

DEVELOPING, MANAGING AND FUNDING PUBLIC PASSENGER TRANSPORT FACILITIES: THE TSHWANE EXPERIENCE

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1. SITUATION ANALYSIS

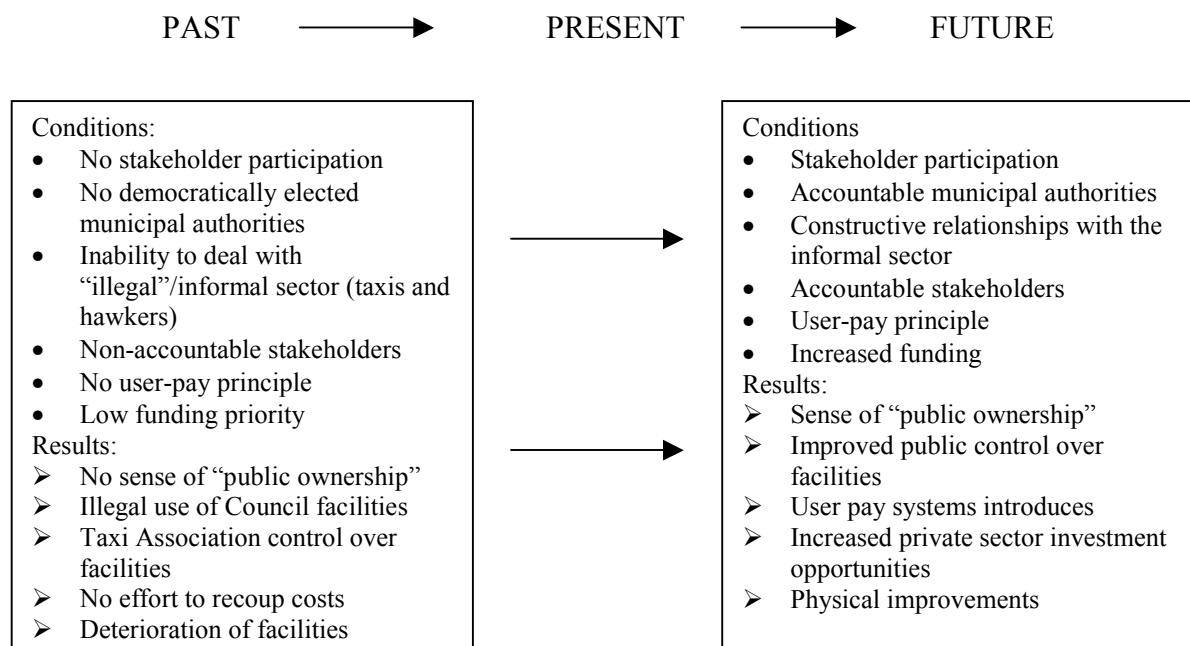
Creating viable and sustainable public passenger transport facilities is a major challenge facing municipal government and future transport authorities. This is a challenge that was also faced by the GPMC, who in 1996 inherited a total of 53 public passenger transport facilities. Less than half of these facilities have been formally established and the facilities ranged from on-street bus and taxi loading zones to large intermodal transport interchanges for buses, taxis and trains. The largest of these facilities are Denneboom Interchange (Mamelodi), Belle Ombre Interchange (Marabastad), Mabopane Station Interchange (Soshanguve/Mabopane), Bloed Street/Dr Savage Taxi Ranks (City Centre), Pretoria Station/Bosman Street Interchange (City Centre) and Hammanskraal Taxi Rank. There are 12 large multi-modal facilities in the City of Tshwane Metropolitan Municipal Area.

These facilities service approximately 13 500 taxis and 750 buses operating in the GPMC area. The boundaries of the GPMC area have expanded with the demarcation of the City of Tshwane Metropolitan Municipality (CTMM) as indicated on the attached map and table below.

