



PUBLIC TRANSPORT INCENTIVE SCHEME

RIDE & SAVE

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Presentation Structure

The Need

- Existing issues



Target Group

- The AIM



The Concept



The Process

- Reaching the Goal
- Brief Case Study



Way Forward

- Next Steps



Need



"Traffic congestion is caused by vehicles, not by people in themselves."

- Jane Jacobs

Setting the Scene - *Ideal vs Actual*



Wake up

Jogging

Drop to school

Go to office

Go to evening leisure

Reach home





WE all love to move, travel,
discover... by different
ways and modes...



Is My City's Pollution Free ?
Can I Travel Freely Safely ?
Where are the parks?
Where is the public realm?

Where do people gather?
How do you go place to place?
How do you go to market?
How does a child visit a friend?
How do we travel for evening leisure?



City Planning &...

Commuting Impact our Lives....

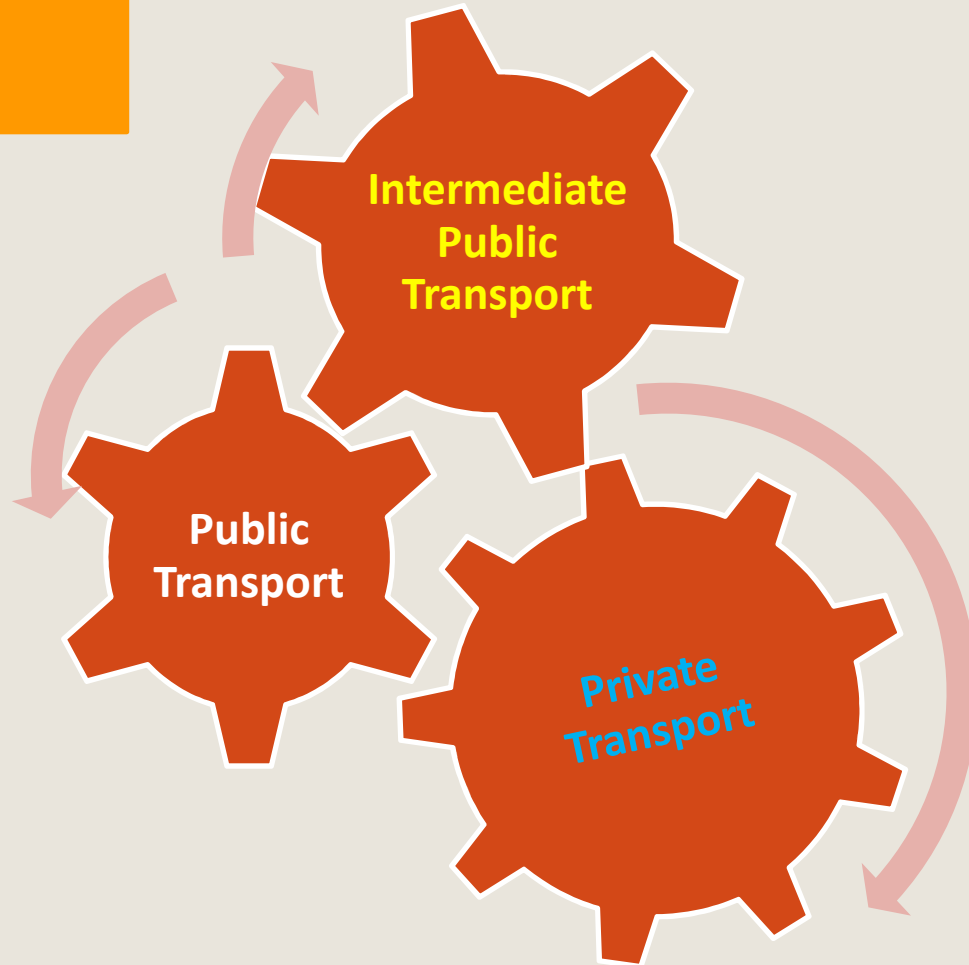
Key Concerns



*'Traffic is only one
of the side effects of
growth.'*

- Roy Barnes

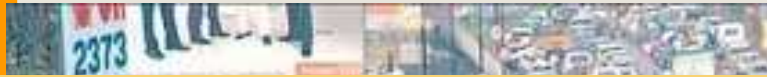
How to Balance?



