

Public Transport Funding – Crisis



Where to?

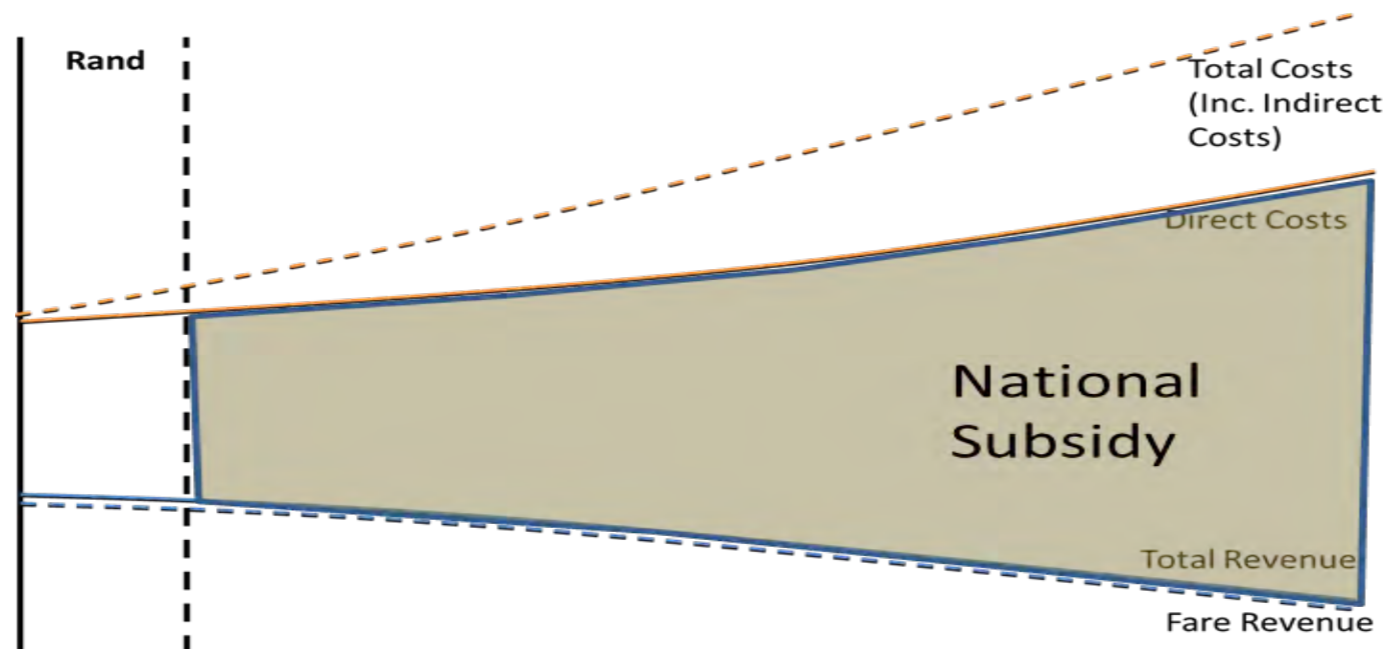


OUTLINE

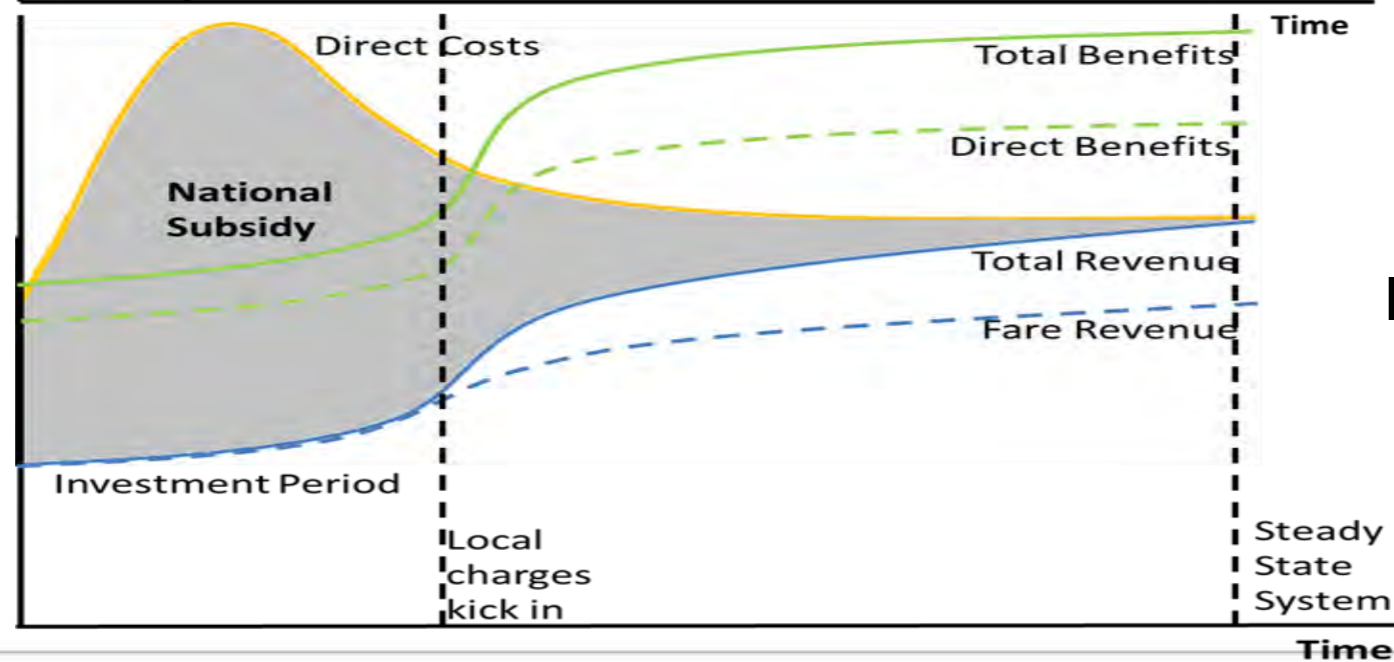
- **International Best Practice**
- **The DORA effect**
- **Passengers & Buses**
- **Taxis**
- **Cars**
- **Rail**
- **Way Forward**