<i>Detail</i>	<i>Greater Pretoria Metro</i>	<i>Tshwane</i>
• Area	124 000ha	219 680ha
• Population	1 609 700	2 049 700
• Density	13.0 persons/ha	9.3 persons/ha
• Economically Active Population	731 300 (45%)	909 860 (44%)
• Average Household size	3.8 (excl single people and domestics)	4.0 (excl single people & domestics)
• Average Income per capita per annum	R24 190	R19 435

Source: Plan Associates, Pretoria 2000

The management and funding problems faced by the Council with regard to the development, operation and maintenance of their public transport facilities are not unique in South Africa. These must be seen within the socio-political context of the country and the challenges faced by the public transport industry in general and the taxi industry in particular. The transition we are going through from the pre-1994 dispensation to a future dispensation can be illustrated as follows:



The challenges faced in this regard are well illustrated by the circumstances surrounding the 1999-taxi violence at the Rietgat taxi rank at Mabopane Station Interchange in Soshanguve. The subsequent Ntsebenza investigation into the causes of the taxi violence pointed to the lack of government management and control over taxi facilities as major contributor. The management and control over the rank had fallen into the hands of taxi associations who were fighting over “turf” to control taxi routes, using ranking facilities strategically. Typically, this problem also has a spill-over effect on hawkers activities at taxi ranks as the hawkers often, for their own survival, needed to align themselves with taxi associations on "whose turf" they operate. The lack of government control is also manifested in the fact that “formal” traders and public advertising agencies were operating at Rietgat without any formal approval or payment of rentals to the Council for the use of the facilities. Moreover, with the introduction of the local government transition arrangements in 1996, the lines of responsibility between the municipal sub-structures and municipal structures with regard to the provision of services were never clearly defined in practice. The result was that no one took effective responsibility for the facility and no proper budget was available for development, operation and maintenance work at the Rietgat Taxi Rank. Worse, the western side of the rail station was under the jurisdiction of another local authority in the North West Province.

The Taxi Agreement facilitated by Advocate Dumisa Ntsebenza for the North West and Gauteng Members of the Provincial Executive Councils (MEC’s) for Transport, provided for the instalment of adequate management and control systems over the use of taxi facilities and routes by the GPMC and the then adjoining Eastern District Council. The Gauteng Government also made a once-off allocation of funds to the GPMC, who appointed a security company to ensure proper law enforcement and control at the facility. The GPMC also appointed permanent rank managers and undertook some improvements, such as perimeter fencing. The turn-around at the facility as a result of strong law enforcement and control was dramatic. People felt safe in using the facility and it once again became a friendly and relatively clean place to visit. This was brought about by a temporary injection of effort and funds in stabilising a serious situation. However the funds have since dried up, challenging future stability. Sustainable solutions are needed and we now turn to this challenge by looking at the Denneboom experience.

2. THE DENNEBOOM MODEL

Denneboom Interchange is one of the largest intermodal transport facilities in the Tshwane area. The Interchange serves as a transfer facility between pedestrian, taxi, bus and train modes of transport, and at the same time acts as a centre for commercial activities ranging from hawker to formal retail business. Denneboom services an estimated 60 000 commuters on a daily basis.

The informal and uncontrolled nature of the activities at the site, inadequate provision and maintenance of facilities have hampered the ability for the site to operate as an efficient intermodal facility. After consultation with community leaders of Mamelodi, the GPMC approved the development of the intermodal facilities at Denneboom in November 1996.

2.1 Participative Planning

The Denneboom Forum was formed early in 1997 to facilitate stakeholder participation in the development process. Various government structures, bus, taxi and rail operators, hawker interests and local community interests such as SANCO and the Planning Zone Forums (created by the GPMC to reach out to local communities on planning issues affecting them) were represented in the Forum. This Forum actively participated in the concept and detailed planning of all the elements of the project.

An all-inclusive process was followed in setting up the Forum, by allowing all interest groups that claimed to have a stake in the development of Denneboom to join the Forum. Members of the public were also welcome to attend these meetings ensuring transparency. This helped to allay fears and suspicions about the project objectives and “who is getting what”. At one stage the Forum’s monthly meetings were attended by more than 150 people. However, the numbers soon dwindled, once most people were satisfied with the credentials and direction of the project. The Forum ended up with about 50 representatives of key stakeholder groups who were actively involved in the planning process. We believe that the successful outcome and acceptability of the project is due to this initial inclusive approach to public participation. Hence the GPMC decided to make Denneboom a model for the development and management of public passenger transport facilities.

2.2 Project Approach

A second important feature of this project is that it was not viewed as an engineering project alone. It was also designed as an institutional development project with the following deliverables in mind:

- The establishment of a management structure to regulate the use of the facility and deal with the ongoing service delivery and maintenance of the facility.
- The establishment of rules and procedures for the use of the facility by taxis, buses, hawkers and passengers.
- A preliminary operational phase aimed at supporting and monitoring the operating procedures and management structures.

