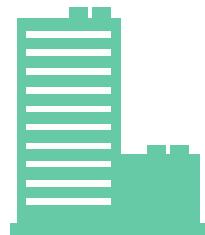


Access creates value: A case for Funding Public Transport



UITP: WHO WE ARE

We are the only **worldwide network** to bring together all public transport **stakeholders** and all sustainable transport **modes**.



+1,900

MEMBER COMPANIES



FROM
100
COUNTRIES



13

OFFICES



A LANDSCAPE OF CONSTRAINED RESOURCES

The financial landscape over the last few years have brought the following consequences to the public transport sector:

- ❖ **Financing Day-to-Day Operations** has become difficult for some Public Transit Operators, especially those concerned by lower revenue collection from passenger fares or experiencing delays to transfers from public funders
- ❖ **Investment levels are below the necessary capital requirements** to meet Green Deal and other Climate programs goals. Investment deficits today will be more expensive to recover tomorrow.
- ❖ **Disinvestment in Public Transport is still a major risk today.** Service reductions lead to ridership erosion and push for modal shift towards private cars, accentuating an effect strengthened by the Covid-19 pandemics and related new mobility practices and expectations.

Figure 6 - Overview of expected farebox coverage rate in 2024

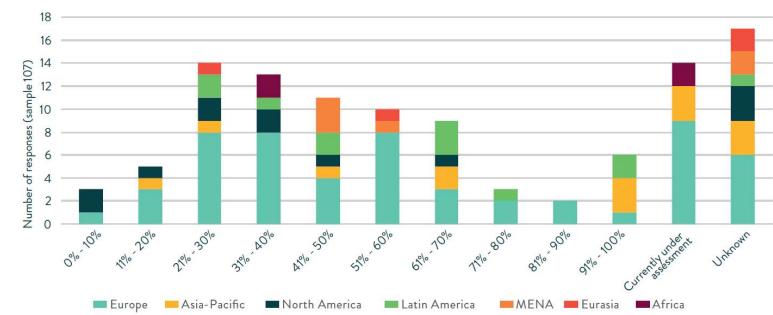
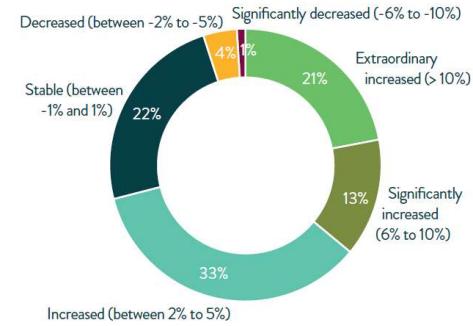


Figure 10 - Budget expected evolution in 2024 (excl. inflation, sample 100)



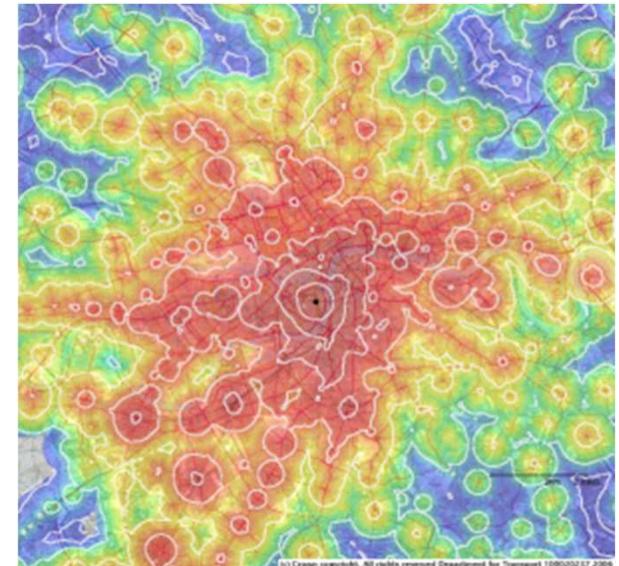
➤ CONCEPT OF ACCESS

The concepts of accessibility and connectivity have generally been used interchangeably:

- **Accessibility:** Refers to the ease with which users can use transport services
- **Connectivity:** how well different places are connected to each other using the transport system

