

Evaluation on The PSO Provision for Commuter Trains Through Performance-Based Planning to Improve The Service Quality of Economy-Class Trains

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ABSTRACT

Commuter train is one mode of transportation that get PSO aid from the government. The problems related to PSO (Public Service Obligation), among others, are the absence of a common perception on the understanding/definition of PSO and yet all PSO activities are done through a tender process, different basic calculation on the required PSO fund among PSO-executing SOEs, no separation between PSO business activities and non-PSO business activities in the financial statement. In addition, the compensation given by the government for PSO assignment is not sufficient, so that the commuter train service faces many disruptions. For example, the matter of delay reflects that train is not reliable, rails and bridges are not in the prime condition, the signal has been fade, overflow electric current (pantograph) is frequently disrupted.

The purpose of this study is to understand and evaluate the provision of PSO in order to maximize the commuter train services. The benefit of this research is to contribute ideas related to the administration of PSO so that people can feel the benefits.

The method used is qualitative approach, descriptive analysis, and evaluation on the policy of PSO provision.

The results of this study are divided into: PSO provision for economy-class trains, commuter services in Jabodetabek, asserting the separation of service types, support for PSO service improvement, and performance-based planning concept.

Keywords: PSO provision, performance-based planning.

Introduction

Train is one mode of transportation that attracts many people in the area of Jabodetabek to use it. In addition to its ability to carry many passengers, this mode of transportation is much environment-friendly and there are no barriers for its trip because it has its own way (track bound). Every day we can see and perceive the view that the number of passengers and the number of trains are not balanced, causing the passengers jostle especially in the rush hours and making the air circulation in the train cabin disrupted due to so many passengers.

Before July 2013 the number of commuter line passengers is 400,000 people per day. By May 2014 it becomes 600,000 people per day. Whereas the target set by PT. KAI (Persero) is that in 2019 the number of commuter line will reach 1.2 million people per day with waiting time at the station 4 (four) minutes. In order to achieve this target, PT. Kereta Api Indonesia Commuterline Jabodetabek (PT. KCJ) consistently adds hundreds of trains every year to increase the capacity and replace the old ones that has been obsolete. In 2013, PT KAI has bought 180 trains which will arrive in Indonesia from the end of this week up to January 2014. In the end of October 2013 30 trains have arrived.

When the tariff of air-conditioned Commuter Line was Rp9,000 and the people purchasing power based on the Ability To Pay (ATP)/Willingness To Pay (WTP) of Jabotabek KRL (electricity-

driven train) was only Rp5,000, thus with the assumption that the PSO distribution is evenly spread, the PSO subsidy needed is Rp4,000 per passenger. With this assumption and predicted number of KRL passengers by the end of 2013 as many as 96.8 million, the PSO subsidy needed for Jabotabek KRL is Rp387.1 billion. However, from 2010 to 2012, there was no service of economy class air-conditioned KRL because the pattern of KRL operation has been changed to a single operation (all KRL stops in each station and no express train service). While the additional fund for evenly spread PSO as mentioned above has not been received or budgeted, a segmented subsidy is provided as much as approximately Rp156 billion.

When the tariff changed, the government role through Public Service Obligation (PSO) is needed in order that people can afford the price. PSO is a subsidy from the government provided for the passengers of economy class train, including the service for disadvantaged communities. The formulation of PSO is the difference between the tariff made by the train facilities operator and the one stipulated by the government.

In the Parliamentary Journal issued in 2013, the amount of Public Service Obligation (PSO) for train in 2013 approved by the Budget Committee (Banggar) and Commission V of the Parliament was Rp704 billion, less than the proposal as much as Rp804 billion. The realization of PSO subsidy in 2012 was Rp624 billion or 81 percents of the contract value as

much as Rp770 billion with the capacity of 84.6 million seats or 86.3 percents of 98.1 million seats as projected.

Evaluation is one of a series of activities in improving the quality, performance, or productivity of an institution in carrying out its programs. The focus of evaluation is individual, namely the achievement in study made by a group or a thorough evaluation, information on what have been or have not been achieved will be obtained. Furthermore, this information is used to improve a program.