The inclusion of these institutional elements is intended to become standard procedure with all new public transport construction projects. Not giving sufficient attention to these can be very expensive during the development and after hand-over when the facilities deteriorate rapidly. This lesson has been learned the hard way with the construction of a new taxi rank in Atteridgeville – two years after completion the facility is still not in use, even with preliminary consultation.

2.3 Management structure

In discussing and debating the various issues involved in the operations, maintenance and management of Denneboom Interchange, the Denneboom Forum resolved that the structures and procedures to deal with these functions should be designed with the following principles and guidelines in mind:

- (a) The involvement of local stakeholders (civic, taxi, hawker, bus and train) in the management structures for Denneboom
- (b) Private sector funding and support for the development, operation and maintenance of facilities at Denneboom in view of the substantial commercial development opportunities that exist within the project area.
- (c) Effective participation of local entrepreneurs and labour in the development, operation and maintenance of the facility.
- (d) Municipal authority control, through statute, over policy decision-making functions related to Denneboom.
- (e) Separation of political decision-making functions, regulatory functions and service delivery functions with regard to the management and operation of the facility.
- (f) The Denneboom property is a public asset and the municipal authority should retain ownership.

The conceptual design of the management structure was done through a bottom-up approach by analysing the design requirements for each of the following categories of functions that need to be performed at the Interchange:

- Allocation functions (use of ranking facilities, hawker stands and commercial spaces)
- Operations control functions (vehicle and pedestrian movements and the on- and off-loading of passengers)
- Cleaning functions (litter picking, toilet cleaning, refuse removal etc.)
- Maintenance functions (buildings, pavements and gardening)
- Security functions (traffic control, perimeter control and on-site security)

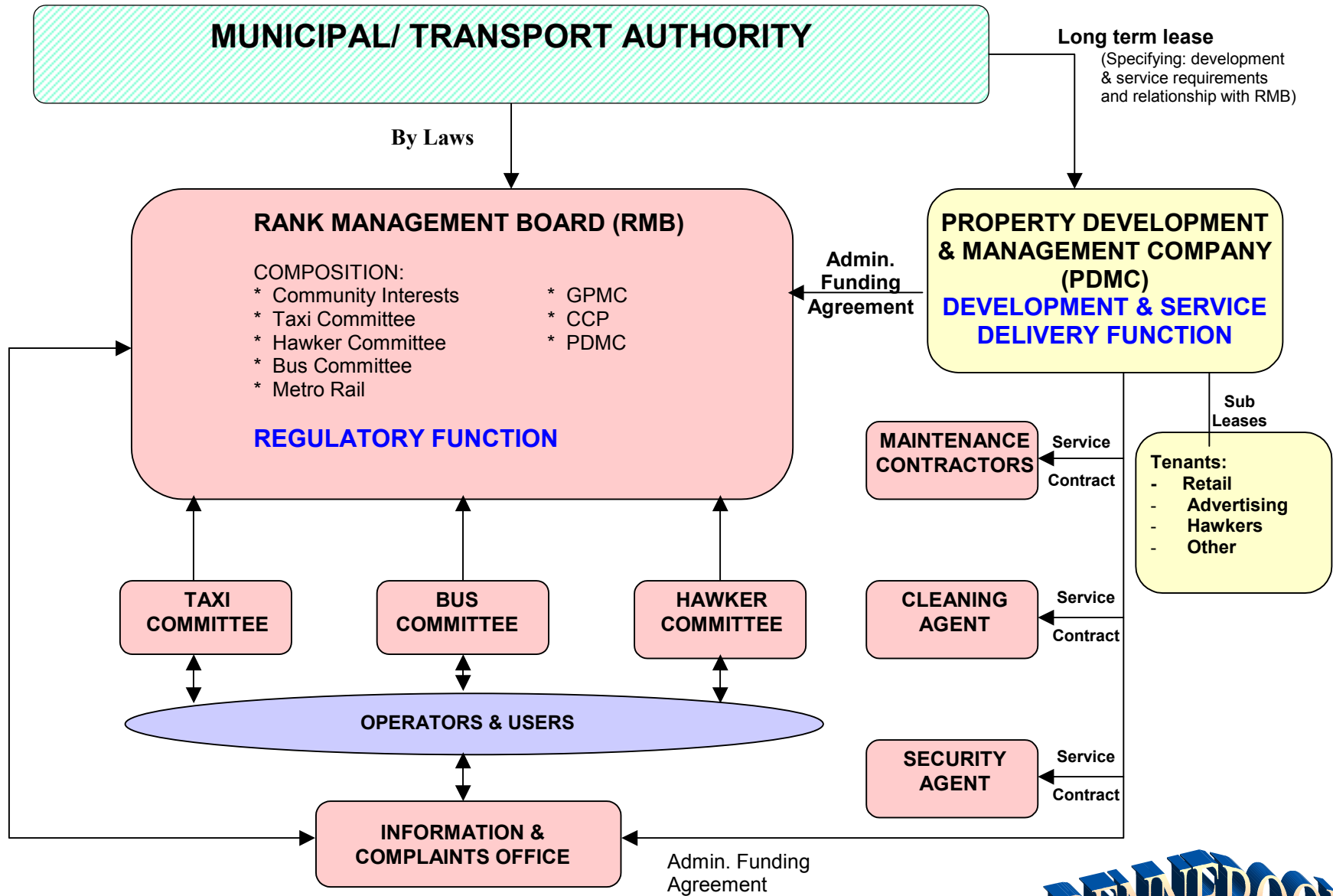
Based on this analysis, the Denneboom Forum decided on the following institutional framework to deal with the management functions at Denneboom:

