

Summary of recommendations made by the Advisory Panel, appointed by the Gauteng Premier Mr David Makhura, on the Socio-economic Impact of the Gauteng Freeway Improvement Project and e-tolls

1. Detailed recommendations of the panel.

1.1. Political Impact:

- 1.1.1. Democratic politics must drive public policy and action;
- 1.1.2. An enabling environment for inclusive participation is necessary; and
- 1.1.3. Design and implementation of fit for purpose solutions is necessary in an unequal society.

1.2. Institutional arrangements:

- 1.2.1. Establish a transport authority with the responsibility for managing dedicated funding and improving all modes of transport with priority attention to public transport.
 - 1.2.1.1. Establish a transport regulator;
 - 1.2.1.2. Regulation of tariffs across the transport sector;
 - 1.2.1.3. Creation of an investment climate conducive for investment;
 - 1.2.1.4. Protection of the public interest; and
 - 1.2.1.5. Regulation of quality of service.

1.3. Economic Impact:

- 1.3.1. Funding of future transport infrastructure, and tariff determination, should take into account the economic impact on poor households and the growing middle class, especially who travel longer distances to work;
- 1.3.2. Engagement taking into account diverse experiences of perceived costs and benefits;
- 1.3.3. Mechanisms be found to mitigate high costs for low and middle income households, including SMME's;
- 1.3.4. Minimise administrative burden of e-tolls on users and administrators; and
- 1.3.5. Determine tariffs transparently and communicate clearly to the public.

1.4. Social Impact:

- 1.4.1. Give attention to promoting and sustaining social inclusion in the future, by engaging and involving communities in developmental initiatives;
- 1.4.2. Social equity factors should be integrated into the long-term design for GFIP 2 and 3;
- 1.4.3. Respectful and substantive communication for social sustainability, beyond the narrow confines of "how to pay your e-toll";
- 1.4.4. If e-tolling is included in the funding mix it will be essential that:

- 1.4.4.1. Data collected be valid and reliable data and administrative efficiency must be visible; and
- 1.4.4.2. Dispute resolution mechanisms and processes are provided so that disputed bills are rapidly reviewed and corrected.
- 1.4.5. Intergovernmental relations should be enhanced by negotiating and adopting a structured and well-governed model of engagement incorporating all three spheres of government in Gauteng and SALGA.

1.5. Environmental Impact:

- 1.5.1. Reduce vehicle travel through an integrated transport system that focuses on Rail as a back bone;
- 1.5.2. Integrate components of the transport system such as pedestrian and cycling access to transit, and integrated transport and land use planning;
- 1.5.3. Entrench TDM measures using pricing mechanisms:
 - 1.5.3.1. Directly support reduction in pollution (distance-based charges);
 - 1.5.3.2. Encourage sustainable transport systems (alternative fuel vehicles, all forms of public transport); and
 - 1.5.3.3. Promotes road user behaviour that reduces vehicle travel (car-pooling or ride-sharing).

1.6. Integrated transport system:

- 1.6.1. Facilitate an ongoing intergovernmental forum, including local, provincial, national government, and SANRAL, aimed specifically at addressing the various issues raised by the GFIP/e-toll system;
- 1.6.2. Identify priority public transport and/or HOV projects to serve as visible alternatives for freeway users who wish to switch from using the car;
- 1.6.3. Within the SIP 2 and the GFIP Phase 2 projects, planned roads should serve as alternative routes so that heavy vehicles use the outer ring roads thus controlling heavy vehicle freight movement; and
- 1.6.4. Invest in appropriate skills and competencies to function in an integrated transport system.

1.7. Spatial Planning Impact:

- 1.7.1. Implementation of an integrated transport system that will facilitate spatial integration across the Gauteng City region and provide physical linkages through transport infrastructure and seamless intermodal operations across municipal boundaries;
- 1.7.2. Facilitate the prioritisation of mass transit in commuter rail and the BRTs for movement of people on public transport corridors;
- 1.7.3. Enable migration of some freight vehicles to cargo rail, resulting in ease of congestion and damage to the highways;
- 1.7.4. Provide for the deconstruction of the urban built form through opportunities in infill developments and densification, necessary to sustain the viability of public

transport interventions, and making delivery of bulk infrastructure and government services within densified settlements more cost-efficient;

- 1.7.5. Provide improved living conditions within integrated human settlements within close proximity to socio-economic amenities; and
- 1.7.6. Justify the implementation of user charge on the freeways as a mechanism to discourage single-private car usage and therefore congestion.