Evaluation, according to Griffin & Nix (1991) in Ilham Alfian Nor (2007), is a judgment on the value or implication of a measurement. According to this definition, it is always preceded by the activity of measurement and assessment. According to Tyler (1950), evaluation is a process to determine how far the aim of an education has been achieved. There are still many other definitions of evaluation, but all of them always include the matter of information and policy, namely information on the implementation and success of a program which is subsequently used for determining the next policy.

One role of the state as an economic player is in the forming of State-Owned Enterprise (SOE) or Badan Usaha Milik Negara (BUMN). The format of state involvement in the economic activity of a country is based on its political economy. The state involvement in economy according to Friedmann is placed in 3 (three) types of state enterprise, namely:

Department Government Enterprise, is the state enterprise which is an integral part of a governmental department whose activity is in public utilities.

Statutory Public Corporations, is the state enterprise which is actually almost the same as governmental department enterprise, but it is more autonomous in management and its business is still in public utilities.

Commercial Companies, is the state enterprise whose capital is mixed with private capital and treated as a private company.

The forms of state enterprise based on Undang Undang Nomor 9 Tahun 1969 are classified into three, namely: a. Perusahaan Jawatan (Perjan); b. Perusahaan Umum (Perum); c. Perusahaan Perseroan (Persero).

The implementation of Undang Undang Nomor 19 Tahun 2003 tentang Badan Usaha Milik Negara (BUMN) puts SOEs in a more difficult position to compete with other business players. This is due to the mandate to be executed by SOEs is kewajiban pelayanan umum or Public Service Obligation (PSO) as stipulated in Article 66 of UU BUMN. Based on that article, the government can give special assignment to SOEs to hold the function of public utilities but still considering the intention and objective of SOE's activity. If the assignment is not feasible according to financial study, the government should compensate all the costs incurred by the SOEs including the expected margin.

The implementation of PSO in SOEs creates a heavier burden, considering that the fund for PSO comes from the national budget (APBN), for which the accountability is subject to the state financial management based on Undang Undang Nomor 15 Tahun 2004 tentang Pemeriksaan Pengelolaan dan Tanggungjawab Keuangan Negara and other related regulations.

The implementation of the regulation on state finance frequently impedes the PSO implementation both in its technical operation and its amount. The technical barrier is much experienced by the SOEs assigned to execute PSO in the beginning budget year, and only receive the PSO fund in the end of year, because the government through the Ministry of Finance should carry out a verification before giving the PSO fund. The mechanism of such distribution of PSO fund will surely impede the SOE's cash flow.

Another problem related to PSO is the image that although SOEs have received PSO fund, they are still not able to deliver excellent public services, raising a pro and contra whether PSO fund should still be provided or it should be revoked. Another alternative is to charge PSO upon private companies.

The problem in this research is the matter of delay, reflecting such conditions as train is not reliable, the rails and bridges are not in the prime condition, the signal has been obsolete, overflow electric current (pantograph) is frequently disrupted. Imagine, if one train breaks down, the trip

of other trains will surely be disrupted as well because only one track can be passed through. The domino effect is the existence of a long queue of KRL and passenger congestions at the station.

This problem requires full train operation and improvement in delivering the commuter line services needed by people so that they can feel convenient, safe, and secure.

The aims of this study are to know, understand, and evaluate the provision of PSO in order to bring the maximum commuter line service into reality. The benefit of this research is that it contributes a thought related to the provision of PSO, so that people can feel the benefits.

The approaching method used here is qualitative approach and the method of data analysis used is descriptive analysis, while the data is secondary and obtained from various sources.

Results And Discussions

1. Providing PSO for economy trains

PSO (DJA, Kemenkeu, 2007) is the cost that should be incurred by the state due to the disparity of cost of goods sold between SOEs/privates and the price of certain products/services stipulated by the Government in order that the products/services are secured and affordable for some people (public). Whereas subsidy is the cost that should be incurred by the state due to the disparity between market price and the price for certain products/services

stipulated by the Government to fulfill the need of poor people.

The provision of PSO for economy class trains starts from 2008 to 2012, experiencing increases as seen in attachment 1.