- The establishment of a Rank Management Board (RMB) supported by a Taxi, Bus and Hawker Committee with the responsibility to co-ordinate and regulate the use of the facility; and
- The appointment of a Property Development and Management Company (PDMC) to take on responsibilities for commercial development and service delivery.

This structure is further outlined in the table and diagram below (Source: Detailed Management Design Report for Denneboom, compiled by Stewart Scott for the GPMC, 1999)

	Rank Management Board (RMB)	Property Development and Management Company (PDMC)
Structure:		
Mandate	RMB created through statute (By-Laws) but “piloted” as a Section 59 Committee of the GPMC, now the CTMM. RMB functions in terms of its own Constitution	Contractual agreement between Council and Company linked to a long term property lease Contractual agreement specifies development and service delivery requirements and relationship with RMB
Composition	Member representation from: -Local community interests -Taxi Committee -Hawker Committee -Bus Committee -MetroRail -CTMM -PDMC	Private sector company with: - Backing from financial institutions - Effective participation of local entrepreneurs and labour - Sub-contracting with security, maintenance and cleaning agents
Functions:	Regulatory functions regarding public transport	Development and service delivery functions
Allocation functions	Advice to the CTMM (later the Metropolitan Transport Authority) on allocation of taxi and bus ranking permits Advice to PDMC on allocation of hawker stands	Sub-leasing of hawker, retail and advertising space
Operations control functions	Advise to the CTMM on operational guidelines for the use of the public transport facility Regulatory control through taxi, hawker and bus committees and Information and Complaints Office	Responsible for funding the administration of the RMB and Information and Complaints Office Responsible for funding the appointment of Hawker Area Controllers
Cleaning functions	Advice to PDMC on cleaning functions Advice to the CTMM on the PDMC’s compliance with the agreement on cleaning functions	Responsible for on-site cleaning operations through appointment of cleaning agent Municipal agreement on bulk waste removal
Maintenance functions	Advice to PDMC on maintenance functions Advice to the CTMM on the PDMC’s compliance with the agreement on maintenance functions	Responsible for maintenance of pavements and structures through appointment of local contractors
Security functions	Advice to PDMC on security functions Advice to law enforcement agencies on security requirements Advice to the CTMM on the PDMC’s compliance with the agreement on security functions	Responsible for appointment of security staff/contractor to work alongside law enforcement agencies

MANAGEMENT STRUCTURE FOR DENNEBOOM INTERCHANGE



2.4 Rank Management Board (RMB)

The establishment, composition and functions of the RMB and its supporting Taxi, Hawker and Bus Committees was workshopped by the Denneboom Forum and approved by Council during 1999. The RMB is a formal structure with its own Constitution, established and chaired by Council. The Committees reporting to the RMB also have their own Constitutions and are chaired by elected chairpersons. It was decided that the RMB and its sub-structures be established as a committee and sub-committees of Council in terms of section 59 of the Local Authorities Government (Administration and Elections) Ordinance, 1960, (Ordinance 40 of 1960). Members of the RMB and supporting committees are nominated and elected by the stakeholders they represent and this structure has now been in operation for the past year.

