



Media contact: Natasha Farrell

Mobile: 0439 261 366

Email: natasha.farrell@audit.wa.gov.au

29 November 2017

Auditor General finds the cost to government rising as fewer people catch buses

In his latest report, *Planning and Management of Bus Services*, Auditor General Colin Murphy found that the cost to government of operating an expanded network is rising as fare revenue declines with fewer people catching buses.

Buses are an integral part of the public transport system and provide a valuable community service, and assist in reducing demand on the road network and easing traffic congestion.

Mr Murphy said despite increased capacity, higher frequency services and coverage of new residential areas, fewer people are using buses than 4 years ago.

'Passenger numbers are falling even though the PTA has consistently met targets for bus accessibility, reliability, safety and customer satisfaction for the past 4 years.

'Without the Public Transport Authority (PTA) reducing operating costs or increasing passenger numbers, the government subsidy will increase further.'

In 2016-17, the government subsidy for bus operations was \$410 million compared to \$254 million in 2006-07, a 55% increase in real terms.

The PTA has estimated that the subsidy will increase by \$38 million between 2016-17 and 2019-20, if costs and patronage continue on current trends.

Mr Murphy said although the PTA contracts out the operation of bus services, it owns the buses, ticketing system and the majority of the depots, and as such retains cost risk in delivering bus services.

'Within these arrangements the PTA's scope to reduce costs and improve efficiency is limited.

'The report includes recommendations to assist the PTA address the unsustainable rising cost of providing the bus service and the decline in passenger numbers.

'The PTA has good information on bus routes and passenger behaviour. However, it could use this information more effectively to identify changes which would produce the greatest efficiencies,' Mr Murphy said.

The Auditor General's report, *Planning and Management of Bus Services*, (Report 23 – November 2017), is available on the Office of the Auditor General website at www.audit.wa.gov.au

ENDS

