Evolutionary or Revolutionary

Do you think that UBER and taxi industry changes are the end or start of reform in the passenger transport market?

Change in the 21 Century is fast, furious and unstoppable it would seem.

The bus industry needs to be alert, agile and prepared for change.

In transport terms, the horse for centuries was the only personal mobility option and by the time horses were in wide use as a “modern” public transport mode (late 1800’s), the first petrol car had already been invented. The first commercial car in mass production, the Model T Ford was produced just over 100 years ago. In the first decade of production, 27 million Model T’s rolled off the line. Today, it is estimated that planet Earth is host to 1.2 billion cars.

The first digital computer was in use in 1946, weighed 50 tonne and occupied the space of a 4 bedroom house. Now, the computer can be worn on your wrist. The first mobile phone was built in 1973. Now there are almost as many cell-phone subscriptions (6.8 billion) as there are people on this earth (seven billion)—and it took a little more than 20 years for that to happen.

Since its first Australian launch in Sydney in late 2012, Uber has captured over 1 million subscribers to their Uber app with 5% of Australians travelling Uber at least once in any 3 month period.

My point is, change has been fast and governments and Industry have been generally slow to keep up with the pace driven by a rapacious customer driven revolution. By the time Governments and businesses have reacted to either put in place regulation or new business models to compete, customer demand and acceptance has spoken and new markets are in place. New products like UBER have changed the nature of the passenger transport market almost overnight it seems.

What are the challenges for road based public transport?

Hope things remain the same and new technologies will evolve (an Evolutionary approach) or drive a new, already emerging market - MaaS - Mobility as a Service (a Revolutionary approach).

Let me explain by looking at current high level government and Industry discussions taking place across Australia.

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The objective of the action plan is to see emerging transport technologies improve transport safety, efficiency, sustainability and accessibility. A big focus is about future autonomous vehicles and how they will operate. The Action Plan clearly realises that the whole way people will travel in the future will be turned upside down.

This includes how public transport will operate.

How about recent discussions at a National Summit on the “Scope of Automated Vehicles” held in Brisbane in August and a Discussion Paper titled “Preparing for our automated and driverless future.”

Here are a few quotes:

“Driverless cars will need less space. The design of roads will change. Congestion should be significantly reduced.”

“The most important feature of a driverless car may be that it should remove the need to own a car. This provides the opportunities for fleets of driverless cars to be operated by a small number of major operators.” [Who is this operator? - could this be a bus operator with a diversified fleet of vehicles?]

“When they are not on the road these driverless cars can be stored in low cost distribution centres.” [Could this be a transformed bus depot?]

“Fleets of driverless cars will test the value of existing public transport.”

Driverless vehicles will also take their passengers point to point, delivering them directly to where they want to go. No other public transport does this. This is a potential game changer.

Whilst this discussion is going on, the National Transport Commission is developing a paper on the future regulation of driverless vehicles.

So the passenger transport task is on the move and the types of bus business you have today will be very different in a few years. There are threats, but as many opportunities. Industry just has to be ready. Are you an evolutionary or revolutionary?

I say revolutionary and lead the charge on future public transport. This will be the focus of the BIC Conference in Perth November 6-9, so if you want to be at the forefront of a fast changing industry and business, see you in Perth.