2.5 Property Development and Management Company (PDMC)

The land development proposal for the Denneboom Interchange project provides for a 6.58 ha site for the inter-modal transfer complex, as well as 6.42 ha of adjacent vacant land that can be developed for associated commercial and other uses. The Interchange itself provides for pedestrian-based hawker and small scale shopping and manufacturing activities. Provision has also been made for high mast, low mast and pedestrian level advertising space at the complex.

A market analysis and feasibility study was done of the proposed commercial development at Denneboom. This study concluded that a financially viable income stream could be generated from the proposed development in terms of the rental received from hawker stands and informal business, advertising income and income from commercial activities. This will adequately cover the expenses of operating and maintaining the facilities plus an acceptable rate of return.

In view of the income generating opportunities that exist at Denneboom, the GPMC decided to enter into a public-private partnership agreement with a property development and management company or group. This would take the form of a long-term lease and concession agreement that will allow the private sector partner to develop the commercial opportunities in return for the financing and management of the day-to-day operation and maintenance functions at Denneboom.

A call for expressions of interest to pre-qualify for the appointment of a Property Development and Management Company to take on the commercial development and service delivery functions was issued in September 2000. The GPMC approved the shortlisting of two candidates to be invited to tender for the appointment. The second phase of the tendering and appointment process still needs to be concluded.

2.6 Terms and conditions for taxi, bus and hawker operations

Terms and conditions for taxi, bus and hawker operations at Denneboom were also workshopped with the Denneboom Forum and approved by Council in June 1999. These terms and conditions deal the rules related to the allocation of hawker stands and ranking lanes, rules for queuing, loading and off-loading of passengers, mediation of disputes and the authority of the RMB and its committees in managing the operations at Denneboom. Agreeing on the operating rules for the use of the facilities, prior to the opening of the facilities, has made a key contribution to the success of the project.

The terms and conditions for taxi operations are contained in an agreement document that was signed by taxi operators at Denneboom in August 1999, prior to the opening of the new taxi ranks. The intention is to enact by-laws to regulate taxi operations and the issuing of ranking permits in Tshwane. The terms and conditions is seen as a precursor to such an arrangement, while also dealing with arrangements specific to Denneboom.

The terms and conditions for hawker operations provides for the signing of one year lease agreements for the different categories of hawker stands, as well as the criteria and procedures for the selection of hawkers to be accommodated at Denneboom. Agreement has also been reached with the Hawker Committee on the rentals to be charged and implementation of the agreement is now well underway.

3. DEVELOPMENT AND MANAGEMENT FRAMEWORK OF TSHWANE

The Denneboom model, the requirements of the National Land Transport Transition Act (NLTTA), Act 22 of 2000, and the policy laid down for new municipal structure (including the role of Public-Private Partnerships in service delivery) are the building blocks for a new dispensation in developing, managing and funding public transport facilities in the Tshwane area. The new Council is attending to the consolidation of these elements into an overall framework. We wish to conclude our presentation by highlighting some of the key elements of this framework.

3.1 The City of Tshwane Metropolitan Transport Authority (CTMTA)

During January 2001, the CTMM Council approved as a project to facilitate and speed up the establishment of the CTMTA. The CTMTA will be based on the National Land Transport Transition Act (NLTTA), Act 22 of 2000. In line with the NLTTA, the establishment of the CTMTA will be based on co-operation between the CTMM, the provincial and national governments. The tenet of such co-operation being the signing of a "founding agreement" between the CTMM, provincial members of the Executive Council for Transport (MEC) and the National Minister of Transport. The centrepiece of the "founding agreement" will be the establishment and detailing out of the financial co-operation system with respect to the three spheres of government.

The NLTTA borrows heavily from the British system of Passenger Transport Authorities (PTA's). Hence, the NLTTA refers to the "authority" consisting of councillors as the governing body and the "executive" as the technical arm with its technical staff. Also, as in the case of the United Kingdom's PTA's, the South African Transport Authorities are charged with promoting public passenger transport as their main pre-occupation. However, and confusingly, the spirit of the NLTTA is to lump all transport-related functions including roads, stormwater and land use planning in the brief of the transport authorities. There is, to add further uncertainty, a choice with respect to establishing transport authorities in South Africa. It is perhaps useful that the NLTTA is a "transitional" Act.