Need to Transform & Increase Funding

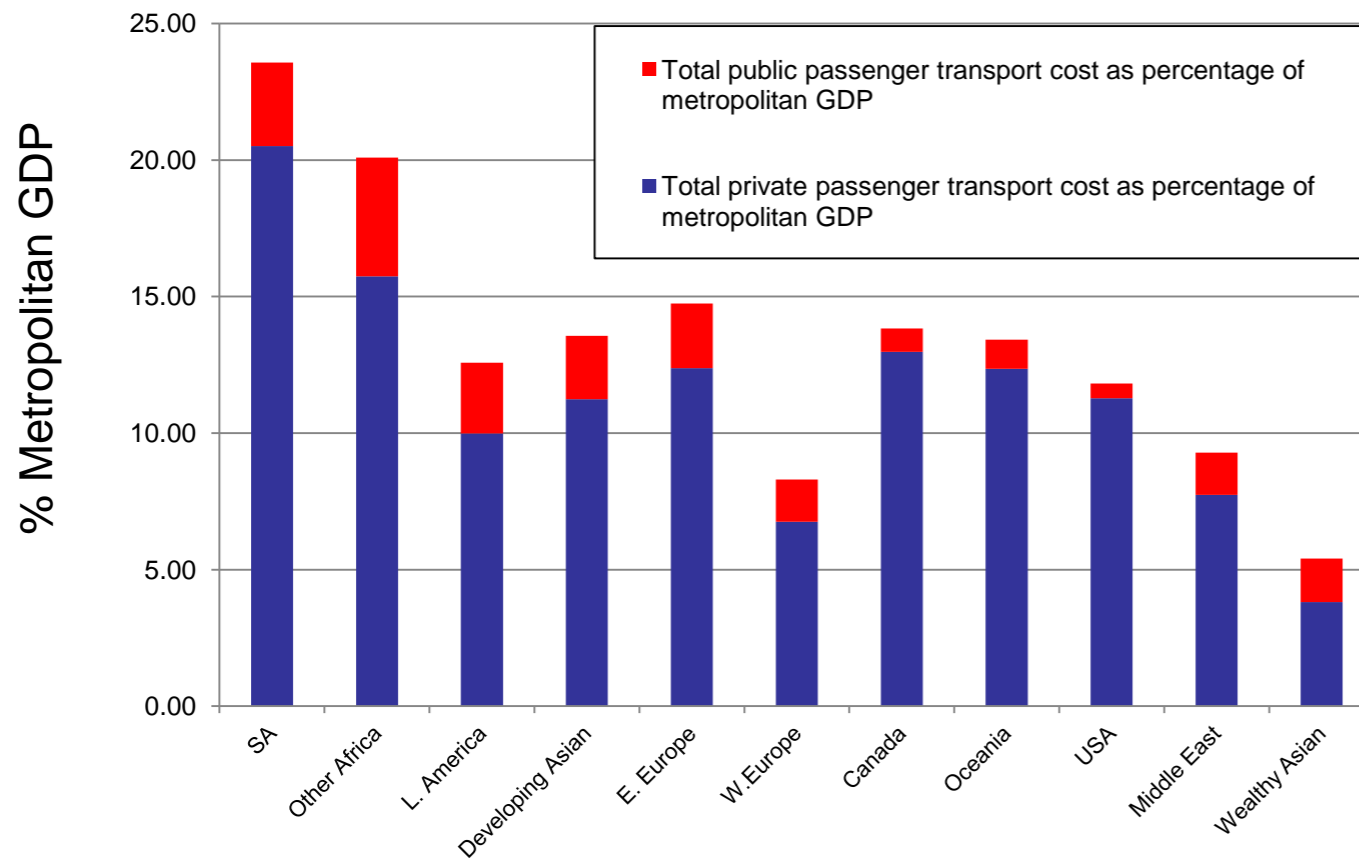


Do nothing situation

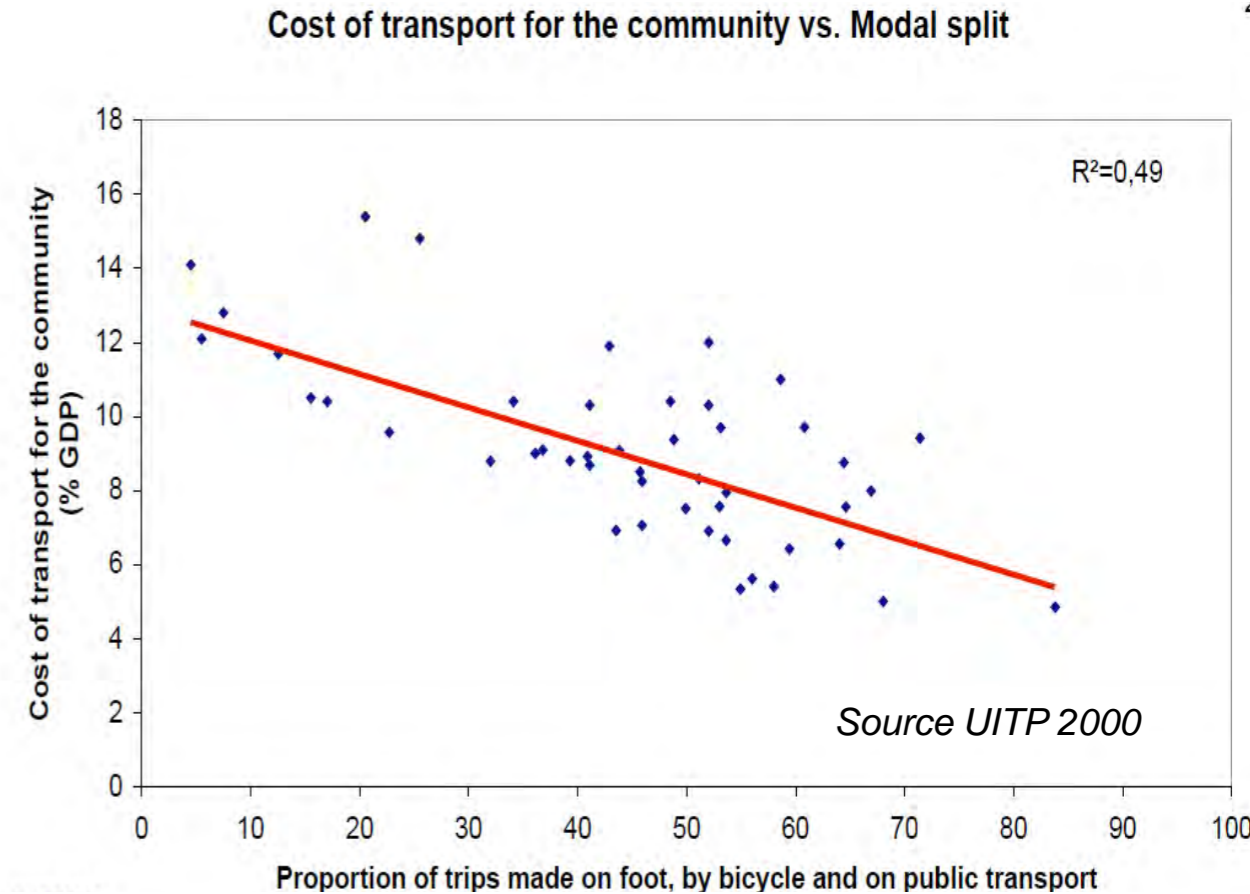


Investment implications

International Review- Total Cost of Transport Strategies



Source UITP 2006



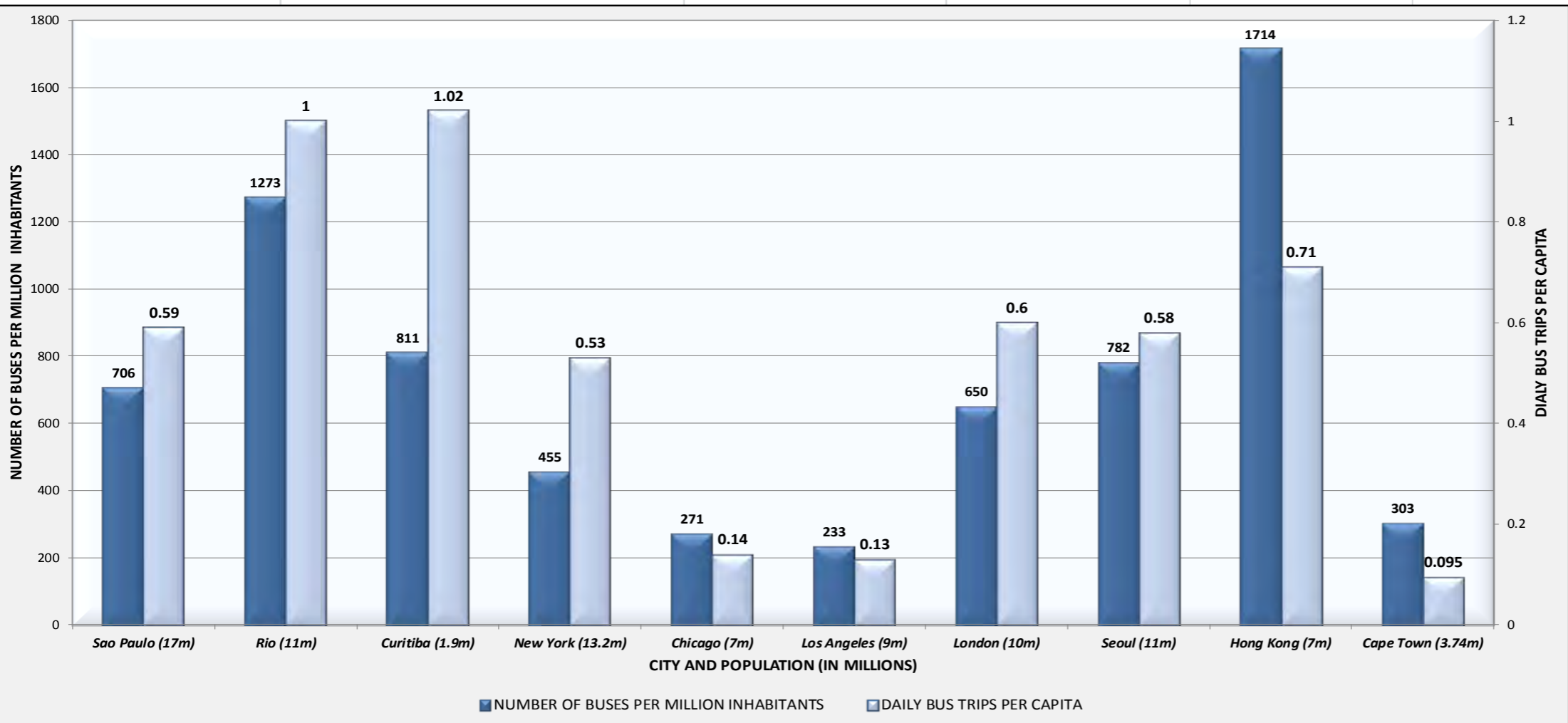
% local GDP on transport

Developed cities	High density, pro-public transport & NMT	5-7%
	Low density, car based	12-15%
Developing cities	Low density sprawling	20% - 25%+

Conclusion: Compact cities with strong bias to public transport spend much less on transport with significant social and economic benefits



	NUMBER OF BUSES PER MILLION INHABITANTS	DAILY BUS TRIPS PER CAPITA	CITY AND POPULATION (MILLIONS)