From the table, it can be seen that in 2012 kereta jarak dekat (commuter) received the highest amount of PSO as much as Rp223.53 billion, followed by Rp175.85 billion in 2010. However, in fact the PSO fund received for 2010 was Rp535 billion, whereas the actual operational cost of economy class trains throughout Indonesia reached Rp 635 billion. In 2009 it was budgeted Rp845 billion but the realization was just Rp504 billion.

The evaluation related to the provision of PSO for commuter is that there is no common perception on the definition of PSO, not all PSO activities are carried out through tender process, no common basic calculation of needed fund for PSO among the PSO-executing SOEs, no separation in the financial statement between the PSO business activity and non-PSO business activity, no sufficient compensation from the government for PSO assignment, no conformity between the PSO budget approved by the Parliament and the calculation made by the Government.

2. Commuter Services in Jabodetabek

Commuter Services in Jabodetabek can not be separated from the establishment of Grafik Perjalanan Kereta Api (Gapeka). Gapeka for 2014 serves 645 trips of train

a day which previously 589 trips a day. PT KCJ as the commuter operator put the schedule change into effect starting from 1 June 2014. There are 645 trips in 2014, operating 56 loops served by 56 railway trains.

Up to now, the route from Bogor/Depok provides the most fleets by 33 trains a day serving 294 trips, followed by the route of Bekasi served by 9 (nine) trains for 117 trips. The next, the route of Serpong is served by 8 (eight) trains for 104 trips; Tangerang route is served by three trains for 62 trips a day.

This year Gapeka is different from the previous year. The completion of double track in the northern track of Jawa will make easier the trip and the travel time for Kereta Api Jarak Jauh (KAJJ) or long distance trains will be shorter.

Moreover, KCJ will operate three non-commercial (feeder) trains for 68 trips a day. These feeder trains will serve the routes of Manggarai-Sudirman-Karet-Tanah Abang-Duri-Kampung Bandan-Jakarta Kota round trip and Kampung Bandan-Jakarta Kota round trip.

The additional routes are the implementation form of procurement program of KRL as many as 488 units. Up to now, KCJ has repurchased other 176 units from Japan, which will be done in stages and is expected to finish in August this year. In 2009 KAI had 400 KRLs to serve the users of this transportation mode. But now PT KCJ has about 800 trains that serve many trips in Jabodetabek.

So far, the evaluation related to commuter service using loopline system can be considered as good; it has implemented electronic tickets, the station has been arranged neatly, and no passenger on the train roof.

However, some obstacles still exist: no separation for serving near distance trip, long distance trip, and cargo coach; insufficient feeder transport at the transit stations; many crossings still exist; no depot for storage and balai yasa/workshop for repairing commuter trains at each area of railway trip network so that when broken they do not disturb other train trips.

3. Asserting the Separation of Service Types

The improvement of railway services starts from asserting the separation of trips, i.e. near distance, long distance, and cargo coach, so that the attention to the service segments can be more focused and easier to be managed. In order to enhance the role of intermode, it is necessary to provide feeder transport at the transit stations for the ease of consumers to move to another mode of transport in accordance with their travel pattern. The movement system at the transit stations should be supported with platforms or facilities for the passengers to go up and down and move to other trains.

4. Support in the Form of PSO Service Improvement

It is suggested that the improvement of railway service should be supported with other factors: equipment, human resources,

systems and procedures, technology and informatics as well as management and financing.

a. Equipment

The production of railway facilities and infrastructures utilizes local contents such as metal products and iron from PT. Krakatau Steel, electronic and communication devices from PT. LEN and PT. Bharata.

Meanwhile, the existing domestic railway company, PT. INKA, can fulfill the domestic need and has made some exports to Singapore and Malaysia. In 2012, the government of Singapore ordered 20 units of cargo train comprising wheel wagon and flat wagon types with the contract value US\$ 1.69 million or Rp16.2 billion using the exchange rate of 2012. Whereas the government of Malaysia ordered 16 passenger trains with the contract value US\$4.8 million or approximately Rp 46.2 billion. (tempo.co, 2012)

The use of domestic products will be much cheaper than of imported ones. Besides, it also pays attention to the safety and operation-worthy of the trains in accordance with the international standard.

b. Human Resources

The quality of railway service can be improved with the support

from competent, responsible and qualified human resources by recruiting professionals who are assigned in each line of railway operational services. The human resources recruitment is carried out through an objective selection done by a professional team, so that ready-to-work individuals are obtained and assigned according to their own expertise.

