

Regional public passenger transport

Findings from the audit work of recent years

Key facts

Regional public passenger transport has been facing major challenges for some time. Scandals such as those at PostAuto AG or, more recently, at BLS AG and Verkehrsbetriebe Luzern have raised eyebrows and cast a shadow over the operators involved.

This meta report presents selected findings from audits by the Swiss Federal Audit Office (SFAO), the audit of the Federal Office of Transport (FOT) and the evaluation commissioned by the FOT in aggregated form, and supplements them with further considerations. The aim is to use specific topics to show which systemic weaknesses exist and where unexplored opportunities lie.

Scope for improvement: five concrete proposals

The SFAO identified five potential areas from the audits results, although it does not claim that the list is exhaustive:

1. In many cases, the companies are organisations with owners under public law. There are often dependencies between the representatives of the owners and the clients. The profit expectations of the owners are not compatible with the clients' requirements under subsidy law.
2. The procedures for ordering services are too complex and generate a great deal of administrative work. This creates a false sense of accuracy, and at the same time leaves a lot of room for interpretation and error.
3. When it comes to public transport, people like to talk about competition. The COVID-19 crisis has clearly shown that it is the state that bears the risks. The current system lacks genuine competition and entrepreneurial responsibility.
4. The large number of providers and the simultaneous lack of standardisation requirements mean that economies of scale are overlooked and in some cases unprofitable structures are maintained.
5. The transparency of costs and proceeds is insufficient. The complexity, combined with the lengthy process from offer to settlement, leads to inaccuracies in the cost calculations and is misused as an argument to treat errors as relative.

With the current regional passenger transport reform project, various measures should eliminate weaknesses in the system. The consultation ended in mid-2020. A Federal Council dispatch is to be submitted to Parliament in 2021.

In the SFAO's opinion, the weaknesses of the system outlined above are insufficiently addressed in the present draft dispatch. Possible solutions do exist. For example, it would be conceivable to integrate regional passenger transport into the national fiscal equalization system, to award sets of lines instead of individual lines, or to pay for the lines according to

a standard cost approach. There is further potential to promote cooperation between providers, including mergers and the standardisation of vehicles. The awarding of contracts could increasingly take place within the framework of competitive calls for tenders.

Many of these approaches were examined as part of the preliminary work on the draft dispatch and some were addressed during the consultation procedure. Unfortunately, they were rejected, as there were no signs of a political majority.

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