“There is no magical solution because urban traffic congestion arises from the fact that a lot of people want to be in same place at the same time often”

-William J Mitchell

Transportation?



Mobility:
Efficient movement of people and goods



Accessibility:
ability to reach destination conveniently



Traffic:
vehicle movement and speed



Sustainable Transportation Policy

1



Walk First

2



Pedal Next

3



Public Transport

4



Motor Vehicles

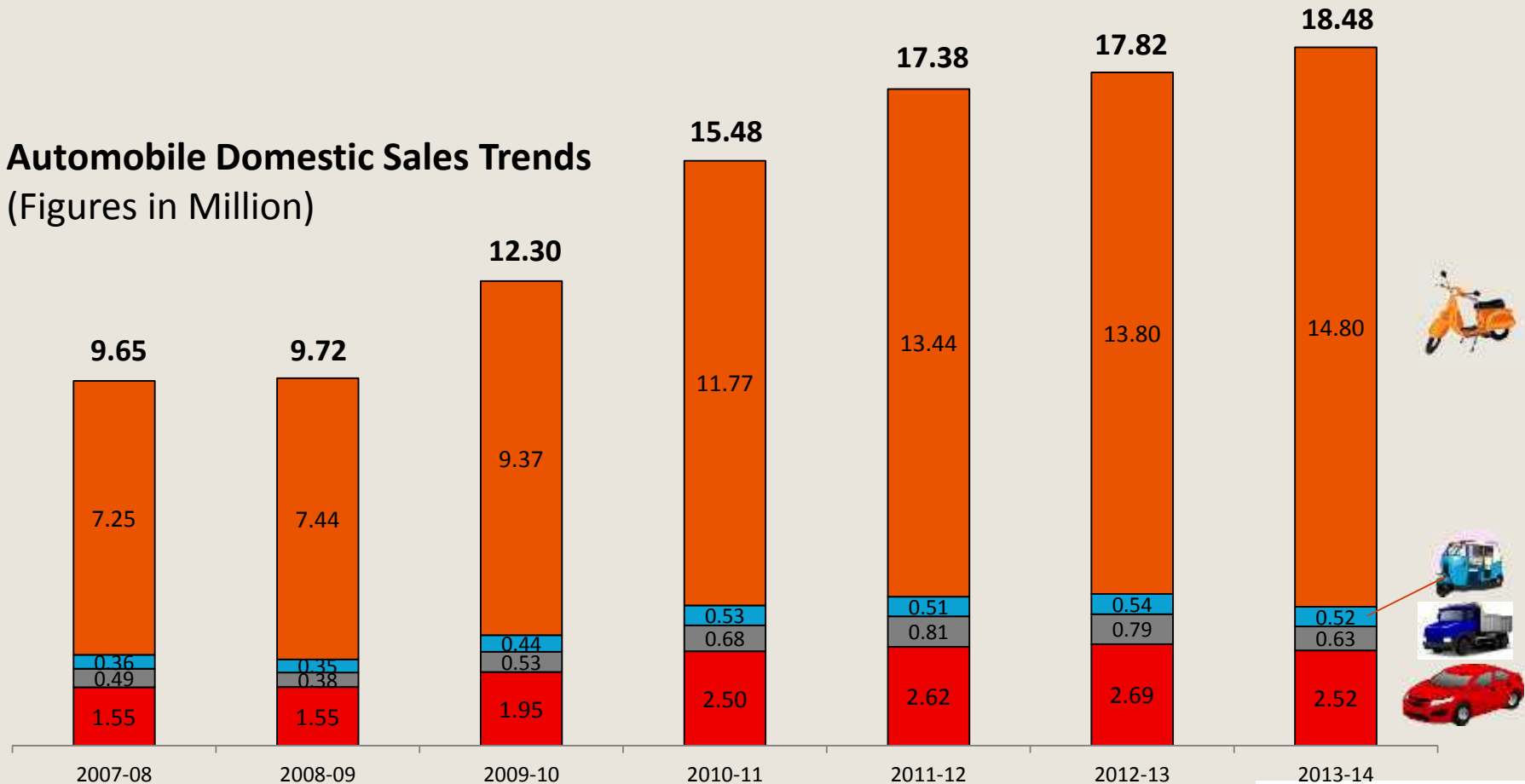


What is the reality?

Number of Vehicles Sold in India

The demand of passenger and commercial vehicles will fuel the demand for Diesel and Petrol in future.

Automobile Domestic Sales Trends
(Figures in Million)

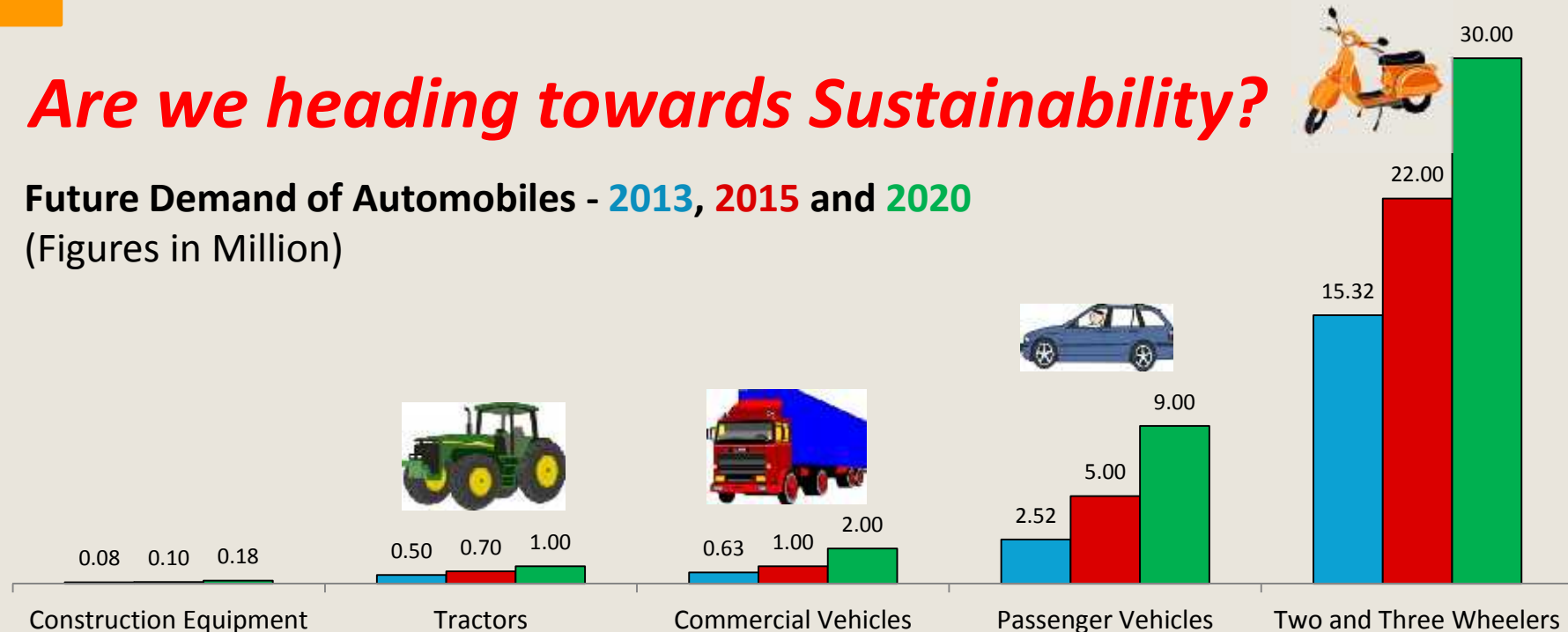


Source: SIAM

Demand of Vehicles in India

Are we heading towards Sustainability?

