

POSSIBLE IMPACTS OF THE NATIONAL LAND TRANSPORT TRANSITION ACT ON THE SOUTH AFRICAN URBAN POOR

R A STANWAY

CSIR: TRANSPORTEK, P O Box 395, Pretoria, 0001.

INTRODUCTION

The National Land Transport Transition Act (Act No 22 of 2000) (NLTTA)¹ represents the most significant change in land transport policy and legislation in South Africa's history. It is based upon a change from a supply-driven to a demand-driven (or needs-driven) land transport system articulated in the form of transport plans.

Several very important supporting issues are however dealt with in the Act, including institutional restructuring, transport planning, formalisation of the taxi industry, regulation of road-based services, regulated competition, new vehicle sizes and enforcement.

The possible impacts of these issues covered by the NLTTA on South Africa's urban poor needs to be based upon an identification and characterisation of South Africa's urban poor, and this is taken from work done during the Moving South Africa (MSA)² project which was completed in 1999.

The paper begins with an identification and characterisation of South Africa's urban poor, followed by an introduction to the NLTTA and its overarching policy principles. Each of the supporting issues covered in the NLTTA are then analysed with respect to their possible impact on the urban poor and these are followed by overall conclusions.


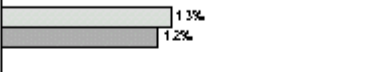
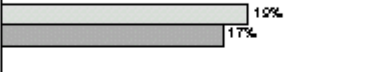
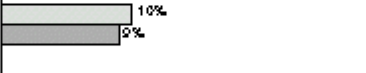
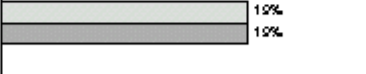
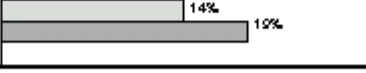
SOUTH AFRICA'S URBAN POOR

As a basis for identifying and characterizing South Africa's urban poor, Moving South Africa has been used where it organised customer market segmentation into six different categories, namely;

1. *striders* who do not require motorised transport,
2. *stranded* who cannot use public transport due to high cost and poor access,
3. *survival* who are captive to a mode within public transport and cost-sensitive,
4. *sensitive* who are captive to public transport but who are quality-sensitive,
5. *selective* who can afford to (or do) own a car but are willing to use public transport, and
6. *stubborn* who are unwilling to use any mode other than the private motor car.

From an analysis of the MSA Action Agenda² and the MSA Final Draft³, it has been possible to obtain an approximation of the urban poor segment. The approximation has been based upon the urban passenger segmentation for 1996 and 2020, which is indicated in Table 1 below: -

Table 1: URBAN PASSENGER SEGMENTATION

Customer Segments	Key Transport Needs (prioritised)	% of SA Urban Population (1996 = Black, 2020 = Grey)	Number in 1996 (m)	Growth to 2020
Strider (prefers to walk or cycle)	Cost		5.4	28%
Stranded (no affordable public transport available)	Cost		2.8	28%
Survival (captive to cheapest PT option)	Cost, Speed		4.1	24%
Sensitive (captive to PT but selects 'best' option)	Speed, Cost, Choice		2.1	25%
Selective (can afford car but willing to use PT)	Speed, Choice, Convenience		4.1	39%
Stubborn (only uses car)	Convenience, Speed		3.0	88%
TOTAL Urban Population			21.4 million	38% (1.4% pa)

Note: All customer segments rated safety as a key transport need
 Source: MSA Survey and Analysis. Forecasts are based on MSA Analysis using WEF A macroeconomic forecasts

From Table 1, it can be seen that the urban passenger customers are expected to increase from 21,4 million to 29,5 million by 2020. In addition, the key transport needs of the different segments are indicated – as are the percentages of black customers.

Based upon household incomes also obtained from the same data set, it has been determined that all of the stranded, survival and sensitive customers can be effectively categorized as the urban “poor” as their average household incomes were less than R4000 per month in 1996. Around half of the striders also fell into this category.

