

THE DURBAN METROPOLITAN UNICITY MUNICIPALITY'S TRANSPORT AUTHORITY PROCESS

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ABSTRACT

This paper reviews the motivation for the establishment of Transport Authorities at the Metropolitan level and provides a synopsis of findings coming out of the Transport Authority investigation for the Durban Metropolitan Unicity Area

1. BACKGROUND

The aim of this paper is to contextualise and clarify the motivation for establishing Transport Authorities (TA's) as contained in the National Land Transport transition Act (Act 22 of 2000) and to acquaint the reader with the process and findings of the investigation into the establishment of such a Body for the Durban Metropolitan Unicity Area.

1.1 What is a Transport Authority (TA)?

A Transport Authority is an institutional body that is assigned **all** functions and powers relating to transport in its area of jurisdiction, which is generally known as the functional transport area. As such TA's are envisaged to be established mainly at the metropolitan level in the local sphere of government although it may be possible and, in fact, necessary in some cases for the establishment of such an Authority at the Provincial level of government.

In terms of the National Land Transport Transitional Act (NLTTA) (Act 22 of 2000) the purpose of a TA is *"to improve transport service delivery in the local sphere of government by grouping transport functions into a single, well-managed and focused institutional structure"*

The concept of TA's is not something new. Such authorities exist throughout the world, mainly in the larger Metropolitan conurbations and serve to provide a comprehensive transport function with the full spectrum of the transport functions being devolved to them. In the United Kingdom, for instance, such authorities have existed for over 30 years.

1.2 Why a TA?

As a precursor to the Transport White Paper process, a World Bank Mission, at the invitation of the National Department of Transport, visited South Africa during the period May to June 1995. Some of the findings of the above mission has served as useful input to the White Paper and subsequent Moving South Africa strategy as well as the recently promulgated NLTTA.

Following the democratic elections in South Africa in 1994, a comprehensive analysis of the transport systems was initiated by the then Minister of Transport, Mac Maharaj. The culmination of this exercise was the development of a White Paper and the subsequent Moving South Africa strategy document.

A key confirmation in the above exercise was the extreme fragmentation of the transport function between the 3 spheres of Government which has contributed largely to an unsustainable transport system. In the words of Minister of Transport Mr D Omar;

“The public transport system is currently failing its customers - for most indicators including access time, journey time, fares, safety and security, customer goals were not being met for large numbers of passengers”

Given the above and having regard for the constitutional principle of subsidiarity, a policy direction of creating Transport Authorities at the Metropolitan level evolved. Some of the key issues pertinent to the establishment of TA's were as follows:

- C **Urban Transport Policy:** The observation in this regard was that problems in the transport industry were being largely compounded by the fragmentation of responsibility for different transport modes. It was concluded that the transport inefficiencies of the apartheid controls on land use were being exacerbated by uncoordinated and inefficient responses to user demands.
- C **Institutional Framework:** It was observed that the Institutional Framework for managing urban Transport was fragmented between all levels of Government.

As a result of the above observation, a number of principles and priorities were suggested. The principle of relevance to the Transport Authority was a need to consolidate powers relating to urban Transport under a single authority. Specific recommendations that flowed from the above were as follows:

- C Steps should be taken to ensure that the strategic transport and related power should be vested in Metropolitan Council.
- C Immediate consideration should be given to ensure that parallel mechanisms are developed for the necessary financial transfers.
- C Administrative structures established for the implementation of Metropolitan functions in the transport field should be responsible to the elected executive council.

1.3 Legal Mechanism

Subsequent legislation, namely, the National Land Transport Transition Act (NLTTA) (Act 22 of 2000) has been promulgated which provides the legal mechanism for the transport functions to be devolved to a Transport Authority. Figure 1 below depicts the “pillars” upon which the legislation has been based.

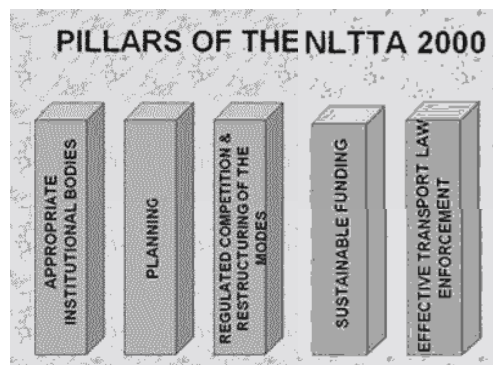


Figure 1: Pillars of the NLTTA

An obvious disjuncture, in the NLTTA, with the recommendation of the World Bank Mission and the White Paper was the omission of sustainable funding for such a body.

