

## **BIC COLUMN - JANUARY 2013**

The Christmas cobwebs have well and truly been dusted off at the BIC and we are gearing up for a big year ahead.

The BIC's first order of business in this election year is the release and promotion of the latest edition of our Moving People policy suite, *Moving People Solutions for a Liveable Australia*.

The main focus of this report is on how to fund future investment in public transport in a tight economy.

### ***Paying for Positive Moving People Outcomes***

At the time of writing we have already heard Federal Treasurer Wayne Swan concede the Federal Budget is unlikely to achieve surplus in 2013. This is the surplus which has limited investment in passenger transport infrastructure over the last two budget cycles.

The balance book and economic outlook for Australia in 2013 is very different from the one that we faced in 2007 when the current Government was elected.

Yet the demand for public transport and the services we deliver as the Australian bus and coach industry continues to grow. The five years to 2011 saw the biggest increase in public transport mode share for more than 3 decades.

This growth creates an impetus for governments to invest in infrastructure for moving people in our cities and regions and to work with industry in delivering a wider span and better quality of public transport services.

Through *Moving People Solutions for a Liveable Australia* we look at a range of innovative approaches governments can take to pay for Moving People infrastructure and services.

Because we don't believe in doing anything by halves at the BIC, we have proposed an immediate increase in the fuel excise of 14 cents per litre as short term measure to overcome the backlog in transport infrastructure.

The 14 cents per litre figure highlights how drastic the shortfall in investment is, and amounts to more than \$5 billion a year that could be invested in improving land transport systems, including public transport.

This is a call to action for the Federal Government in an election year to start an open and honest discussion about the investment our transport systems need, and how to pay for it in a way that is immune from the fortunes or misfortunes of the global economy.

The solutions we offer over the medium and long term are less controversial; the main one being reform of how we price our roads.

This reform will include a rethink of how we assess the cost of road use by different types of vehicles including buses.

The BIC is calling for the benefits to the economy (less congestion), environment (less emissions) and society (more social inclusion); created by buses to be recognised in the way we are charged through the taxes we pay.

This might take the form of the GST on bus fares and the fuel excise paid by buses being collected and returned as investment in measures which would see more buses on the road and more investment in bus priority infrastructure.

There are a range of options available to government outlined in our report and we need the industry to help us take the message to politicians and the public.

The BIC will be holding a series of workshops for bus operators about *Moving People Solutions for a Liveable Australia* in each capital city so that you can get involved in representing these issues to your local members of parliament and community as we head towards the Federal Election.

*Moving People Solutions for a Liveable Australia* is available for download at [www.ozebus.com.au](http://www.ozebus.com.au) and we will be updating the website with information on workshops as it comes to hand.