

View from Canberra May 2015

This month's budget throws the focus back on the economy. While the particulars of the federal budget impact on the businesses in the bus industry, they don't affect our industry as a whole.

What does matter though is that the budget reflects the state of our economy and from what the experts are saying it's not in great shape.

The slowing down of the mining sector, the global financial crisis and reductions in commodities prices over more recent years has hit government revenue.

One of the BIC's lobbying messages is that investing in public transport reduces the costs of congestion. This boosts productivity through the time people save, rather than being stuck in traffic, being used to generate more income.

The annual cost of congestion across Australia is a staggering \$14 billion at the moment and expected to grow over time to \$20 billion by 2020. The cost of congestion to the individual in our capital cities is staggering both in terms of productivity lost and the impact it has on quality of life.

The cost of congestion to the individual in our capital cities is estimated at an average of \$2420 across all cities with Brisbane at a staggering \$4600 per person.

A study of Sydney found that 46 per cent of people in Sydney spend less time at home with their family as a result of congestion, with a large number of people getting up earlier to beat peak hour and arriving home later from work because they are stuck in traffic.

So the costs of poor transport systems are clear. But what about the value of getting it right?

In an economy and a federal budget being impacted by declining revenues, can getting people out of their cars and into public transport actually generate consumer spending and government revenue?

We know the cost of car ownership and its impact on the household finances gets even worse as we go out to the areas of cities that have less access to public transport services. The motor vehicles per dwelling map of Sydney shows entire suburbs where families own three or more cars.

With the cost of owning a second large car at more than \$10,000 a year, a three car low income household will have barely any money left over once the mortgage and bills are paid and groceries are bought.

Common sense would suggest that hoping on a bus, walking or cycling would leave you with more money spare and the figures back it up. Estimates from the South Australian Government show that a low income family which can substitute public transport for a private vehicle could improve its disposable income by 28%, while a middle income family could achieve a 17% improvement.

This is a lot of "bickies" to put it simply. Money that can be spent in retail, invested or used to simply improve standards of living. The more money that's spent the more the Federal Government collects in income tax and through the GST.

So the solution is simple for Treasurer Hockey, build more bus rapid transit, invest in public transport and you are part of the way to fixing the economy. The economy is driven by consumers and the more disposable income they have the more they spend. Bus is part of the public transport solution that can play a part in fixing our ailing economy. Stick that in your 20 minute elevator speech (I hope you read my BIC Column on this) next time you are speaking to your local Federal member.

Road and traffic management solutions to congestion will be a feature of the program and study tours at the 2015 BIC National Conference. More information about the Conference program, and details on where and how to book accommodation are at www.ozebus.com.au.