Table 2 below indicates the approximate urban “poor” passengers, and from this, assuming 50% of striders fall into this category, it can be seen that they comprise around 54% of all urban passenger customers. Of these, the “poor” amounted to around 11,7 million in 1996 with an estimated increase to approximately 14,7 million in 2020.

These estimates will be used for the analysis of the possible impacts of the NLTTA on South Africa’s urban poor.

Table 2: URBAN POOR PASSENGERS

Customer Segments	Percentage of Total	1996 million	2020 million
Strider	25	2,7(50%)	3,4(50%)
Stranded	13	2,8	3,6
Survival	19	4,1	5,1
Sensitive	10	2.1	2,6
Selective	19	-	-
Stubborn	14	-	-
Total	100	11,7	14,7

THE NATIONAL LAND TRANSPORT TRANSITION ACT (No 22 of 2000) (NLTTA)

The NLTTA which came into operation on the 1st December 2000 is the democratic government's first major intervention in the land transport sphere by introducing a legal framework to change from a supply-driven system to a demand-driven (or needs-driven) system based upon plans.

It is such a fundamental change that during its passage through parliament, the Portfolio Committee on Transport introduced policy principles into the legislation. This was quite unusual in terms of legislation, as policy is usually left to regulations, which can be amended from time to time.

Clause 4 of the NLTTA states *inter alia* that: -

“(1) The following principles apply with regard to the determination, formulation, development and application of land transport policy in the Republic:

(a) Public transport services—

- (i) are aimed at providing affordable transport to the public;
- (ii) are so designed as to have—
 - (aa) value to the customer;
- (iv) are so designed that appropriate modes should be selected and planned for on the basis of where they have the highest impact on reducing the total systems cost of travel, and this decision should be informed by an appropriate assessment of the impact on the customer and anticipated customer reaction to such change;
- (vi) are planned where possible so that subsidies are aimed to assist currently marginalised users and those who have poor access to social and economic activity.

(e) For the purposes of land transport planning and the provision of land transport infrastructure and facilities, public transport must be given higher priority than private transport.”

Only those policy principles, which have been interpreted to be directed primarily towards the urban poor, have been quoted above, although all of the policy principles are intended to support the change towards a demand-driven system based upon transport plans. It is of significance that the law of the land now states that public transport must be given a higher priority than private transport.

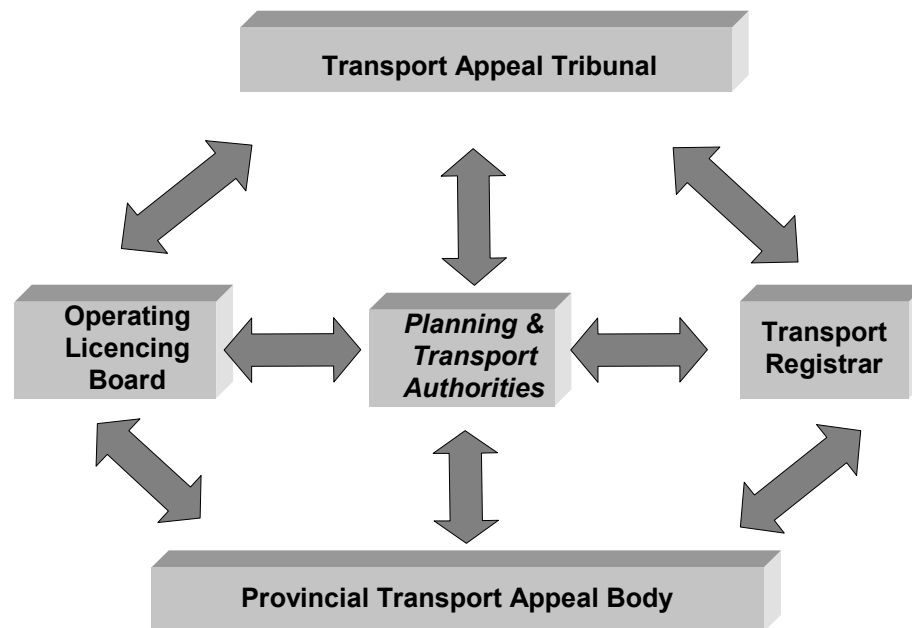
As far as various component parts of the NLTTA are concerned, the possible impacts on the urban poor of institutional restructuring, transport planning, formalisation of the taxi industry, regulation of road-based services, regulated competition, new vehicle sizes and enforcement are dealt with below.

