View from Canberra June 2015 - Bus businesses to boom

In 16 years in 2031, where will you be? Will you still be in business? If so what will it look like?

In late May we got a glimpse into what you can expect as a bus operator, and if it comes to fruition, and there is no reason why it will not, you better have your investment shoes on and be planning for the future, because public transport and bus services are going to be front and centre of servicing our cities and regions mobility needs.

Infrastructure Australia (IA) released the Australian Infrastructure Audit report in May. This report takes a strategic approach to assessing Australia’s infrastructure needs. It examines the drivers of future infrastructure demand, particularly population and economic growth.

And what the IA report is saying, re-enforces what we have heard recently from the Federal Government Intergenerational Report, from the Ken Henry Taxation Review in 2012 and a number of other government reports, including BIC’s own Moving People reports.

The message is that we are moving towards a tsunami and we better be ready to meet the challenges.

The IA report tells us:

- Australia’s population is going to grow from 22.3 million in 2011 to 30.5 million in 2031
- Overall our capital cities contributed $854 billion to our economy in 2011 and this is projected to grow by 90 percent to a contribution of $1.6 trillion by 2031
- Growing congestion is going to cost the economy $53.3 billion in 2031 growing from $13.7 billion in 2011 in the absence of new polices to address it.

The report specifically says that “Australia needs to consider demand management measures to make better use of our roads including use of lanes for high occupancy vehicles, buses and other high value vehicles such as tucks and delivery vans.”

But here is the bite, the passenger transport task both road and public transport across our 6 largest capital cities, is projected to increase by 58% from 622 million km per day to 982 million km per day in 2031. Currently public transport carries one in six Australians to work.

What are you going to do in your business to meet the 89% increase in demand for public transport by 2031?

But it is not just about our big cities, our smaller cities and regions are set to grow and this is because it is believed that they will have to ease the pressure that is going to be applied to our major cities and in doing so meet there own infrastructure and public transport challenges.
The next 16 years is the time that strong industry representation is required so that the bus industry is at the forefront of the emerging demand for public transport, in particular bus services, the workhorse of every public transport network in Australia.

Future public transport demand will be a feature of discussions at the BIC Conference in Singapore, where industry can hear from international speakers, Australian Government senior officials and Industry about how we are going to manage this tsunami of public transport growth.

2031 is not that far away, planning needs to start today.