1.4 Local Government Developments

The beginning of the final Local Government structures was reached on the 5th of December 2000 when the Local Government elections were held. The new phase of Local Government envisages a unicity structure with newly demarcated boundaries and the transformation of service delivery. As such, the Durban Metropolitan Unicity Municipality (DMUM) has embarked on a process to restructure its administration in line with the Municipal Structures Act and the Municipal Systems Bill.

The separate administrations that had existed in support of the various Councils however, have remained, in the case of Durban, as Operational Entities pending formal restructuring and rationalisation. The principles governing such a restructure would serve as important guidelines for the establishment of any institutional body dealing with transport at the local level.

2. DRIVERS FOR CHANGE

In summary the key drivers for change, which form the basis for the establishment of TA's, may be broken down into 2 areas namely: Transport policy and Local Government imperatives.

Much has been said about the transport drivers and in the main these may be broken down into:

- Sustainability
- Transformation
- Fragmentation
- Customer Service
- Equity
- Social
- Devolution and Capacity
- Subsidiarity

Graphically the transport case for change is as reflected in figure 2 below.

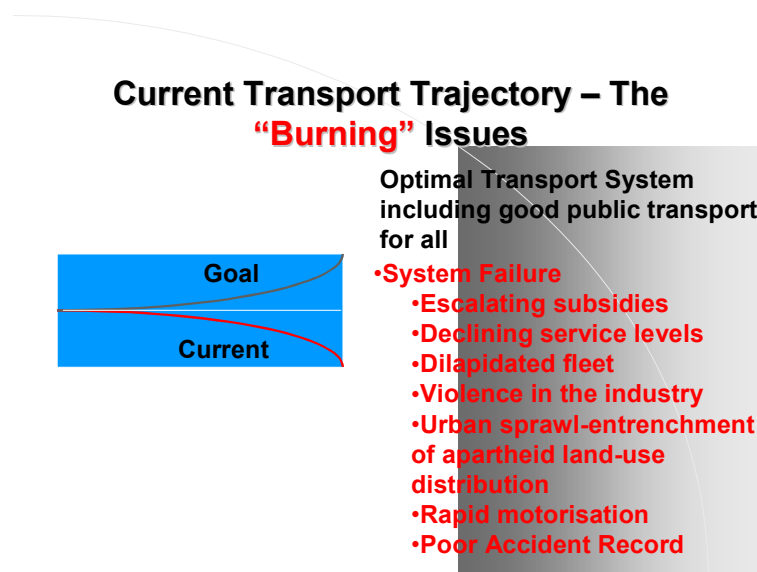


Figure 2: Current Transport Trajectory vis-a-vis Transport Vision

The Local Government prerogatives may be broken down into the following issues:

- The identification and separation of core and non-core activities.
- Unwinding the apartheid legacy
- Developmental Local Government

A lot of synergy has been identified in the two processes and these will be expanded on when looking at the Durban Study.

3. TRANSPORT AUTHORITIES -AREAS OF CONCERN.

Under the auspices of the Land Transport Co-ordinating Committee, an exercise was undertaken to indicate the advantages and disadvantages that may eventuate for a Metropolitan area, should it elect to establish a Transport Authority. The committee was, however, concerned that document did not adequately address the disadvantages that could arise for a Local Authority should it elect to establish a Transport Authority. Some specific areas of concern are listed below:

- The obvious concern with the Transitional Act is the lack of clarity on funding. This must be viewed in the current context where Local Government is being inundated with functions and responsibilities without the resources to deal with such responsibilities.
- Possible institutional fragmentation of land use and transport planning.
- The possibilities of uncoordinated outputs between the different functional agencies.
- Strategic fit of function to resources and capability - the dearth of technical expertise in most of the Local Authority areas and Provinces would threaten the viability of Transport Authorities in such areas.

The disadvantages constitute challenges for the particular model that is being looked at, at the Metropolitan level, to see how these are best responded to. These will be discussed under the Durban Study.