INSTITUTIONAL RESTRUCTURING

The institutional restructuring provided for in the NLTTA attempts to knit together the three spheres of government from a regulatory point of view with the main service delivery in land transport taking place at the municipal sphere of government.

The overall map of institutional structures is depicted in Figure 1 below, and from this it can be seen that at the centre is the municipal sphere where every one of the new 284 municipalities are *de facto* planning authorities. In addition, if they desire to do so, and if they satisfy certain criteria, these planning authorities have the option of setting up transport authorities.

Figure 1: INSTITUTIONAL STRUCTURES



The transport authorities provided for in the NLTTA are institutional structures set up to enable more focused land transport service delivery. If a municipality (or combinations of municipalities) sets up a transport authority, it has six compulsory functions to begin with i.e. transport planning, transport policy, financial planning for land transport, management of the movement of persons and goods, public involvement and contracts with public transport operators. Many more optional functions are provided for, however these will need to be agreed between the relevant municipality and its province.

The transport authority service delivery mechanism is expected to offer a number of advantages over and above that of a municipality with multi-faceted service delivery responsibilities, which are expected to benefit, *inter alia*, the urban poor, namely;

- Eradication of fragmentation resulting from transport provision being handled at three spheres of Government,
- Integrated transport service delivery across functions such as planning, operations, regulation, infrastructure, marketing and monitoring at the local sphere,
- Integrated and balanced transport service delivery across all modes of transport (public, private and non-motorised) at the local sphere,
- Councilors dedicated to the transport function across the entire portfolio of transport functions and modes at the local sphere,
- Executive responsibility for land transport at a local sphere,

- Officials dedicated to the transport function across the entire spectrum of transport functions and modes at the local sphere,
- Local accountability and meeting local land transport needs,
- A single “pot” of money for land transport at the local sphere,
- Improved use of resources and funding at the local sphere,
- A seamless market-facing entity for customers (commuters) to deal with at the local sphere, and
- Improved transport service delivery for commuters/customers at the local sphere.

At the provincial sphere, provision is made for nine provincial transport registrars (for formalisation of the taxi industry) and nine provincial operating licencing boards (for the regulation of road-based services). In addition, provision is made for an optional provincial appeal body for intra-provincial appeals.

At the national sphere, the Transport Appeal Tribunal has been set up in terms of the Transport appeal Tribunal Act (No 39 of 1998)⁴ (TAT). The TAT can also hear appeals for intra-provincial services if a province does not have its own provincial appeal body.

The substantive provision for impartiality is also a major step forward, albeit that the registrars only have to comply by the end of 2002.

The optional introduction of provincial appeal bodies will bring this function closer to the people involved, rather than the historical situation of having appeals heard by the erstwhile national transport commission.

TRANSPORT PLANNING

Transport plans are really the documents that articulate need, and as such, they are of fundamental importance.

In Clause 18, the NLTTA sets out general principles for transport planning and the following are specifically relevant to the urban poor, namely;

“(2) Subject to this section, land transport planning must be so carried out so as to cover both public and private transport and all the modes of land transport relevant in the area concerned, and must focus on the most effective and economic way of moving from one point to another in the system.