It is necessary to build a cooperation with universities as well as to hold a training to educate personnels in railway business. The expertises mentioned above are in arranging train trips (GAPEKA), arranging schedules, ticketing; station officers, road and bridge officers, sintelis up to officers for railway facilities and infrastructures maintenance.

Today, there are two railway education institutions, namely Graduate School of Land Transport or Sekolah Tinggi Transportasi Darat (STTD) and Railway School of Madiun (Sekolah Perkeretaapian Madiun). So far, the graduates from these institutions are expected not only to work as civil servants but also to meet the need for personnels in railway industry both domestic and overseas.

c. Systems and Procedures (Syspro)

To consistently support the smooth service, a sustainable evaluation

is done; improvements in systems and procedures are carried out by improving the weakest link in the system, holding supervision and quality control so that the syspro becomes brief, simple and right in target but has higher quality and keeps maintaining the customer satisfaction.

d. Technology and Informatics

A new technology can be implemented in each component of domestic railway facilities and infrastructures. What is meant by new technology is the one that can provide low cost with high efficiency. The implementation of technology is mutually complement with the national railway industry (or domestic capacity) as previously described, i.e. using local contents. The implementation of newest informatic system is in line with the implementation of selected technology. This implementation needs trial and errors, continuous improvement and accomplishment to get the technology and informatics that are right in target.

e. Cost/Financing

With the proposed improvement in the railway service, the government, state-owned enterprises, and privates may propose additional cost for financing in a proportional way. This is intended to perpetuate the railway services in a sufficient

quantity and higher quality as expected by the users. Fund raising and its appropriate use are the duty and responsibility of the railway stakeholders. Therefore, the railway management system keeps advancing professionalism, integrity, accountability, and transparency so that back log or mismanagement will not happen, otherwise it can kill the national railway industry, kill the innovation and human resources of railway business, as well as reduce the trips of train users, which actually can drive the national economy.

f. Management

An integrated plan for railway service development to optimize the service can be made by using Balanced Scorecard (BSC) developed by Robert S Kaplan and David P Norton in 1992. Since it is to measure the performance, BSC measures 4 (four) categories of perspective: financial perspective, customer perspective, internal business process perspective, and learning and growth perspective.

Financial perspective is the financial advantage obtained from the handling scenario developed in the form of user cost reduction.

Customer perspective is the achievement of balance of infrastructure and railway service

networks and the existing demand.

Internal business process perspective is the process of improving the quality and productivity of railway infrastructure and service networks.

Learning and growth perspective is concerned with the expertise of human resources who handle and are responsible for planning, engineering, education dan enforcement.

5. The Concept of Performance-Based Planning

The concept of aggregate fiscal discipline is implemented to make healthy and sustainable budgets. This principle is a guide to budgeting, especially in determining the amount of government's expenses. (Riant Nugroho and Randy R. Wrihatnolo, 2011)

To implement the concept of aggregate fiscal discipline needs an institutional arrangement stressing on the role of central agencies. Central agencies play their role in determining the fiscal target, so that they can provide the estimation of aggregate human resource availability and then the fiscal discipline can be planned appropriately through neutral, comprehensive and cross-sectoral considerations.