4. DURBAN STUDY

The Durban Study was initiated as a joint project between National and Provincial Department of Transport as well as the erstwhile Metropolitan Council. The study was primarily focused around the need to investigate the implications for the erstwhile Metropolitan Council of establishing a Transport Authority.

Phases 1 & 2 of the project, focused on quantifying the implications, have been completed. Phase 3, currently underway, entails the development of a transport policy, the identification of options for enforcement, models for interacting with a Roads Agency and with rail. A business plan for phase 4 which is the implementation phase, has been submitted to the National Department of Transport.

It is anticipated that a final report will be submitted to the Durban Metropolitan Unicity Council towards the latter half of this year for a final decision and confirmation of the erstwhile Metro's Executive Committee support in principle.

The transport characteristics of Durban Unicity area are as shown in Table 1 below:

Table 1: Durban Transport System Characteristics

Transport System Characteristics	
Bus fleet	1500
No. of bus routes (subsidized and unsubsidized)	1842
Total length of bus routes (km)	11290
Rail fleet	67
Total length of rail track (km)	599
Minibus fleet	6000
No. of minibus-taxi routes	505
Total length of minibus routes (km)	8623
No. of minibus-taxi owners (separate owner/companies)	4000-6000
Metered taxi fleet (sedans)	340
Modal split - % private:public (Am peak period)	43:57
Car ownership/1000 population	189
Metropolitan road network (freeway, arterial and main routes) (km)	± 3700
Local road network (km)	± 4000
Port and airport	

4.1 Boundaries

The new boundary for the Durban Metropolitan Unicity Municipality (DMUM) is as shown in figure 3 below. The shaded areas depict the previous metropolitan area which by and large is the functional transport area of the DMUM.

A comparison of the impact of the extended boundary is shown in Table 3 below.

Item	DMA	Unicity	Difference
Area (ha)	1366	2297	+68%
Population	2 519 995	2 749 737	+9.1%
Density (pers/ha)	1845	1202	-35%
Dwelling units	609 536	645 744	+6.0%
Average Household size	4.1	4.3	0.024