(3) Transport plans must be developed so as to—

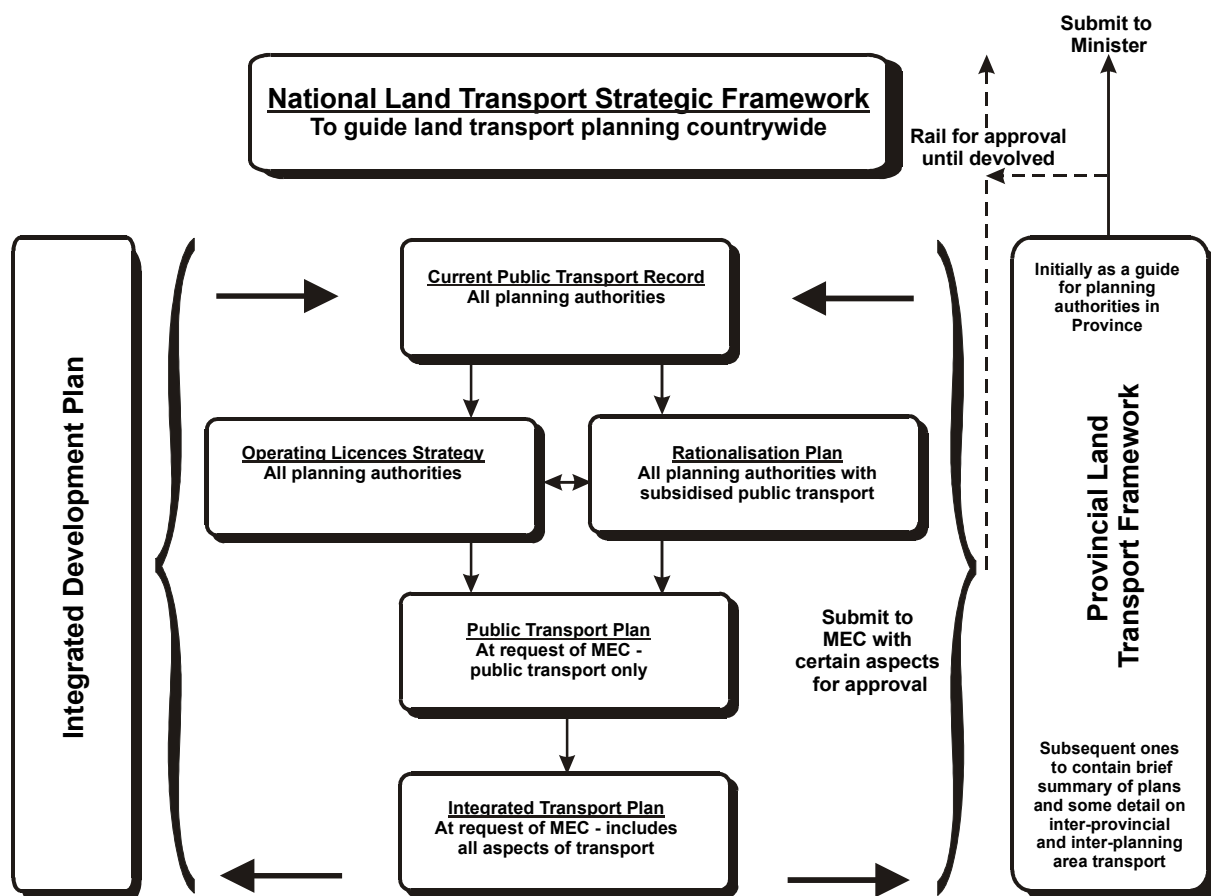
(a) enhance the effective functioning of cities, towns and rural areas through integrated planning of transport infrastructure and facilities, transport operations including freight movement, bulk services and public transport services within the context of those integrated development plans and the land development objectives set in terms of section 27 of the Development Facilitation Act,

- 1995 (Act No. 67 of 1995), or, where applicable, land development objectives of that nature set in terms of relevant provincial laws;
- (b) direct employment opportunities and activities, mixed land uses and high density residential development into high demand public transport corridors interconnected through development nodes within the corridors, and discourage urban sprawl where public transport services are inadequate;
- (c) give priority to infilling and densification along public transport corridors;
- (d) give higher priority to public transport than private transport by ensuring the provision of adequate public transport services and applying travel demand management measures to discourage private transport;”

The overall map of the transport plans is depicted in Figure 2 below, and from this it can be seen that there is provision in the NLTTA to link together and co-ordinate the transport planning at the three spheres of government. This is the first time that this has occurred across all three spheres.