3.2 Facilities Management

The concept of the Rank Management Board (which could, perhaps, more correctly be referred to as a Facilities Management Board) is based on the principle of community participation from conception, through needs analysis, construction to the maintenance after completion. As already mentioned, construction without community participation is inconsistent with the "community ownership" of a project, whilst the subsequent maintenance of the facility without community participation is inconsistent with the effective and efficient management of public transport

facilities. Hence it is common in South Africa for the facility to deteriorate rapidly after inauguration.

It is Council's intention to apply Denneboom management structure as a model for those stakeholders who use a public passenger transport facility to participate in the management thereof. Such a Facilities Management Board can be seen as the intermodal facilities management board where the facility caters for more than one mode of transport or simply the Taxi Rank Management Board, the Bus Rank Management Board or the Rail Station Management Board where there is mainly one mode involved.

The RMB will benefit greatly from the establishment of the Transport Authority with its "founding agreement" clarifying financial flows from the National through Provincial to Local Government. In the United Kingdom, when the minister of finance presents the transport budget, that day, the lowest official at the lowest level of government is able to anticipate the nature of the financial support to follow (i.e. more, the same or reduced).

To deal with the executive functions related to facilities management, the new structures provides for the appointment of Facilities Managers supported by Area Supervisors. The Facilities Manager will work alongside the Facilities Management Board and oversee the overall operations at one of more public passenger transport facilities. The Area Supervisors will be foot-soldiers that will control the hawker operations and will also guide the loading of passengers, monitor the drivers in terms of loading and queuing of taxis and provide customer care at the rank.

Currently taxi associations appoint Rank Marshals to do taxi marshalling at the various ranking lanes. However, taxi operators have freedom of association and members of different taxi associations may operate the same route. Rivalry between taxi associations to control specific routes through inter-alia their control over ranking lanes is an important contributing factor in taxi conflict. Preliminary consultations have been held with Pretoria Taxi Council on the proposal to provide for Council appointed Area Controllers to take responsibility for taxi marshalling. It is proposed that such appointments be made after consultation with the relevant Facilities Management Board.

It is suggested that the current arrangement, whereby Bus Point Dispatchers are appointed by bus operators to regulate the on and off loading of passengers, be maintained. The reason for this is that in the future bus operators will tender to operate specific routes and the functions of Bus Point Dispatchers will continue to be linked to the operational control over that route. The situation here is therefore different to that of taxis.

3.3 Service delivery and development

As indicated earlier, we do not believe that the Facilities Management Board is the appropriate structure to take responsibility for the service delivery and development functions at public passenger transport facilities. This remains the responsibility of relevant authority. The responsibility of the Facilities Management Boards with regard to these functions will be to advise the authority on and to monitor compliance with development and service delivery agreements to be concluded with regard to each facility.

According to the White Paper on Local Government, March 1998, municipalities need to seek an appropriate mix of service delivery options, which could include the following:

- Building on existing capacity of the responsible municipality.
- Corporatisation: the establishment of a separate service delivery unit or public utility with its own “ringfenced” or separate budget.
- Contracting out: Contracting with specialist private service providers.
- Leases and concessions: forms of public-private partnerships that are most common for services where large-scale capital investment is required.

The Corporatisation option will be implemented if a decision is taken to establish the CTMTA. Within this option the different Public-private- Partnership (PPP) arrangements, as listed above, can still be considered.

In the case of Denneboom Interchange there is a unique opportunity to enter into a long term concession and lease agreement with a property development and management company to manage and fund the service delivery in exchange for commercial development rights. This is possible due to the substantial commercial development potential of the Interchange site and surrounding vacant land. This opportunity does not present itself with regard to all passenger transport facilities. Where this is not the case, the service delivery and development functions would need to be done in-house or contracted-out.

3.4 Facilities funding

The 2000/2001 operating budget for metropolitan public transport facilities in the former GPMC amounts to R5,7 million. This is totally inadequate for what is required and by-and-large does not cover the provision of security services at facilities, maintenance and repair costs and adequate levels of refuse removal and cleaning services. This figure would, at least, need to increase threefold to provide a minimum sustainable level of services and to arrest the current deterioration that is evident at most facilities in Tshwane.

