planning, others lagging due to capacity or prioritisation*
- *Pressured space with brave practitioners with limited resources and massive implementation challenges*

Transport policy and legislative issues



Public transport strategy development



- PTS created new vision and transport “big picture”
- Catalysed major public transport investments (particularly BRT) via PTISG grants and World Cup impetus – powerful demonstration effect
- Establishment of integrated public transport networks as key feature
 - Network establishment and implementation initiated
- *Needs to be updated based on lessons, differentiated needs of different cities (scale, core-periphery distances) with wider menu of options*

NLTA implementation



- Major shift in public transport direction
 - emphasis on assigning responsibility for whole urban PT function to metros
- Generally welcomed by metros but limited piecemeal implementation
 - Complexity and dynamics (e.g contract management function)
 - Limited implementation direction (guidelines, assignment, sequencing)
 - Varied prioritisation in metros
- *Clarify functional and fiscal assignment issues and implementation process*
- *Develop detailed and differentiated NLTA guidelines*
- *Evaluative research to create evidence for policy development*

Regulatory reform



- Effective regulation as critical foundation for public transport improvements
- Regulatory system highly dysfunctional in much of country - multi-faceted, multi-level problem
 - National Land Transport Information System outdated and unstable – major constraint to creating accurate, reliable and secure platform
 - Most provincial regulatory branches have weak administrative systems but transferring part of function to metros potentially disruptive
 - Reluctance of most metros to take on function given challenge and capacity
- Enforcement seen as ineffective, inconsistent and prone to corruption
- *Need for detailed review of state of public transport regulation (scale, causes, consequences) with recommendations re national, provincial and metro measures*

Inter-governmental co-ordination and alignment



Roles of different spheres of government



- Roles of different spheres of government set out in section 11 but capacity not yet in place in different spheres to exercise these roles and responsibilities effectively
 - Clarity required re mechanisms to facilitate functional transfers (staff, finances – change management)
- Catalytic role NDOT in reshaping PT landscape but small over-stretched team with extensive portfolio of issues requiring management
 - Need for strong focus on key policy and framework issues
 - Some metro concern re micro-management re BRT infrastructure
- *Need for more national resources for on-going research as well as monitoring and evaluation of PT reform*

Passenger rail integration



- Rail is key in most metros
 - Goal of City-PRASA agreements re preferred level of services, ticket prices, ITPN alignment etc
 - Current lack of strong PRASA accountability to city processes impediment to fully conceptualising IRPTN
- Deeper co-operation between PRASA and some of cities is emerging and needs active support – how can city leverage be improved?
- Other state-owned enterprises with major transport significance (Transnet) not aligned with metro spatial, transport and development plans and few effective coordination structures
- *National process of engagement between NDOT, PRASA and the cities to explore better incorporation of passenger rail into metro transport planning and implementation and enhanced accountability mechanisms*

Funding public transport



Financing public transport operations



- Major increases in public transport spend in recent years particularly linked to PTISG – capital investment focus
- Challenge of on-going funding of new and growing public transport operations
 - Shift to public transport on per km/gross cost basis far-reaching with major potential benefit for commuter by putting financial risk on cities – but difficult to quantify
 - Fare revenue unlikely to cover operational costs (low densities, low affordability)- increased subsidisation pressure
- Currently complete mechanisms not yet in place to subsidise the operating expenditure of such BRT systems
 - Serious systems risk but also uncertainty re operating deficits of new systems
- Additional revenue source or increased national transfers required – balance between local and national important to get incentives right

Financing public transport operations



- Differentiate between public transport service operational costs and municipal operating expenditure
 - Public transport service costs from the fare box with shortfall through national operating grant or additional local revenue source?
 - Municipal operating expenditure from functional and responsibility assignment via PTS and NLTA (such as the control centre, infrastructure maintenance, station management, monitoring and system administration) as new unfunded mandates from new national norms to be paid for by national government?
- *Clear policy and guidelines re subsidisation of public transport particularly operating deficits generated by public transport interventions including BRT*
- *Strategic financial review after phase 1 projects to better align norms and standards and associated cost structure with revenue potential*

Metropolitan Land Transport Funds (MLTFs)