Future Demand of Automobiles - 2013, 2015 and 2020
(Figures in Million)



The world's largest manufacturer of tractors

8th largest commercial vehicle manufacturer

6th biggest passenger car manufacturer

2nd largest producer of two wheelers and buses

Source: National Fuel Vision and Policy 2025



The Traffic Story

- We always aim to **reduce the private vehicle** trips by strengthening public transport services.
- We try to **encourage Modal Shift** from private to public modes.
- **But are we really succeeding?**

Do We Analyze our Investments?

FLYING OVER SNARLS A six-lane flyover on Rani Jhansi Road promises to end traffic woes in the area. It will be among the longest flyovers in the city



Traffic switch on RTR flyover: Jam, chaos on first working day

TO THE DELHI TRAFFIC 'experts' with all the talk of a six-lane flyover on Rani Jhansi Road, it is not surprising that the first working day of the project was a chaotic one. The flyover, which is expected to be completed by October 2010, was inaugurated on Monday. The first day of the project was a chaotic one. The flyover, which is expected to be completed by October 2010, was inaugurated on Monday. The first day of the project was a chaotic one.



6
Total cost
Rs **180 crore**
Construction begins in 8 months, project completion by **2010**

More flyovers not helping public transport users: Reddy

TRAFFIC POLICE'S PLAN



1 Punjabi Bagh Flyover
Left turn below the flyover will be closed. Traffic to turn left at Club Road, go to North Avenue and then fall on Rohtak Road

2 Raja Garden Flyover
Left turn to Najafgarh Road for Punjabi Bagh or Tilak Nagar will be closed. Traffic will go through Mavapuri Flyover.

3 M... Flyover
No left turn to RTR Marg. Airport-bound traffic will be diverted through road along DPS RK Puram to go to RTR Marg



VISION

- Can we make **Public Transport dependable and attractive?**
- Can **Public Transport offer any incentive to its users?**
- Can we have a **Win-Win situation** for all the stakeholders i.e. users, revenue authorities, environmentalists, government, city planners and the society at large are gainers.

To deal with the situation and to complement the Government's effort to revive the public transportation operational aspects, we need to have a **SMARTER POLICY** for a **SMART MOBILITY** and it would be called as '**RIDE and SAVE**'.

Target Groups



Target Group

Shift from PvT to PT

Avoid Shift to PvT

Retain PT Ridership



Migration between modes is a natural phenomenon but can we retain existing public transport users and also make other mode users to shift to public transport?

“What is good for our customers is also, in the long run good for us”

– Ingvar Kamprad, Founder of IKEA

The Concept – RIDE n SAVE

**“EVERY BIG THING BEGINS
WITH A SMALL IDEA”**





Can We
Incentivize
Public
Transport?



- **CASH BACKs**
- **Discounts**
- **Transparent**
- **Comfortable**

The CONCEPT

Why to levy Congestion Charging on private modes?

Why not Incentivize Public Transport !

*The Idea advocates the introduction of a **tax-free allowance** for commuting expenses such as public transport fares, taxis and autos.*

For government, the proposed tax measures provide an effective lever to stimulate transport demand and capture the bottom-line benefits associated with reduced urban congestion.

This would also create the DATA power to the city planners & Government to plan & monitor services more efficiently.

The CONCEPT

INCENTIVISE



NOT TO PROMOTE



Next Step to...