It is proposed that the funding of operational costs should be guided by the following principles:

- Application of the principle that consumers must pay for the services they use through the payment of office rentals, hawkers rentals and ranking fees.
- Untapping the commercial potential (retailing and outdoor advertising) of public transport facilities.
- Implementation of a ring-fenced account to enhance cost awareness and accountability.

The application of the consumer-pay principle is still an untapped potential that could generate a substantial amount of income from buses, taxis and hawkers. Based on, what seems to be a realistic ranking fee of R150/month for taxis and R250/month for buses, a total of R 26,5 million could be generated from existing taxi and buses that operate in the former GPMC area. To this must be added the hawker rentals and untapped retail and outdoor advertising potential at public transport facilities. In the case of the Denneboom Interchange (with its substantial commercial potential) we have calculated that the income from these activities alone would be sufficient to cover the operational costs of maintaining the facility.

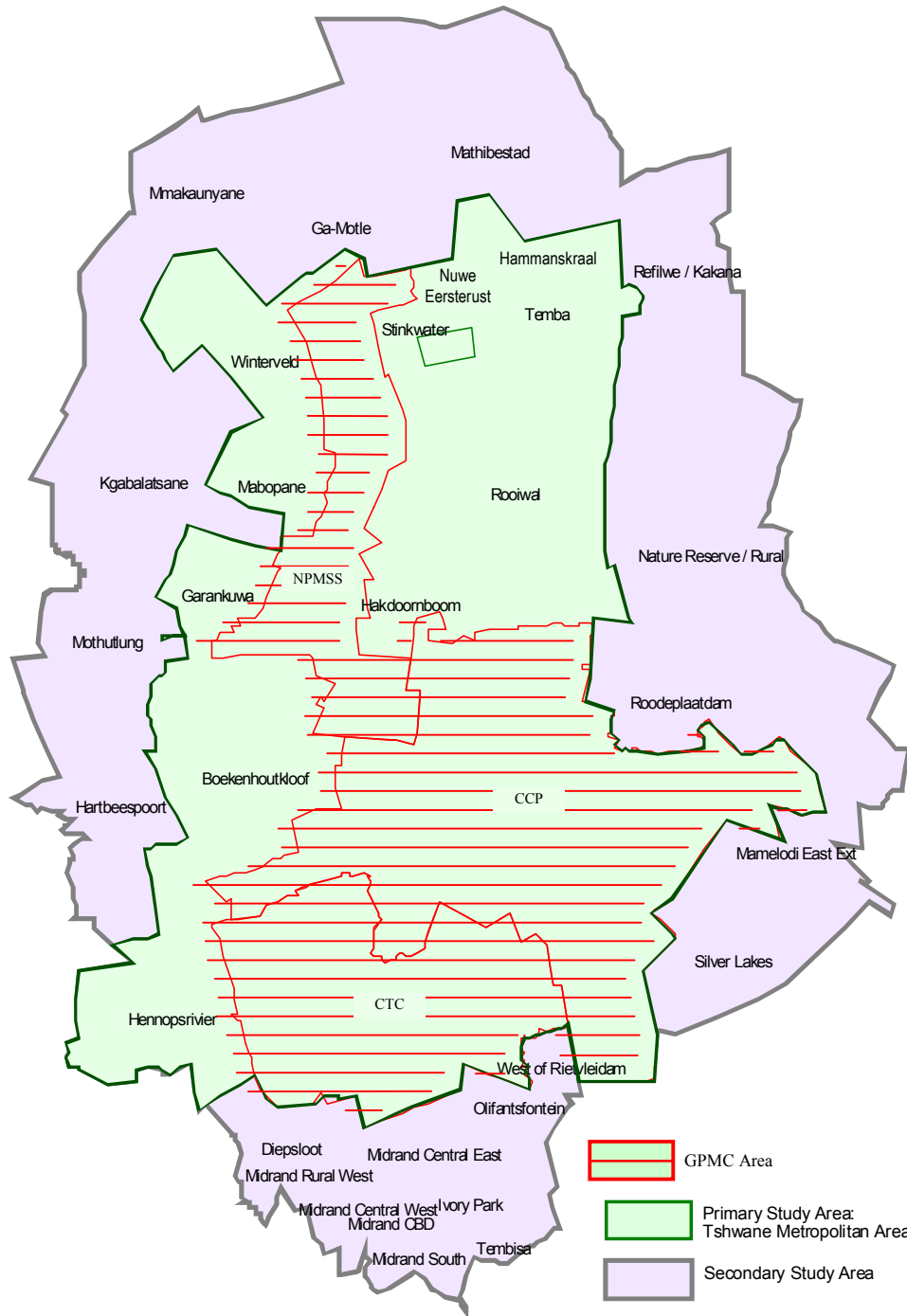
Although these figures are merely indicative at this stage, they do suggest that, if properly implemented and structured, the new CTMTA's facilities management functions could largely be funded through user fees and commercial activities at the various public passenger transport facilities under its jurisdiction.

