COST OVERRUNS CHALLENGE METROLINX, AUDITOR GENERAL SAYS

(TORONTO) Several high-priority, multi-million dollar projects of Metrolinx’s Regional Transportation Plan (RTP), including the Presto fare-card system, have proven costly and challenging to implement, Auditor General Jim McCarter says in his 2012 Annual Report.

“By the time it is fully developed, Presto will be among the more expensive fare-card systems in the world, and more than $700 million may have been paid to the contractor for developing it,” McCarter said today after the Report was released. “As well, one of the RTP’s key strategies, and an underlying reason for Presto, was to integrate transit fare systems within the Greater Toronto and Hamilton Area, but this has not yet happened.”

In the 905 region, seven of eight municipal transit agencies use Presto, but its overall usage on those systems was only about 6% as of March 31, 2012. These transit systems have not been able to eliminate their old fare systems in favour of Presto because of the fare card’s limitations.

Following are some of the Auditor General’s other significant findings:

- Metrolinx’s initial assumptions about projected annual ridership on the Air Rail Link (ARL) between Union Station and Pearson Airport may well be overly optimistic, according to a market assessment study. If so, operating the ARL on a break-even basis, if that is indeed the intention, may not be feasible.

- The two major projects related to the revitalization of Union Station under the RTP have experienced significant cost increases over their initial estimates. The cost of restoring the train shed could reach $270 million—25% more than Metrolinx’s initial estimate. The cost of replacing switches in the Union Station rail corridor could be more than twice the $38 million on the original purchase order.

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