Workshop on Air Quality and Environmentally Sustainable Transport

Date: 28th April 2011        Time: 8.30a.m. to 5.00p.m

“Issues & challenges of operating public transport in Sri Lanka“

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Additional Secretary
Ministry of Transport
ISSUE 1

FRAGMENTED STRUCTURE OF DECISION MAKING
• Various transport agencies (MOT, Provincial Ministries, Provincial Passenger Transport Authorities NTC, SLR, SLTB, DMT etc)

• Tendency to tackle problems in isolation

• Insufficient consideration for an integrated multimodal approach in planning
• Inadequately coordinated efforts to address issues in
  ➢ Rail – to – port and Road – to – port linkages,
  ➢ Feeder Bus – to – Rail services,
  ➢ Single ticketing system for road and rail transport,
  ➢ Road / rail freight services
  ➢ Impeded rational allocation for resources and formulating consistent transport policies
CHALLENGE 1

AN INSTITUTIONAL MECHANISM TO ENSURE EFFICIENT TRANSPORT PLANNING AND COORDINATION IN PRESENT SOCIO-POLITICAL ENVIRONMENT
ISSUE 2

GOVERNMENT ROLE IN PUBLIC TRANSPORT
Table 1: MODAL SHARE

<table>
<thead>
<tr>
<th>Mode</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Buses</td>
<td>42.3%</td>
</tr>
<tr>
<td>SLTB</td>
<td>18.7%</td>
</tr>
<tr>
<td>SLR</td>
<td>6.3%</td>
</tr>
<tr>
<td>Para transit</td>
<td>5.9%</td>
</tr>
<tr>
<td>Goods and land vehicles</td>
<td>2.4%</td>
</tr>
<tr>
<td>Private vehicles</td>
<td>24.4%</td>
</tr>
</tbody>
</table>

(Source: National Transport Commission)
Table 2: Sri Lanka Railways – Operating Performance

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Kms (M)</td>
<td>8.9</td>
<td>8.8</td>
<td>9.7</td>
</tr>
<tr>
<td>Passenger Kms (mn)</td>
<td>4.7</td>
<td>4.6</td>
<td>4.3</td>
</tr>
<tr>
<td>Operating loss (Rs mn)</td>
<td>4393</td>
<td>4768</td>
<td>3173</td>
</tr>
</tbody>
</table>

Source: Central Bank Reports

- Rs 1300 mn fuel bills unsettled
<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Km (mn)</td>
<td>313</td>
<td>333</td>
<td>341</td>
</tr>
<tr>
<td>Passenger Km (mn)</td>
<td>15080</td>
<td>15131</td>
<td>16274</td>
</tr>
<tr>
<td>Operating loss (Rs mn)</td>
<td>6261</td>
<td>8026</td>
<td>8416</td>
</tr>
</tbody>
</table>

(Source: Central Bank Reports)
Has the public sector been successful as a public transport operator?
Government main responsibilities in transport

• Planning

• Policy and strategy formulation

• Safety and environment regulations

• Supervision and monitoring of transport operators.
Challenge 2

Reducing the role of public sector in direct provision of transport by focusing government efforts on managing competition and regulation.
Road Transport

- Rising traffic
- Registration of new vehicles has increased 3 fold
- Uncontrolled roadside development
- Traffic mix of motorized and non-motorized traffic creating congestion, low speed and high Fuel Consumption.
- Road safety
  - 33,094 reported accidents in 2009
  - 2,264 fatal accidents
  - impact on economy $ mn 100

- Roadworthiness of SLTB fleet.
- Priority given for BRT?
Rail Transport:

- Rail infrastructure (tracks and signaling systems) deteriorated causing delays loosing traffic.
- Aging rolling stock fleet reducing quantity and quality of services.
- Uneconomical management of lands and buildings.
Challenge 3

Need for innovative financial schemes to enhance capacity in strategic transport corridors
Issue 4

Sectoral Resource Allocation
Rd transport Vs RL transport
Table 4 : Capital Budget for Highways and Railways 2009 – 2013

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highways (Rs.Bn)</td>
<td>82.5</td>
<td>83.3</td>
<td>100.5</td>
<td>110.1</td>
<td>100.1</td>
</tr>
<tr>
<td>Railways (Rs.Bn)</td>
<td>13.1</td>
<td>22.2</td>
<td>24.2</td>
<td>50.8</td>
<td>40.8</td>
</tr>
</tbody>
</table>

(Source: MOT and MOH)

- Railway gets more capital allocation than its modal share but a significant change in resource allocation policy cannot be seen until 2012.
- Under the present circumstances railway sector is threatened by the rapid growth of Highways sector.
Future investment within Railway sector

(a) Identified future investments mainly based on the need of connectivity.


(b) Priority for LRT and MRT?
Challenge 4

Rational Resource allocation for Railway sector and traffic demand based allocation within Railway sector.
Issue 5

Sustainable organizational model for Public Sector Transport operators.
Public Sector Transport Operating Agencies

- Unable to reform
- Under paid & demotivated human resources
- High cost structure
- Poor service quality
- Declining traffic
- Inadequate cost recovery
- Insufficient resources for modernization
• For Sri Lanka Railways

(1) Be competitive in passenger and freight transportation

(2) Focus on suburban passenger services in areas where highest cost recovery could be achieved

(3) Establish a business unit to manage land and other commercial assets.
For SLTB

(1) Identify and maintain a sustainable and productive cadre

(2) Profit based approach for depot management
Challenge 5

Current institutional and governance constraints impeding efficient delivery of transport infrastructure and services.
Thank you