Sao Paulo	706	0.59	17
Rio	1273	1	11
Curitiba	811	1.02	1.9
New York	455	0.53	13.2
Chicago	271	0.14	7
Los Angeles	233	0.13	9
London	650	0.6	10
Seoul	782	0.58	11
Hong Kong	1714	0.71	7
Cape Town	303	0.095	3.74



	CAPE TOWN		CURITIBA	
	Measure	Source	Measure	Source
City size (absolute value)	2454.72 km ²	Wikipedia	15417 km ²	Wikipedia
Population size	3.74 million	Wikipedia	3.2 million	Wikipedia
Population density	1500 km ²	Wikipedia	210.9 km ²	Wikipedia
Average income per city	R 9 300	Wikipedia	+/- R19000	http://www.numbeo.com/cost-of-living/city_result.jsp?country=Brazil&city=Curitiba
(Average) Cost of Bus ticket	R9,00	GABS.co.za	+/- R24	http://www.numbeo.com/cost-of-living/city_result.jsp?country=Brazil&city=Curitiba
Bus total in city	1134	GABS email	1915	http://curitibainenglish.com.br/government/urban-mobility/curitiba-unveils-hybrid-bus-at-rio-20-conference/

Source: University of Stellenbosch – Dept. of Transport Economics



Relative Subsidies

	Annual costs (US\$m)	Revenues (US\$m)	Subsidies (US\$m)	Subsidies as % of	Population (million)
Brussels	566	174	392	69	2,0
Budapest	636	234	403	63	2,5
Amsterdam	454	174	281	62	2,4
Vienna	62	24	39	62	2,12
Paris	7,000	2,763	4,237	61	10,7
Madrid	1,742	745	998	57	6,5
London	4,433	2,252	2,181	49	8,2
Berlin	1,775	931	841	47	3,5
Barcelona	979	547	432	44	4,3

40%

Source: European Metropolitan Transport Authorities (EMTA) 2009.