Table 3: Comparison of New to Old Boundary

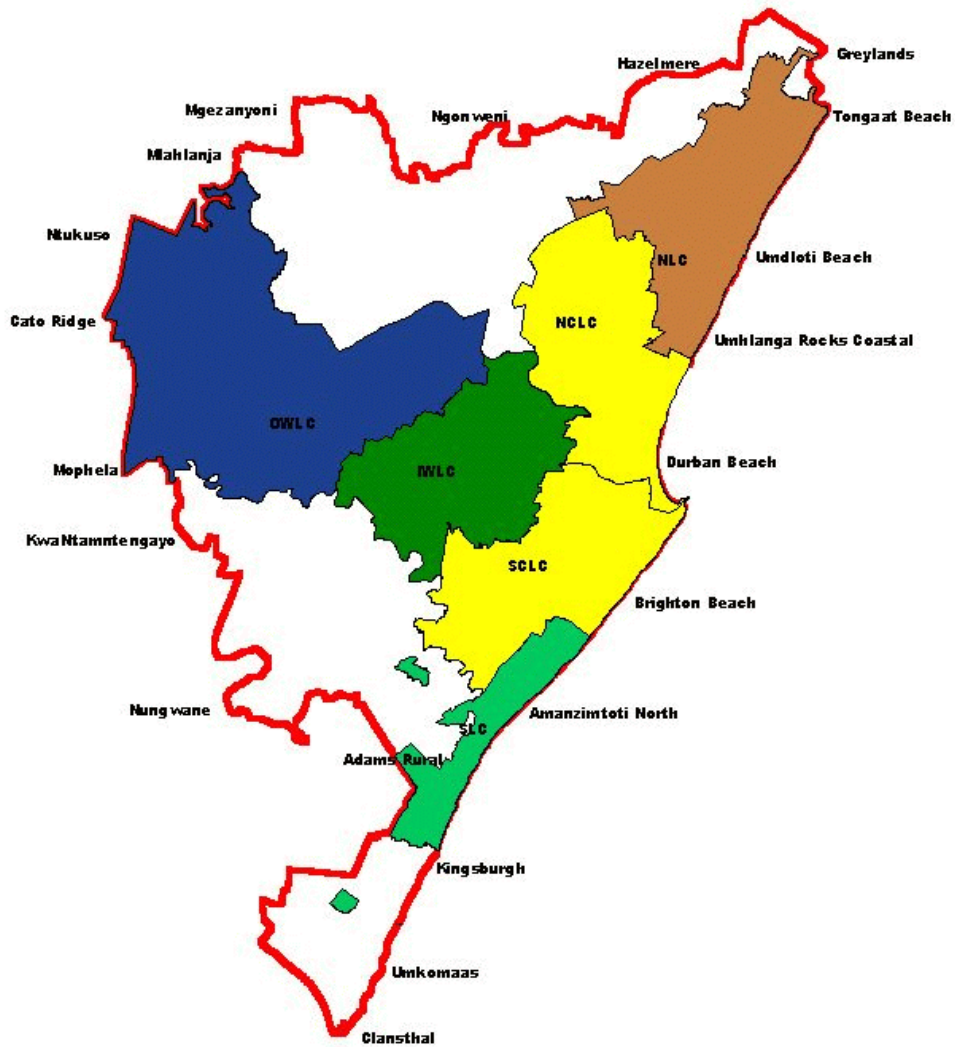


Figure 3: Durban Umicity Boundary

4.2 DMUM - Functions and Cost implications

Phase 1 of the project has been completed and Table 2 below provides a rough assessment of the cost implication of establishing a Transport Authority.

TABLE 4 : FUNCTION AND ESTIMATED COST BY AUTHORITY RESPONSIBLE

	ESTIMATED ANNUAL COST (R MILLIONS)			
	PLANNING AND PUBLIC TRANSPORT			
	Existing Metro Function		Provincial Function	Function not presently undertaken or funded
	Currently Funded by Metro	Not currently funded		
Administration				
General Administration	-	-	-	1,367
Financial	0,040	0,080	-	0,500
Planning				
Transport Systems	1,450	9,510	-	-
Statutory Plans	-	-	-	4,500
Planning for Service Contracts	-	-	0,650	-
Implementation				
Road Infrastructure	-	-	-	-
Road Based Public Transport	14,500 ¹	-	-	-
Rail Infrastructure	-	-	-	-
Traffic Management	14,200	-	-	-
Maintenance				
Road Infrastructure	-	-	-	-
Road Based Public Transport	0,400	9,600	-	-
Rail Infrastructure	-	-	-	-
Operations				
Road based Public Transport	90,000 ²	-	93,760	-
Rail	-	-	-	-
Public Transport Facilities	-	-	-	1,400
Regulation and Enforcement				
Regulation	-	-	-	-
Enforcement	-	-	0,090	1,600
Marketing and Promotion	-	-	-	3,510
Sub-Total	120,590	19,190	-	-
TOTAL ANNUAL OPERATING COST	139,780		94,500	12,877

From the above, the particular functions that are being considered for Durban may also be seen.

4.3 Durban Institutional Model

The legislation currently provides for the Transport Authority to be made up of:-

- A Transport Authority which will be a separate juristic body, comprised entirely of Councillors representing the area of jurisdiction of the Transport Authority. The Authority may be the Council, a Standing Committee of Council or a separate entity.
- A Transport Executive which could be an existing Council Department, part of an existing Department or a separate entity.

Figure 4 below shows permutations of the above.