All of the transport plans have a five-year horizon, with annual updating. The municipal transport planning is guided by the national land transport strategic framework, and associated nine provincial land transport frameworks. The transport sectoral components of the municipal Integrated Development Plans (IDPs) are provided for in such a way as to be incremental and dependent upon the type of transport services in a particular municipality.

Figure 2: INTERRELATIONSHIP BETWEEN TRANSPORT PLANS



The fact that each of the 284 new municipalities needs to undertake transport planning, for the first time creates a situation of wall-to-wall obligatory transport planning. This will begin the turnaround to a demand-driven system benefiting, *inter alia*, the urban poor.

FORMALISATION OF THE TAXI INDUSTRY

The NLTTA provides for the formalisation of the taxi industry whereby taxi associations, and their members are incentivised to register with the provincial transport registrars. Registration brings with it constitutions and codes of conduct for associations and their members, as well as members binding their drivers to codes of conduct.

Certain criteria are legal prerequisites to registration, and (at least) provisional registration is a pre-requisite for obtaining an operating licence.

The standard uniform code of conduct binds members of registered associations to a wide range of issues relating to customer needs, which are designed to substantially improve the lot of taxi commuters. Examples include public safety, abiding by all laws, neat and roadworthy vehicles, sticking to designated routes and controlling and only using qualified drivers.

Operators must ensure that, *inter alia*, their drivers stick to the rules of the road, drive only roadworthy vehicles, are properly licensed, treat passengers with dignity, respect and courtesy and render assistance to passengers.

This formalisation should assist in ensuring that taxi commuters receive an improved quality of service from operators and drivers.

REGULATION OF ROAD-BASED SERVICES

The NLTTA provides that an operating licence is a pre-requisite for an operator to operate public transport, and certain criteria are legal pre-requisites to obtaining an operating licence. One of these pre-requisites is for the operator to be registered for income tax.

The Act further provides for existing permits to be converted to route-based operating licences, and for special procedures for legalisation for those operators that are currently operating illegally.

Route-based operating licences are designed to allocate specific routes to specific operators, and by so doing, to reduce some of the existing turf wars over routes. In addition, the fact that new operating licences will have a maximum of five years validity will assist planning authorities to match supply to demand.

Finally, the fact that operating licencing boards must issue operating licences according to the transport plans further cements the change towards needs-based land transport.

REGULATED COMPETITION

The NLTTA provides for public transport services in terms of

1. subsidised service contracts,
2. negotiated service contracts
3. commercial service contracts, or
4. operating licences only,

In addition, in the case of the first three, strict criteria apply for qualifying as a contractor. These criteria include registration, operating according to business principles with financial ringfencing, and liable to pay income tax.

The intention is that all subsidized services should be handled on the basis of competitive tendering apart from certain municipal and parastatal operators, who will be assisted via negotiated service contracts to get fit for competitive tendering. Commercial service contracts are more akin to quality contracts.

This move towards competitive tendering within a semi-regulated and planned system should lead to more cost effective service provision. Furthermore, the contract services, being based upon need, should ensure that the urban poor receive appropriate supply at an appropriate cost.

NEW VEHICLE SIZES

The NLTTA provides for new vehicle sizes to be introduced on an incremental basis for the taxi recapitalisation project as indicated in Table 3 below.