*...TO GET MORE PEOPLE AND PLACES. IF WE
...CAN REDUCE THE NUMBER OF VEHICLES AND TRAFFIC"*

The CONCEPT

- At present the **tax slabs** of government of India has a tax free component known as **Conveyance allowance**, which is not dedicated to public transport.
- This component if excluded from the salary component and rather all the **spending on public transport to be made TAX FREE** with pre defined capping can attract more patronage.
- This will **retain** the existing public transport trips
- **encourage positive modal shift** from two wheelers and cars.

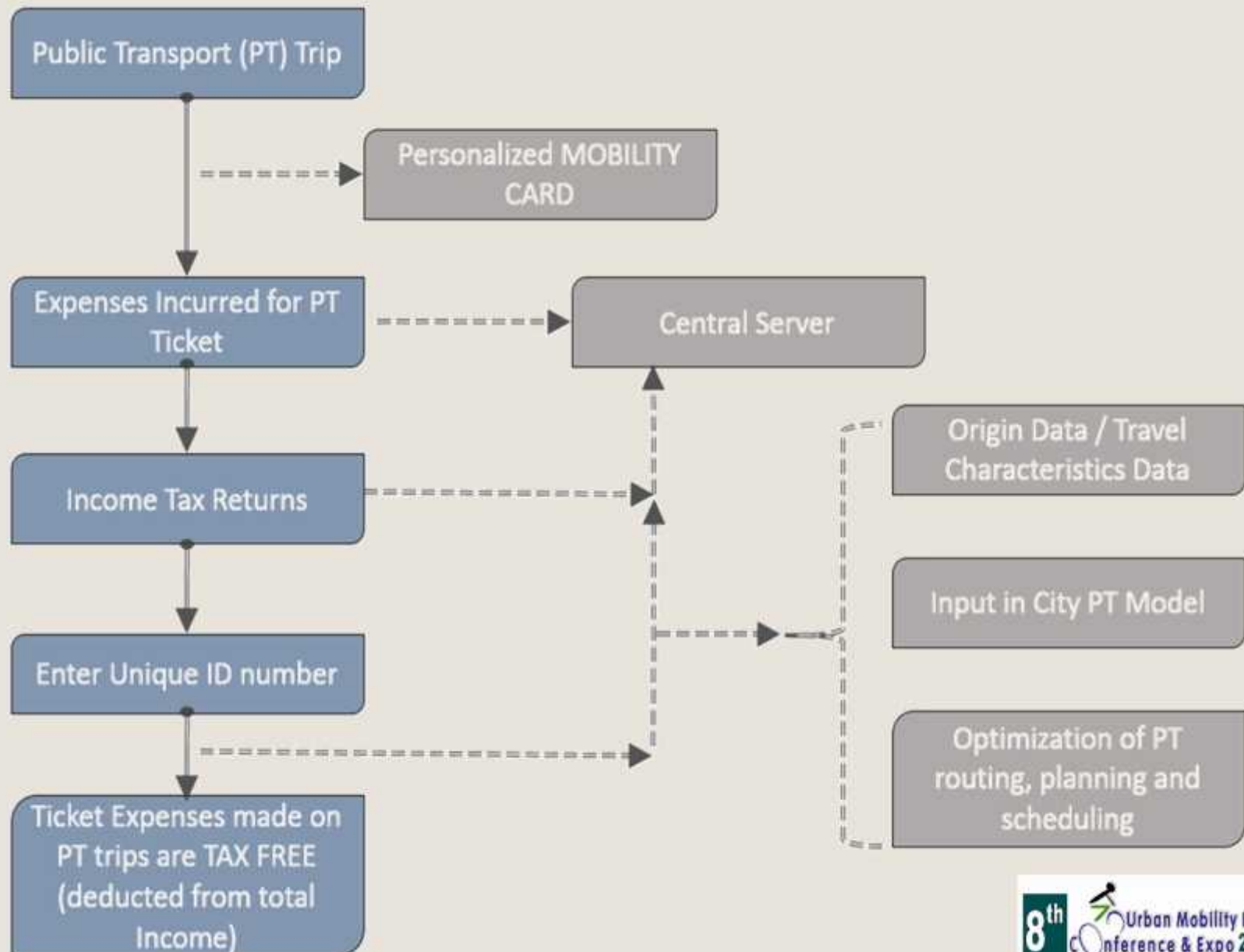
Monthly Expenditure on PT = INR 2000

Annual expenditure = INR 24000

INR 24000 is **TAX FREE** • • •

WOW!!!