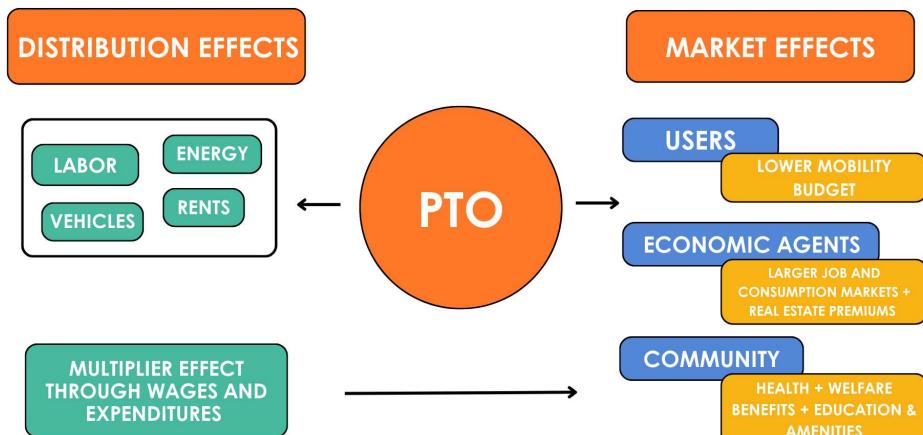
This Policy Brief will focus on '**Access**' and its creation, which should be seen as the end goal for any transportation operator.

→ It is an enabler of the economic and extra-financial impacts that a transportation network will have on consumers, firms and communities.





THE VALUE CREATED FROM ACCESS



Public Transport value generation framework



Our sector is a key **economic agent** within cities or local territories:

- ❖ **Distributive:** Operators consume labour, energy, vehicles, supplies, etc. and reinject it in the local economy
- ❖ **Market economic:** activities are monetised including fares, taxes, and other approaches.



CHANELLING THE VALUE TOWARDS FUNDING OPEX

Given this substantial value, it is sensible that a part of this value is captured and recycled into public transport to enable the society of the future to experience these benefits.

At the present time, the system:

1. Value recaptured solely through flat, regressive fares.
2. Inefficient premiums recaptured through taxation.
3. Limited use of green finance.
4. Positive alignment between modal shift and magnified welfare.

Access is a powerful argument in justifying the deployment of funding instruments, as it is a measure of the unearned benefits generated by Public Transport,





OVERVIEW OF AVAILABLE TOOLS

Stakeholder	Tool	Definition
Users	Fares	Households with higher revenues and higher consumption patterns pay more for their PT passes, while households with lower revenues or consumption patterns pay less.
Non-users	Congestion Pricing	Public Transport Non-Users pay for less traffic and pollution in the roads through congestion charging.
	Parking Fares	Non-users pay for the usage of parking spaces. The revenues are collected by the municipality.
	Tourist levies	Tourists are charged a small % on the hotel room and is collected by the municipality.
Companies	Business Rate Supplement	Companies that benefit from PT pay a higher taxation rate, compared to companies that have no access to their sites. This additional tax revenue funds operations.
	Infrastructure levy	Flat contribution levied on companies.
	Land readjustment	Imposed on landowners possessing land that has gained value due to government-initiated infrastructure development.
	Working Parking Levies	"The practice of pooling fragmented land parcels for joint development, with owners transferring a portion of their land for public use"
	Payroll taxes	Earmarked for PT.
Community	General taxation	Each government decides which percentage of direct personal tax will go to PT.
	Carbon pricing	Taxpayers financially contribute to public investment.
	Green Bonds	Economic strategy to internalise the environmental cost of carbon emissions by assigning them a price.



RECOMMENDATIONS

1. **Operational expenses should be considered as an investment to local economies** especially when focusing on the well running and maintenance of cities' PT systems as well as capital expenses – when used to renew and refurbish current assets to ensure affordability of the system,
2. Transport Authorities and Public Transport Operators **should collect, measure and provide up to date information on the value/wealth created through mapping accessibility/connectivity** to have a clear understanding of the value generated within local territories.
3. Public Transport Operators **should Invest in capacity building and competences in appraisal and evaluation** to make the case for adequate quantifying and communicate the value generation.
4. **The sector should actively communicate to all its stakeholders on the value generated by public transport**, providing ground towards a dream to achieve or a nightmare to avoid.
5. Public Transport Authorities and Operators **should assess how to recapture the value generated through the deployment of tools and instruments required** (e.g. betterment taxes, TOD, etc).





**Soon published UITP new Policy
Paper on the value generated by the
creation of 'Access' as main output
from our sector.**



**Register via this QR code to receive
the publication once printed!**





THANK YOU!