- Do not resolve challenge of operating deficits
- But mechanism to ring-fence current public transport income streams and better manage operating income and expenditure.
- No establishment guidelines, none yet established but some cities exploring
- *Joint programme to support the establishment of MLTFs*

Integration of spatial and transport planning



Public transport networks



- IPTNs as powerful concept for leveraging urban integration
 - Network as foundation for effective metropolitan spatial development frameworks linking planning and implementation
- Only partially conceptualised in most metros
 - Challenge of moving from BRT pilots to fully developed integrated network concept
- Importance of building consensus with the spatial and land use planners about the importance of establishing PTN as foundational concept in metro SDFs informing infrastructure planning and broader land use regulation
- *National learning programme bringing together transport planners with land use, settlement and economic development practitioners from metros to explore integration of IPTNs into spatial frameworks, to share good practice and agree a common research agenda*

ITPs



- ITPs are important statutory plans but limitations of current practice
 - Lack of instruments and levers to encourage investment supporting networks including densification
 - Sometimes more compliance driven and lack impact
 - Do not secure required inter-governmental commitment
 - Out of date
- Opportunity to support next generation of ITPs as more powerful planning instruments focused on facilitating inter-governmental alignment around IPTN and crowding in investment
 - Challenge of capacity (skill and financial resources)
- *Specialist team (including international experts) to develop guidelines for improving ITPs and provide on-going support to cities re new ITPs.*
- *Study to identify financial and other instruments that incentivise densification along IPTNs*

Capacity and human resources



Overview



- **Uneven capacity to implement ambitious reform agenda across cities, provinces and national government departments**
- **Capacity development and the necessary human resources key to delivering on agenda**
 - Needs to be driven by the needs and priorities of the metros
 - But important responsibilities for other spheres - NLTA mandates national government to capacitate and monitor 'provinces and municipalities that lack capacity or resources to perform their land transport functions'
- **PTAP proposes ambitious capacity enhancement actions**
 - Local transport capacity for planning, monitoring, regulation and network management
 - Supporting municipalities to develop strategic integrated network plans (TETA, Transport Centres of Development and the tertiary institutions)
 - Capacity for operating licence processing
 - Support and training for existing minibus and small bus operators to enhance participation
 - Law enforcement, inspection, investigation and prosecution capacity
- **Policy intention clear but limited progress in establishing required support mechanisms**

Staff establishments and organograms



- Major disconnect between current transport organograms, actual staffing and real requirements
- Finalisation of realistic organograms and creating institutional certainty difficult:
 - Functional and fiscal uncertainties (esp provincial functions)
 - Uncertainty re best way of structuring transport function within metro
 - ✦ Municipal entity for public transport operations?
 - ✦ Organisation of regulatory function and its relationship to transport planning
 - Capacity to manage change processes
- *National research process to develop guidance re*
 - *Possible models of structuring municipal transport functions*
 - *Optimal size, shape and required skills sets of metropolitan transport departments*
 - *Staffing benchmark to facilitate on-going comparative research on institutional development and performance*

Leadership and general management



- Strong leadership and general management is crucial where major policy change or uncertainty
 - Immediate focus on enabling leadership to provide strategic direction, change leadership and management of complex inter-governmental interfaces
- Other capacity requirements prioritised once greater clarity re strategic , institutional, financing issues resolved
- Leadership capacity and experience has developed as major project undertaken and delivered but challenge of institutional instability and high management turnover
 - Almost all the transport department heads are either only acting in the position or have been in the position for less than one year
- Importance of trust and synergy between the political and management components

Skills gaps



- All metros raised concerns about skills base – also problem of high turnover and difficulty in attracting qualified transport professionals
 - Some have relatively large pool of professionals with skills and experience but important technical gaps. Others particularly new metros have much smaller and limited transport sections.
- Current transport related skills largely in infrastructure
 - Relatively strong project and contract management capacities that could be applied to the full range of transport functions
 - But problem of leading with infrastructure rather than operations or strategy
- General lack of experience in managing high quality public transport operations

Next steps



- Recommendations being taken forward via City Support Programme, Department of Transport and National Treasury