The Process



Features

- This **'RIDE & SAVE'** if implemented would not only benefit the lower middle class but also cater to upper middle group of the community.
- The proposed system can be implemented with a **common MOBILITY CARD.**
- This card has to be a photo ID card **linked with PAN number** and would be a common public transport card which can be used in all **public transport modes** available in the city (**metro/bus/local train**).
- At the time of **income tax returns** at the end of the year all the expenditure made by public transport can be accessed to take a **tax rebate.**

Benefits – RIDE n SAVE

Incentive for using Public Transport: PT spending will be Tax Free. This can be further linked with the RIDING MILES (like flying returns...) to get offers of using PT.

Origin Destination Data of PT users:

Origin, destination, travel characteristics data can be used for integrated planning. This data can also be utilized in planning the metro/buses.

BIG DATA for Government: True PAN numbers with IT returns records.

More people would do ITR.

Environmental Benefits: Better environment



NEXT STEPS:

1. Taxi and Auto can also be included in the incentive scheme.
2. Taxi and auto can have 25% - 50% tax rebates on the spending.

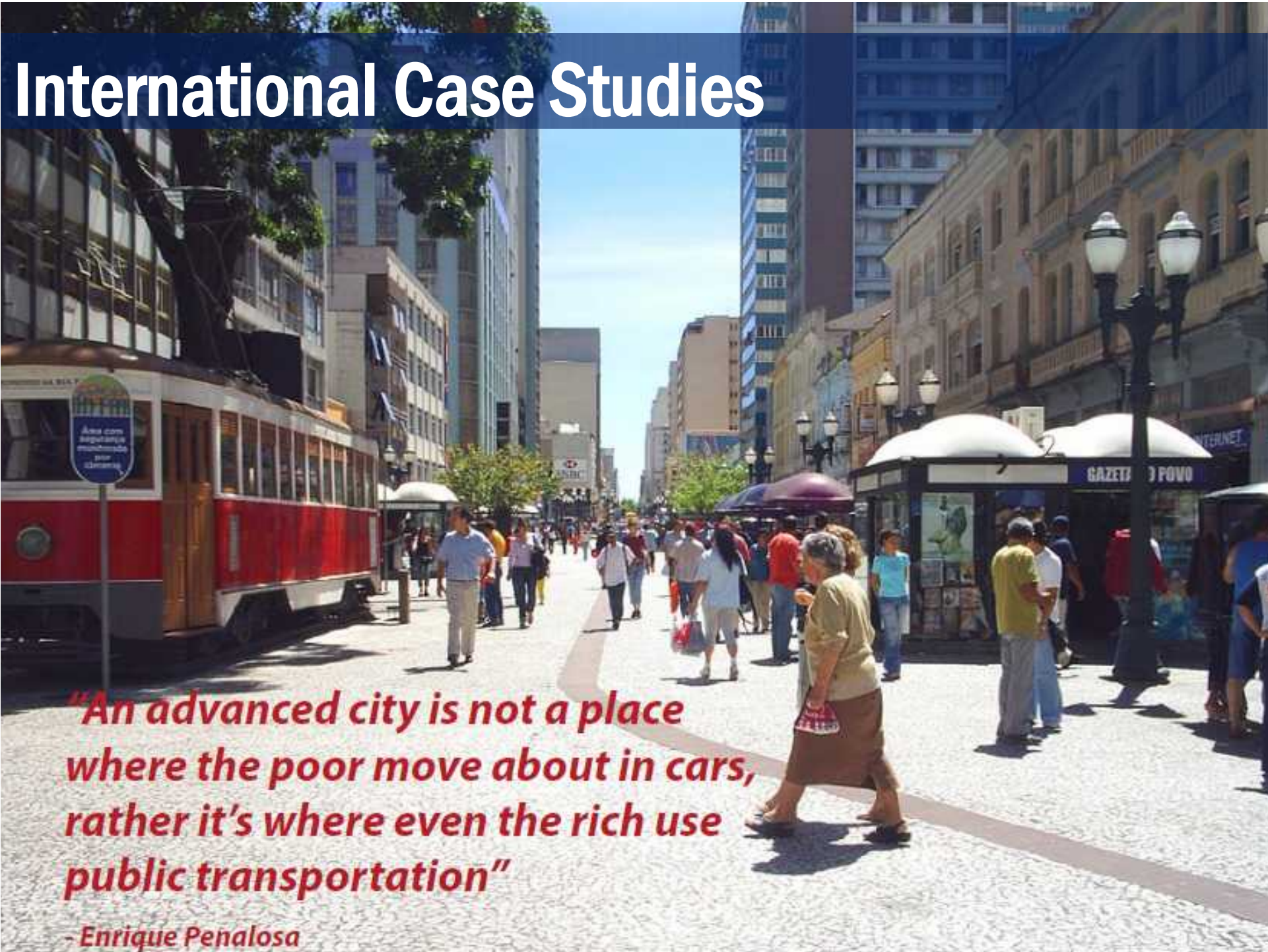
The incentive percentages can vary as per
- Day of the week and Time of the day.