Table 3: NEW VEHICLE SIZES

Vehicle Type	New Sizes	1 st October 2004/2006
Motor Car	1-8	1-8
Mini-bus	9-18	18
Midi-bus	19-35	35
Bus	>35	>46

The new sizes came into operation with the new Act on 1st December 2000, and provision is made such that not earlier than October 2004, no new operating licences may be issued unless the vehicle sizes comply with those in the third column. In addition, not earlier than October 2006, no vehicles will be allowed on the road for public transport unless the vehicle sizes comply with those in the third column.

This provision for new 18- and 35-seater minibus taxis will undoubtedly benefit all taxi customers – especially the urban poor. These benefits include safety, reliability and comfort.

ENFORCEMENT

The Act provides for the appointment of provincial transport inspectors, the impoundment of vehicles under certain circumstances, for offences and for municipal police, traffic officers, and the South African Police Service officers to be authorized officers in terms of the NLTTA.

Provision has also been made to make offences in terms of the NLTTA, offences in terms of the Administrative Adjudication of Road Traffic Offences Act (No46 of 1998)

The widening of the enforcement base to other law enforcement arms should assist in improving land transport law enforcement – as should the uniformity of offences, and linking with the AARTO infringement agency.

CONCLUSIONS

The 11,7 million South African urban poor comprise 2,7 million striders, 2,8 million stranded, 4,1 million survival and 2,1 million sensitive passengers. All of these urban poor segments should be positively affected by the National Land Transport Transition Act.

More specifically,

- The policy principles give a legal basis for priority to public over private transport. In addition, the provision of affordable transport, value to the customer, reducing the total systems cost of travel and subsidies to assist currently marginalized users are also now entrenched in law.
- The institutional restructuring towards transport authorities is intended to substantially improve land transport service delivery at the municipal sphere to all customers – including the urban poor.
- Transport plans will henceforth be the means by which need (including that of the urban poor) is articulated and supply is regulated. The statutory transport planning principles will also help to ensure that the transport plans are directed to give higher priority to public transport.
- The statutory provincial transport registrars, once they are required to be impartial, should make an improvement in terms of the conduct of associations, operators and drivers towards customers – including the urban poor.
- The establishment of nine new operating licencing boards should provide a better level of service to operators, and hence to customers. The introduction of route-based operating licences should assist in reducing the conflict caused by overlapping radius-based routes, and the new five-year validity will assist in matching supply to demand – both of which will benefit customers – including the urban poor.

- The statutory introduction of regulated competition and competitive tendering should enable the more cost effective provision of subsidised services and commercial service contracts have the potential to introduce quality contracts to the benefit of customers – including the urban poor.
- The introduction of the new 18- and 35-seater minibus taxi vehicles will benefit all taxi customers from the point of view of safety, reliability and comfort – especially the urban poor.
- Enforcement is one of the cornerstones of the new legislation, and providing for a wider resource base and the administrative handling of offences should assist in ensuring that the new legislation does indeed make a positive difference to customers – including the urban poor.

REFERENCES

1. National Land Transport Transition Act, No 22 of 2000, Government Gazette No 21493, 23 August 2000.
2. Moving South Africa Action Agenda, May 1999.
3. Moving South Africa, Final Draft, September 1998.
4. Transport Appeal Tribunal Act, No 39 of 1998, Government Gazette No 19211, 4th September 1998.
5. Administrative Adjudication of Road Traffic Offences Act, No 46 of 1998.

POSSIBLE IMPACTS OF THE NATIONAL LAND TRANSPORT TRANSITION ACT ON THE SOUTH AFRICAN URBAN POOR

R A STANWAY

CSIR: TRANSPORTEK, P O Box 395, Pretoria, 0001.