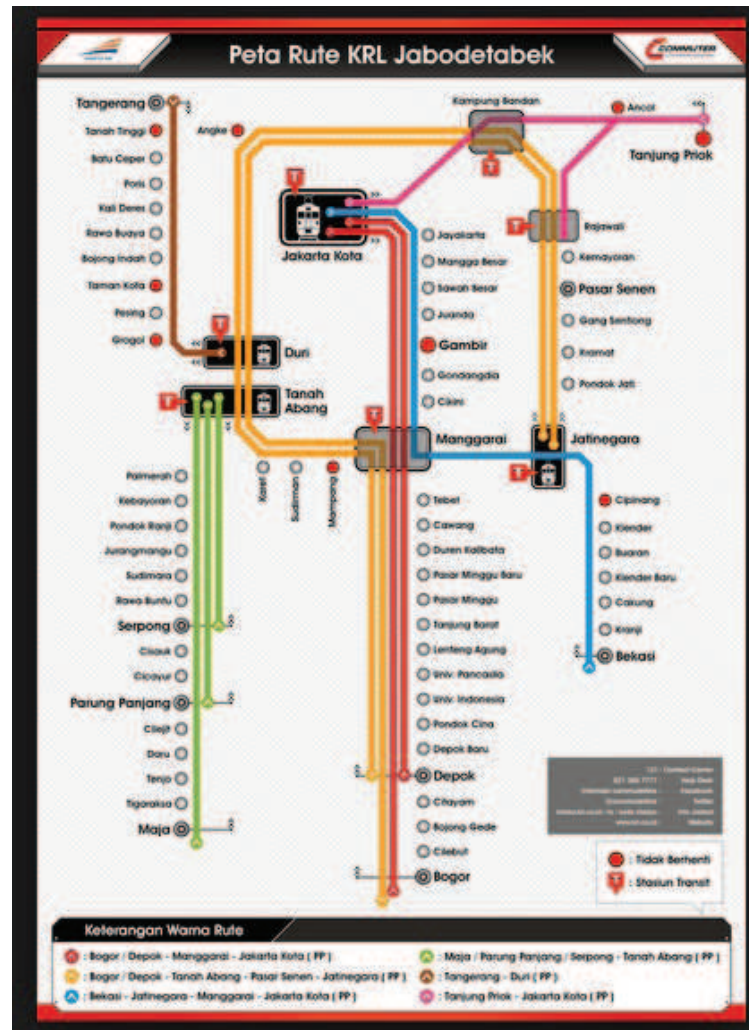


Figure 1 The Route Map of Jabodetabek KRL

Performance-based planning considers allocation efficiency and operational efficiency. The concept of allocation efficiency refers to the government capacity to distribute the available resources to the more effective program or activity in order to achieve the objective of national development (strategic objective). The concept of allocation efficiency is implemented through (1) integrated budget, (2) forward forecast, (3) performance-based budget. Operational efficiency emphasizes the efficiency of resources used by the budget user compared to the output he produces.

In an outline, there are three steps in implementing the concept of operational efficiency, namely (1) process to authorize the ministry/technical institution to set up the funding allocation: (2) external control, and (3) internal control.

Moreover, in order to improve the planning performance it needs the support from performance-based contract (PBC). As a type of contract that integrates works (planning), execution and supervision and that bases the payment on fulfilling the minimum performance indicator using a lump-sum system, PBC requires cultural

shifts of the service providers and users.

- Focuses on user convenience (customer oriented outcomes).
- The base to asses the contractor's performance is not on the number of output made.
- The owner does not tell in detail the method or material to be used.
- The owner stipulates the minimum performance indicator that should be fulfilled by the contractor.

Table 1 Performance Based Contract (IR)

Management Aspect	Traditional Contract	PBC
Planning	Owner	Owner
Design	Owner	Contractor
Build	Contractor	Contractor
Maintenance	Owner	Contractor
Management	Owner	Owner

Source: Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah, 2014

Conclusion

Based on the analysis and discussion, it can be concluded that:

- a) There is still a problem of delay, reflecting such conditions as train is not reliable, the rails and bridges are not in the prime condition, the signal has been obsolete, the overflow electric current (pantograph) is frequently disrupted. Imagine, if one train

breaks down, the trip of other trains will surely be disrupted as well because only one track can be passed through. The domino effect is the existence of a long queue of KRL and passenger congestions at the station.

- b) The distribution of PSO for economy class commuter trains is increasing now, but it happens in the end of fiscal year so that the commuter operator PT. KCI via PT. KAI (Persero) faces an obstacle in financing IMO and TAC which are burdening the operation of economy class trains and consequently not punctual in the maintenance of economy class trains.
- c) The distribution of PSO considers 5 (five) principles, namely Right Target, Right Quantity, Right Quality, Right Price, and Right Time for subsidy.

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