VIEW FROM CANBERRA

BIC Chairman’s Report 2015/ 2016

For this month’s column I thought the Chairman Wayne Patch could do the talking.

2015/16 has seen some big swings in the way Australia does things and I think it is important to recognize the role that we have played as in Industry in reshaping the way our governments think about moving people in our cities and regions.

We have been working for over a decade now in both the research and policy area as well as our lobbying activities with all levels of government at both the political and agency levels.

There is no doubt that our work is becoming increasingly recognized and more importantly respected by decision makers across the country. The level of access we have to these decision makers and their willingness to discuss our national agenda is exceptional and a clear endorsement of our strategic approach.

We are seeing unprecedented investment into public transport infrastructure in most States and Territories. Unprecedented in the history of the nation.

Just think about Sydney Metro, Badgery’s Creek rail link and public transport integration in Western Sydney, the Northern Beaches BRT, Brisbane Cross City Tunnel, Perth bus ports and modal integration projects with rail and ferry, Melbourne metro tunnel, ACT light rail and bus network expansion. And there are plenty more.

The 2016 federal election saw Prime Minister Turnbull and Leader of the Opposition Bill Shorten compete for the Western Sydney and the cities and public transport policy agenda and votes.

The final fortnight of the Federal Election campaign saw a stream of announcements from both sides about what they are going to do about cities and improved public transport and transport infrastructure. It’s only a few years ago that public transport was a dirty word when it came to the federal government and we often wondered whether our consistent message and persistent efforts would ever change that. Well it has and it has changed the national agenda permanently.

The 2016 Federal Election has brought a strong focus to the future livability of our cities and suburbs, addressing congestion, transport accessibility and connectivity in our regions. This can only increase the pressures on state and territory governments to also invest more in public transport and bus services. This, in no small way is a reflection of the hard work that BIC has been doing over the last decade.

At the same time let’s not forget the challenges we face as an industry from a changing transport market as ride sourcing and technology see the landscape of personal mobility changing dramatically in front of our very eyes.

The encroachment of disrupters like Uber and other ride sourcing services will have an impact on existing public transport services and how they are provided. We are already seeing State Governments talking about taxis and ride sourcing services having a future role in delivering what is termed, “first and last mile” trips to connect people to trunk public transport services and late night services using the existing smart card public transport ticketing system.
Anyone who thinks that UBER and taxi industry changes are the end rather than the start of reform in the passenger transport market are in for a rude awakening.

Change in the 21 Century is fast, furious and unstoppable it would seem. That forces us into a new paradigm where much of the custom and practice and established protocols and regulatory protection can no longer be relied upon to provide the answers. The new era, whilst exciting, is unpredictable so understanding the question let alone providing the answer is going to be the challenge.

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

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.

What are the challenges for our Industry?

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


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.

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” highlights again the discussion taking place about future public transport.
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.

The National Transport Commission is currently developing a paper on the future regulation of driverless vehicles so there is no point being in denial about whether this new technology will impact on our industry. It's coming and we need to be planning now on how we adapt our businesses and capitalize on it.

The passenger transport task is on the move like nothing we've witnessed since the introduction of the motor vehicle. We as an industry need to be, more than ever, through our Industry representation efforts led by BIC to be at the forefront of the discussions and debate. The types of bus business you have today will almost certainly be very different in a few years. Naturally, as with all change events, there are threats but for those willing to think outside the square there are many opportunities. Industry just has to be ready.

Whether we like it or not 2017 and beyond will be exciting times for the Australian bus and coach industry. We must embrace the new technologies and adapt our business models to capitalize on the opportunities on offer. So get your thinking caps on and let’s lead the agenda rather than react to it.