Overall Benefits

- I. **Efficiency** – an incentive will be efficient where it encourages or can be targeted to encourage a modal shift from private to public transport. The incentive can be variable – high in peak hours on week days and low in lean hours and weekends.
- II. **Visibility** – an incentive will be visible where commuters are aware of the incentive each time they travel from home to work using public transport
- III. **Equity** – an incentive will be equitable where it delivers a consistent benefit to commuters regardless of the income level
- IV. **Simplicity** – an incentive will be simple where it is administratively easy to deliver (from a government or employer perspective) and to receive (from a commuter perspective)

International Case Studies



"An advanced city is not a place where the poor move about in cars, rather it's where even the rich use public transportation"

- Enrique Penalosa

Australia – Tax incentive for Public Transit

- The policy recommends the following reform measures for the taxation of passenger transport:
 - The provision of tax-free fringe benefits for commuting costs, applicable to public transport fares and park-and-ride costs
 - Tax incentives for employers A) in CBD areas offering flexible work hours; and B) in decentralised areas offering public transport incentives.

Ireland – Tax Credit for Public Transit

- The TaxSaver Commuter Ticket Scheme was established in Ireland in 2000 as an incentive for workers in some parts of the country to use public transport.
- The scheme is not confined to State-owned forms of public transport and can include private operators if they are approved transport providers
- This incentive is seen as a positive way to encourage more people to avail of public transport in Ireland and to reduce traffic congestion.
- The employers and employees participating in the scheme sign a contract with each other agreeing to participate.
- Employees can save up to 52% of travel costs as a result of tax

“A CITY IS NOT AN ACCIDENT BUT THE RESULT OF COHERENT VISIONS AND AIMS”

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Concept IDEA Recognition:

Ministry of Urban Development, Govt. of India recently held a national level competition inviting 'Smart Ideas' under 3 different categories in the context of developing smart cities in India. Mr Sharad Mohindru, won the **FIRST PRIZE** under the category **"Smart Solutions for Traffic Problems"** (<https://blog.mygov.in/mera-shahar-mera-sapna-competition/>), and has been facilitated with a certificate, **from the Hon'able Prime Minister of India, Shri Narendra Modi.**