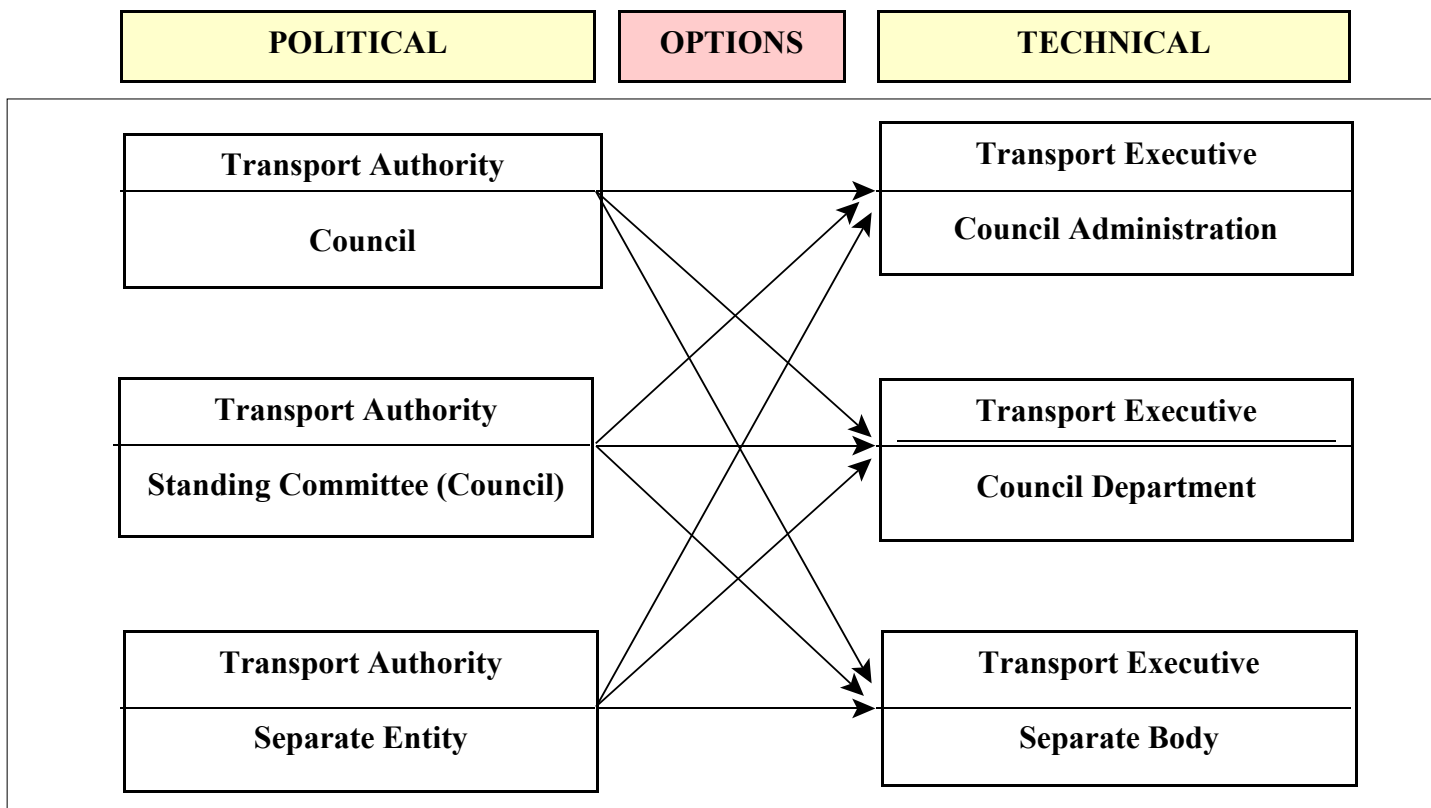
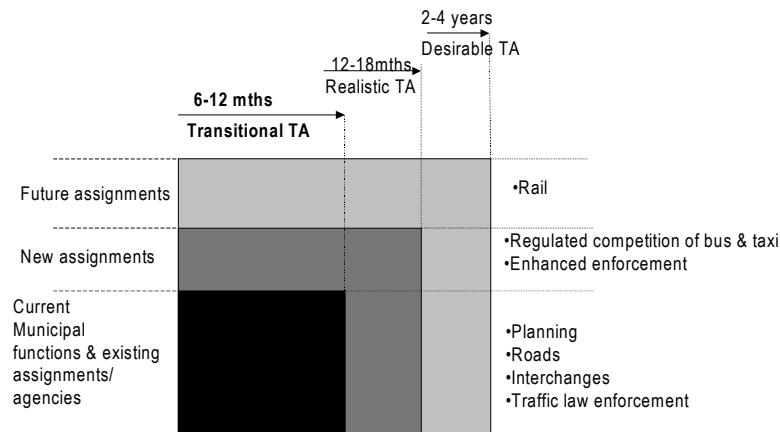


Figure 4: Options for Transport Authority/Executive Relationships

Principles informing choice of a particular option

The major *institutional* problem is to create the basis for a comprehensive policy that provides for integration both among modes and between transport and land use at the metropolitan level. Guiding principles suggested by the World Bank are :

- C Strategic public sector decision making, should be separated from management of operations, which can be undertaken more efficiently if subject to market incentives and disciplines.
- C Diversity of public transport supply should be encouraged through more liberal entry into the market.
- C Local institutional structures should be arranged in such a way as to secure functional and modal coordination subject to overall transport strategy guidance
- C The allocation of responsibilities between jurisdictions should be carefully designed to reconcile very localized input with coordination on a city region basis.
- C Transfer of responsibility for implementation of city transport functions to local authorities or agencies should always be accompanied by an appropriate transfer of financial resources or taxing capability.