1.8. Funding Options:

- 1.8.1. A hybrid funding option should be adopted, in which GFIP 1, is funded through a combination of e-tolls and other funding sources;
- 1.8.2. The e-tolls component of a hybrid funding option should be structured in a way that is more equitable to low- and middle-income users, more simple and efficient, and at lower rates;
- 1.8.3. All of the funding for GFIP 1, should be provincially sourced;
- 1.8.4. In selecting the hybrid option, cognisance should be taken of the principles of efficiency, fairness, progressivity and sustainability;
- 1.8.5. Low income people in particular should be left no worse off in the funding option chosen than in the current situation;
- 1.8.6. GFIP 2, and 3, could also be funded through a hybrid option; and
- 1.8.7. Should funding from a national funding source be sought for GFIP 2 and 3, this should be as part of an integrated funding solution for improving transport infrastructure across South Africa.

2. Substantive recommendations for immediate implementation to address short term challenges.

2.1. A mixed source of revenue streams:

- 2.1.1. A reasonable portion of funding from the provincial fiscus, sourced from goods and services budgets of departments, without impacting on service delivery budgets;
- 2.1.2. A reduced cap e-toll, accompanied by exemptions for progressivity and traffic demand management instruments, to incentivise behavioural change, bearing in mind that a model of single driver private cars is simply unsustainable;
- 2.1.3. A ring fenced national fuel levy for the benefit of investment in a national integrated transport system, as part of the total road network, and prioritisation of public transport which could include Phase 2 and 3 (a Provincial fuel levy not advised);
- 2.1.4. Increasing and ring fencing the cost of road advertising along the toll routes;
- 2.1.5. Ring fencing a portion of any increase in motor vehicle license fees for investment in transport infrastructure and progressively increasing the fee for increased axle weight and luxury vehicles;
- 2.1.6. Increasing fees for tyres; and
- 2.1.7. Recovery of funds from the construction industry in the quest to mitigate costs.

2.2. Traffic Demand Management:

- 2.2.1. Retro-fitting one or more lanes on sections of the tolled routes for HOV vehicles of 3 passengers or more. An option of increased law enforcement to achieve voluntary compliance;
- 2.2.2. Implementation of park and ride schemes to facilitate car-pooling and bus transport, and facilitating the establishment of highly-visible public transport services specifically aimed at providing alternatives to tolled routes (and possible complimentary system);
- 2.2.3. Immediate introduction of a single ticketing system to facilitate easy use of existing public transport;
- 2.2.4. Greater differentiation of the tariff at peak to spread the peak and reduce congestion;
- 2.2.5. Greater differentiation of tariffs to incentivise behavioural change to fuel efficient and low engine capacity vehicles; and
- 2.2.6. Immediate establishment of a traffic authority.

2.3. Social Impact and Exemptions:

- 2.3.1. Complete exemption for low-income vehicle owners based on presentation of reasonable evidence. Most desirable would be to link the e-NATIS vehicle ownership information to the SARS database;
- 2.3.2. Complete exemption for HOV vehicles including taxis, scholar transport, registered vehicles of people with disabilities and vehicles of NGO's doing charitable work;
- 2.3.3. Complete exemption for HOV vehicles including taxis... The implication of this is that the e-tolls administration should not be used as a proxy for regulation of the taxi industry; and
- 2.3.4. Consideration of switching off gantries for periods of time over weekends to allow unhindered movement for religious, cultural and family reasons.

2.4. Administration of e-tolls:

- 2.4.1. Issuance of a tag at the time of MVL renewal to facilitate full realisation of ITS. Possibly credited with the capped fee for the first month to avoid any risk of penalties, allowing the user to become familiar with the capabilities of the tag;
- 2.4.2. Clear communication of a single system for reloading of the tag similar to a pre-paid electricity metre or cell phone which is familiar to users;
- 2.4.3. Determination of a flat rate per gantry and elimination of all "alternative tariffs" to remove complexity and the accompanying disputes due to variable discounts;
- 2.4.4. Removal of all penalty fees to remove the additional administrative burden (Past);
- 2.4.5. Removal of all penalty fees to remove the additional administrative burden (Future);
- 2.4.6. Removal of all postal administration and the accompanying overhead administrative costs of postal billing;

- 2.4.7. Subject to a balance with other traffic demand measures, switching off gantries that provide access to low income areas and/or where viable alternative routes do not exist; and
- 2.4.8. Implementation of a plan for payment of arrears for all non-compliant users based on actual usage at the e-tagged rate and without application of penalties.

2.5. Consultation and Communication:

- 2.5.1. Engagement between national, provincial and local government to decide on changes recommended by the Panel; and
- 2.5.2. Communication thereafter to all interested and affected parties in the most direct manner possible:
 - 2.5.2.1. Commitment from political parties to communicate with their constituencies as per their undertakings in their submissions to the Panel;
 - 2.5.2.2. Face to face engagement with major organised formations who made representations to the Panel;
 - 2.5.2.3. Provision of information to all vehicle owners through the motor vehicle license registration system; and
- 2.5.3. Implementation of a public communication strategy and plan.