4. CONCLUSIONS

The lessons learned from the Tshwane experience in planning, managing and funding public passenger transport facilities can be summarised as follows:

- ❑ The need for inclusive public participation in the planning and design of public transport facilities from inception.
- ❑ The need to include institutional development elements as standard procedure with all new passenger transport construction projects.
- ❑ The need to separate out the political decision making functions, regulatory functions and service delivery functions with regard to the management and operation of public transport facilities as outlined in par. 2.3 above.
- ❑ Adequate law enforcement and traffic control measures as a key success factor in the effective management of public passenger transport facilities.
- ❑ Inadequate operational budget is the "Achilles heel" of sustainable public transport facilities development; to be addressed in terms of a three pronged approach:
 - Application of the principle that the consumers must pay for the services they use
 - Untapping the commercial potential of public transport facilities through PPP arrangements
 - Enhanced cost awareness and accountability through ring-fenced accounting

FIGURE 1 PRIMARY AND SECONDARY STUDY AREA



DEVELOPING, MANAGING AND FUNDING PUBLIC PASSENGER TRANSPORT FACILITIES: THE TSHWANE EXPERIENCE

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Dennis Baloyi was born at Orlando, Soweto. He completed his school at Lemana high School, Louis Trichardt in 1969. Dennis proceeded to the University of the North in 1970 where as a member of the Students Representative Council was expelled for political reasons with 12 colleagues in 1972. Following some political and community work, Dennis left South Africa quickly in 1975.

Dennis completed his BA Development Studies in Norwich in 1978. In 1980, he completed his MSc Town Planning and Transport for Developing countries at the University of Wales Institute for Science and Technology, after research on the role of medium-sized towns in development, Dennis was awarded a master of philosophy degree at the University of Aston in Birmingham in 1985.

During 1985, Dennis undertook research, which led to the establishment of the Sandwell Community Transport Service in Birmingham, from 1986 to 1995, Dennis established and worked for Leeds Community Transport and was also involved in the development of accessible and community transport in England, attending all conferences and exhibitions from the first one in 1985.

Dennis returned to South Africa in 1995. After a brief spell with Town Planning consultants, PLANATRICA, Dennis joined the GPMC in 1995.

Dennis is interested in using accessible transport and the formalisation of the taxi industry in promoting public transport. Finally, apart from TRANSPORT, Dennis dabbles in teaching ordinary people the art of investing on the Johannesburg Stock Exchange as a hobby; therefore, he is financially literate.

POST: SENIOR TRANSPORT PLANNER

Qualifications:

- (i) B.A Development Studies (University of East Anglia, 1978)
- (ii) M.Sc Town Planning for Developing Countries. (University of Wales Institute Science and Technology, 1980)
- (iii) M. Phil: Thesis – the Role of Medium – Sized Towns in Development, the case of Zambia. (University of Aston in Birmingham, 1985)
- (iv) Worked as an insurance salesman for Gresham Life, 1983 to 1985

Experience:

- (i) Research on the establishment of an accessible transport service in a poor suburb of Smethwick, (near Birmingham) during 1984 to 1986)
- (ii) 1986 – 1995: First worker for Leeds Community Transport,(an Accessible Transport Project in Leeds)
- (iii) In voluntary capacity, part of a group that established the Unity Housing Association in Leeds, 1987.
- (iv) On returning to SA in 1995, worked for Plan Africa (Town Planning Consultants), Johannesburg
- (v) Currently working as Senior Transport Planner at the Metropolitan Public Passenger Transport since 1 November, 1995.