In addition Local Government restructuring imperatives suggest that the planning function should remain within the core of the administration.

Having regard for all of the above and whilst the resolution of this issue forms part of phases 3 and 4 of the project, yet to be undertaken, the most appropriate model would appear to be one in which the Transport Executive function is carried out as an internal agency with the Transport Authority component being a separate committee of Council.

As a caution it is important to note that according to the World Bank two resource limitations can subvert efforts to create integrated urban transport planning arrangements. First, if adequately trained administrative and professional staff are not available at the local level, the performance of facilities may actually suffer from decentralization. Second, and most important, the transfer of responsibilities must be accompanied by an appropriate financial basis for implementation. This might take the form of adequate allocation from the central budget, the assignment of a defined tax base, more revenue-sharing between central and local governments, or grants from central government to match funds raised locally. Failure to make such provisions are currently inflicting severe damage on municipal transport in many transitional economies in eastern and central Europe.

4.4 Phasing

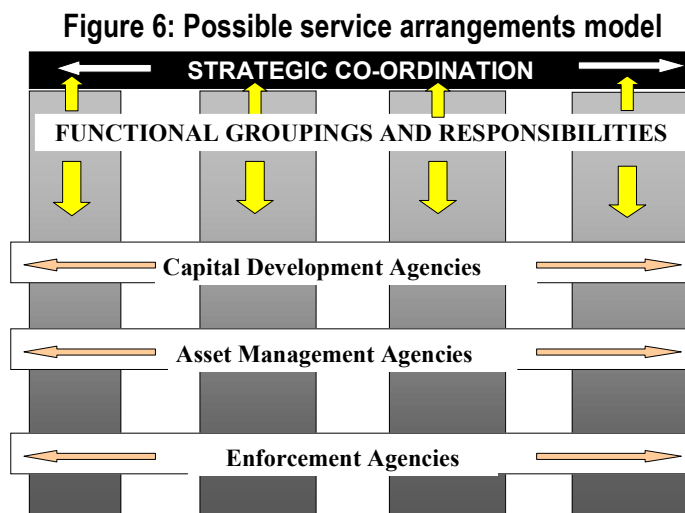


Figure 5: Likely Prioritisation of Functions Over Time

The first phase, as shown in figure 5 above, is to consolidate all the local level transport functions.

In this regard it is pertinent to note that in the absence of a transport authority scenario local government restructuring principals may advocate a further horizontal fragmentation of the transport function at the local level.

Thereafter the bus function followed by the rail function may be devolved to the Transport authority

4.5 Horizontal Integration Issues

Horizontal integration refers to the need to integrate functions for effective service delivery at a particular level, in this case Local Government, as required by the Municipal Systems and Structures Acts.

The Durban model that is under consideration is much the same as a model that has been developed in the Cape Metropolitan Council study which is depicted in figure 6 below.

Specific areas of concern are discussed thereafter.

4.5.1 Land-use/transport integration:- Given the greater returns that would flow from institutionally integrating the transport functions that are currently fragmented between the three spheres of government, options for achieving horizontal integration would include:-

- **Legislation:-** The NLTTA over and above the planning and development legislation requires the Integrated Transport Plan to be part of, inform and be informed by the Integrated Development Plan.
- **Organisational and institutional arrangements:-** The creation of effective liaison and communication mechanism including joint representation of affected departments on committees, forums and working groups can greatly enhance the integration of planning. Conditions to ensure the integration of planning may also be included in the Founding Agreement.
- **Joint development of common element of plans:-** This is currently occurring in the Unicity planning process. The requirements to jointly develop plans can be achieved through work teams and could include financial contributions and resource allocations from all sectors and be facilitated further by the joint development of planning information systems including GIS.
- **Synchronization of planning:-** Adherence to agreed planning programs (or legislated, or laid out in the Founding Agreement) is of great importance to achieve holistic and effective planning.

4.5.2 Enforcement as a Key Issue

The manner in which enforcement is carried out is a critical success factor for a Transport Authority. The challenge of reducing public transport supply to fall in line with demand requires a huge enforcement initiative.