S.A. Average

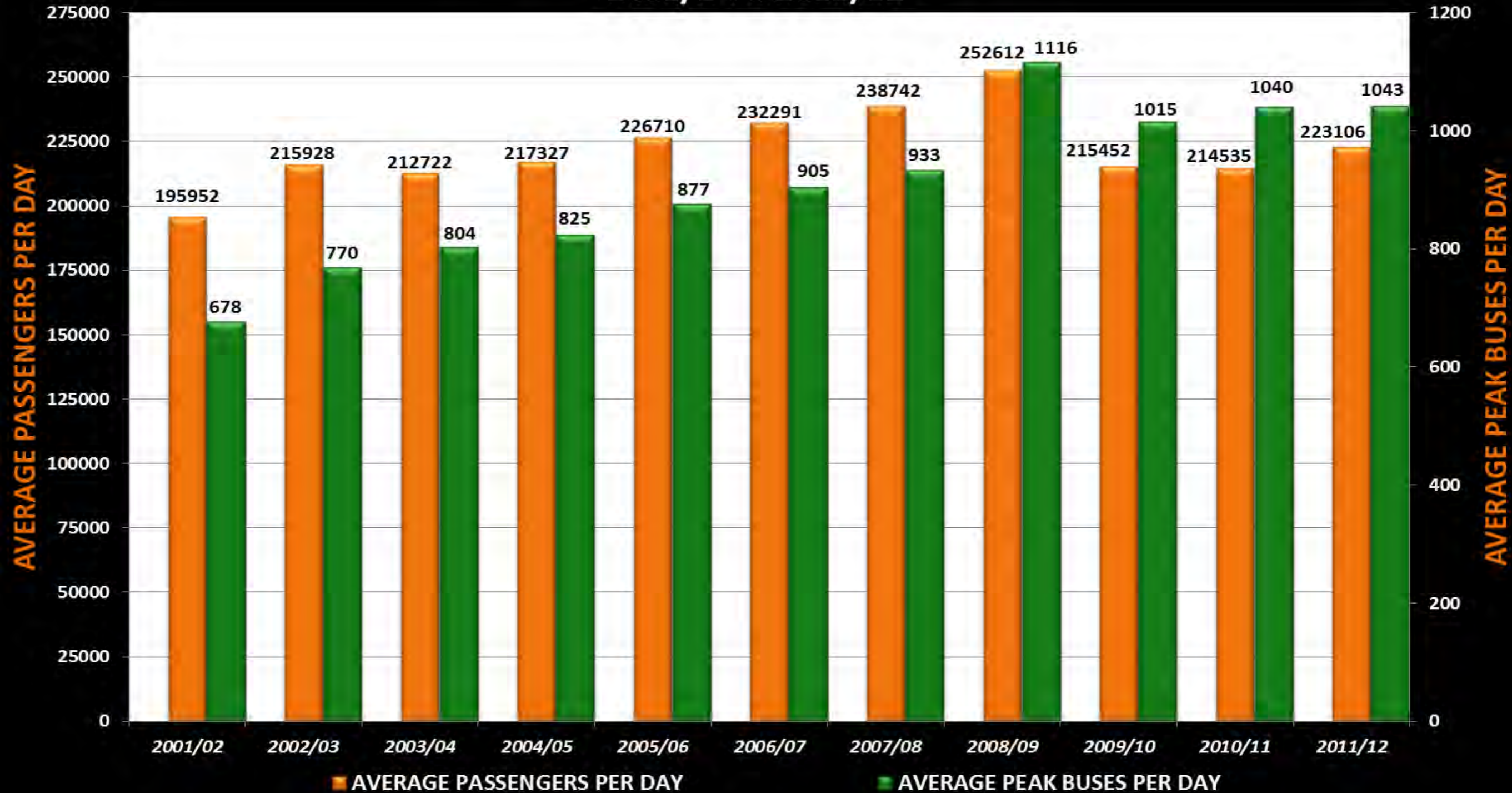


Passenger Numbers

GOLDEN ARROW BUS SERVICES (PTY) LTD

AVERAGE PASSENGERS AND PEAK BUSES

2001/2 TO 2011/12



Bus Subsidies

Pre - 2009

Post - 2009

Ceded from National - Provincial

Allocated through PTOG

Governed by Interim Contract

Conditional Grant - DORA

Passenger based

Kilometre based

Demand driven

Capped



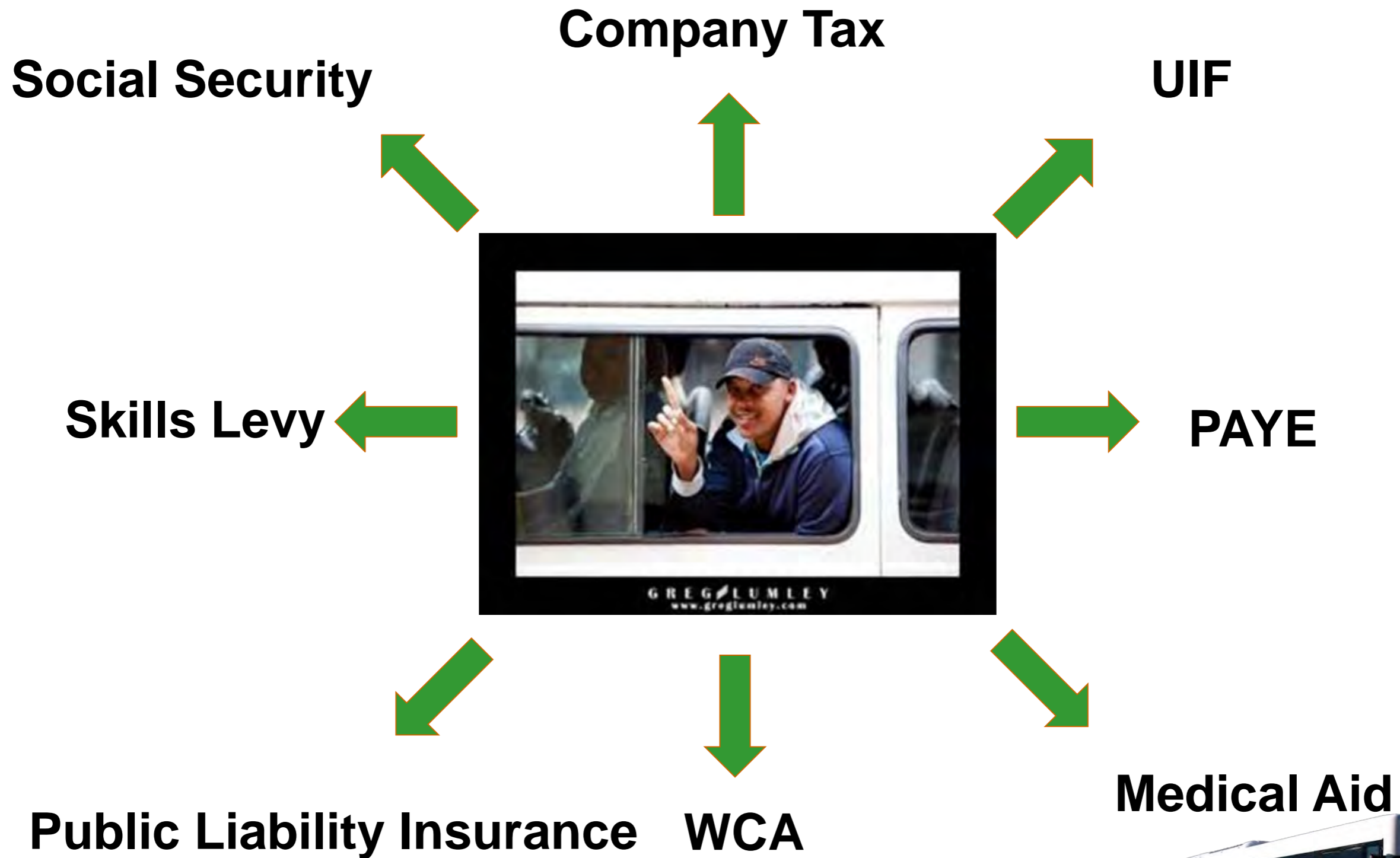
DORA Restrictions



- **Capped kilometres**
- **No extra trips**
- **Moratorium on new subsidised bus routes**
- **Passenger growth cannot be accommodated**
- **Growth in passenger volumes**
- **Subsidies not keeping pace with increases in its costs**



Taxi Cost Evasion – a hidden subsidy?



Car vs Bus



1 hundred seater bus replaces 77 cars



The Metrorail Dilemma

- **Passenger volumes?**
- **Fare Evasion ?**
- **Transport Planning ?**
- **Government support base**
- **Infrastructure Investment requirement**



RailPictures.Net - Image Copyright © Col André Kritzinger