ROBERT ALLEN (BOB) STANWAY

**Pr Eng, C Eng, BSc(Eng), MSc(Eng) (London), DIC
FCIT, FICE, FSAICE**

PRESENT POSITION : TRANSPORTATION SPECIALIST
DATE OF BIRTH : 1947
EMPLOYMENT RECORD:
1970 - 1972 : London Transport Executive
1973 - 1980 : Johannesburg City Engineer's Department
1980 - 1987 : Co-Founding Partner - Stanway Edwards Associates
Jan 1998 - Jan 2000 : Director - Stanway Edwards Ngomane Associates (Pty) Ltd
Feb 2000 - Jan 2001 : Senior Associate - Booz·Allen & Hamilton (South Africa) Ltd
Feb 2001 : Transportation Specialist – Transportek, CSIR

EDUCATIONAL QUALIFICATIONS

- BSc (Eng) Civil Engineering, University of the Witwatersrand
- MSc (Eng) Transport, Imperial College, London University
- DIC Transport, Imperial College of Science, Technology and Medicine

PROFESSIONAL AFFILIATIONS

- Registered Professional Engineer (SA) (Registration No. 740618)
- Chartered Engineer (UK) (Registration No. 274954)
- Fellow of the Chartered Institute of Transport (UK)
- Fellow of the Institution of Civil Engineers (UK)
- Fellow of the South African Institution of Civil Engineering

EXPERIENCE

Public Transport

London Transport Jubilee Line Station and Railway Permanent Way Planning; Basic Planning and Preparation of Documentation and Drawings for Parliamentary Approval; Surrey Docks Bentonite Shield Tunnelling and South Kensington Station Reconstruction; Park-and-Ride Interchange Planning; Johannesburg Central Area Bus Study; Newtown Transportation Terminal Planning; Miscellaneous Bus Surveys and Bus Station Layouts in Johannesburg; Randburg, Edenvale and Bedfordview Bus Studies; Electronic Fare Collection Systems; Pre-Feasibility and Feasibility Studies into a Mass Transit System for Johannesburg and Project Director for the Masstran Study; Durban Northern Areas (Inanda) Transportation Study; The Energy Efficiency of Public Transport Modes; Johannesburg Central Area Public Transport Project; Central Witwatersrand Regional Passenger Transport Plan; GJTMC Bus Fare Systems; Advisor to NDOT on the National Land Transport Transition Act (NLTTA) - specifically Taxi Implementation, Planning and Institutional Structures; IGOLI 2010 Transportation Sectoral Report.

Transportation Planning

The Greater Johannesburg Area Transportation Study; The JOMET Strategies Study; JOMET Model Development and Computerisation; PMBMET, BLOEMET and ORMET Transportation Studies; Ladysmith/Newcastle and North Coast Transportation Studies; Transportation Studies for Alexandra, Seshego, Nigel, Natalspruit, Vosloorus, Randburg and Vryheid; JOMET Variable Working Hours Studies; Public Involvement Programmes; JOMET LUTSPLAN Modelling; Transportation Sketch Planning; Car Ownership Models for Developing Communities; JOMET EMME/2 Model; Review of Transport Policies and Projects for Lothian Regional Council (Edinburgh); Transport MIS System for GJMC; Baralink Transportation Project; Project Manager for National Land Transport Information System Project for NDOT; Transportation Forecasting for N1 Corridor Project in Cape Town; Car Ownership Research project for NDOT.

Road and Traffic Studies

Yale Road; Sandton South Road; PWV13; Melle Street, Horizon View, Eastgate and Sherwood Shopping Centres; Road Traffic Noise Prediction on National Freeways; Miscellaneous Intersection and Development Studies; Parking and Loading Layouts and Policies; Central Area Studies in Springs; Edenvale, Bedfordview and Pietermaritzburg; ORMET Signposting Demonstration Project; Traffic Counting Programmes; SOS Emergency Communication Systems; International Congestion Alleviation Research; AA Pedestrian Safety Project; MoAfrika (250 000m² retail) Traffic Impact Assessment.

Publications and Papers/Professional Activities

Some 23 published papers - 4 Internationally; Occasional Post-Graduate lecturer and external examiner at Witwatersrand, Rand Afrikaans and Pretoria Universities; Professionally active in the Institution of Civil Engineers; Chairman of the Traffic Committee of the Automobile Association of SA.