Unicity Durban is the only current Metropolitan area with its own Police force. It is however dysfunctional as far as public transport enforcement is concerned.

The different options under investigation are as follows:

- C cooperation
- C secondment of personnel employed by the Municipal Police Force to the TA.
- C Appropriate service level agreements between the TA and the Municipal Police Force (Road Traffic Management Corporation eventually?)

The resolution of this issue forms part of phase 4, yet to be undertaken. Workable ratios of officers/operating licences are currently being researched.

4.5.3 Relationship with a Roads Agency

The notion of a Roads Agency is very much in vogue following early developments in the Egoli restructuring process. The concept of a Transport Authority does not necessarily conflict with that of a Roads Agency. Rather the Transport Authority provides for the separation of strategic public sector decision making (TA) from the management of operations as in the case of the Agency. The Roads Agency would be report to and be accountable to the TA.

Whilst the institutional restructuring process in the Durban Metropolitan Unicity Municipal (DMUM) Area is currently being reviewed the above scenario accords with the philosophical approach adopted by the erstwhile Unicity Committee.

4.5.4 Relationship with the South African Rail Commuter Corporation (SARCC)

Phase 1 of the Durban project recommended that the assumption of responsibility for rail be not taken on board initially as reflected in the phasing in options.

The proposed model coming out of the Institutional Rail Restructuring exercise provides a workable model for working with the SARCC on a cooperative basis initially and on a legislative basis ultimately.

It may be of benefit in the short term to channel funding to the SARCC via the Transport Authority. This will of course be the norm in the long term.

4.6 Policy Study on Special Needs Passengers

The development of public transport policy for the Durban Metro Area was one of the issues to be resolved which resulted in this investigation to develop a set of policy options for the provision of public transport services for special needs passengers.

Special user groups, as defined for the purposes of this investigation, total some **1.86 million** within the DMUM which make up approximately **65%** of the total DMUM population.

It has been estimated that the capital cost of making the entire public transport network accessible to all special user groups could be in the order of **R 500 million** with on-going annual subsidy costs in the range of **R 210 to R 630 million** depending on the service option chosen.

4.7 Fundamental Restructuring of Durban's Public Transport Network - Strategic Findings

The above project, carried out under the auspices of all three spheres of government, provides an indication of the excessive spending in terms of subsidies on duplicated services and bear testimony, at a strategic level, to the unsustainability of the current system. It also provides the basis for the establishment of a TA to ensure that the system becomes sustainable.

Strategic level findings confirm an excessive expenditure of public funds through “wasteful” subsidisation

Table 5 below provides a broad brush indication of costs for two different system alternatives.

	Alt 0 Bench-mark	Alt 1 Busway	Alt 2 Rail N-S
Service Cost	1106	781	737
Revenue	688	607	712
Subsidy	418	174	25
Sum all costs (ranking)	1106 (3)	846 (2)	772 (1)
Total subsidy (ranking)	418 (3)	239 (2)	60 (1)
Passengers by mode (1000’s)			
Rail	39	-	50
Taxi	99	49	70
Bus	59	149	75
Cust. Feed.	-	38	47
Total	197	236	242

Table 5: Performance of Alternative Systems

Subsequent sensitivity analysis however suggests that the cost savings may not be as large as reflected.

A key issue, as stated earlier, is public transport enforcement in order to realise the anticipated savings.

4.8 The Founding Agreement

The recommendation to be put forward to the DMUM is the establishment of a Transitional Transport Authority as the phased in implementation of the Transport Authority which will be established once the final Transport Act, which would provide for the Transport Authority to raise its own funding, is promulgated.

Until then, a draft founding agreement has been prepared which incorporates a strategic exit clause enabling the repatriation of abandoned functions back to the errant parent body.

5. CONCLUSION

From a Transport perspective the case for a Transport Authority at the Metropolitan level is sound. In fact, the various challenges facing the democratic South Africa in terms of unwinding its apartheid legacy and building a world class transport system require the existence of such a body at the Metropolitan level.

From a Local Government perspective, the notion of a Transport Authority does not conflict with espoused principles or with the notion of a Roads Agency and provides the basis for improved service delivery for constituents in line with the developmental role required of Local Government.

Enforcement is a critical success factor and the TA model adopted will need to be reflective of this.

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