

Cost Structure Study of Land, Water and Rail Passenger Transport

Client: Ministry of Transport and Communication

Period of Appointment: 2002



AMP Consultants Ltd was engaged by the Ministry of Transport and Communications, to study a real cost structure of public transport on Land, Water and Rail.

There are 3 objectives;

- (i) to develop a database on fare rate of land, water and rail modes
- (ii) to develop a model to analyse the real cost of public transport and
- (iii) to provide a guideline and suggestion on database and model development, including a fare rate definition, management and services efficiency on passengers.

Moreover, the study covers a review of previous relevant studies and the existing procedures for establishing fare structures and levels. The scope includes passenger transport by buses under the Land Transport Act B.E. 2522, metered taxi services under the Motor Vehicles Act B.E. 2522, passenger transport by rail, cross-river ferries and express boats on the Chao Phraya River and the island ferry lines between Donsak and Koh Samui and between Donsak and Koh Pa-ngan.

One of the consultant's recommendations is that the Activity Based Costing method gives better results than the traditional costing method since it is calculated according to the real activities of the operator and is related to service level, quality and passenger loadings.

ABC method should be accepted for further calculation of proper cost for passenger transport. The operators should be encouraged to adjust their current accounting system to record their expenses by activities for the benefit of ABC calculation.

