Moving People

Australian Bus and Coach Industry: a snapshot

Bus Industry Confederation
moving people

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About the bus and coach industry

Buses and coaches represent the most important mode of public transport. Every day, far more Australians are transported by bus and coach on the nation's road network than are moved by rail, even in our largest capital cities. Buses provide an alternative travel choice to the car for people's daily commute and other travel purposes which in turn addresses the challenges of congestion and its economic impacts in our urban and regional centres. Buses also provide a vital lifeline for individuals and communities, promoting social inclusion and access to education, healthcare, employment and social opportunities.

Based on various industry surveys undertaken by the BIC in 2018 and 2020, the bus and coach industry in Australia directly employs more than 85,000 people in a range of jobs including drivers, mechanics, engineers, skilled production workers and transport professionals in various specialised fields such as planning and service delivery.

What is a bus?

The Australian Bureau of Statistics (ABS) defines a bus [or coach], based on the current definition (1989) under Australian Design Rules (ADR) as a motor vehicle constructed for the carriage of passengers, with 9 or more seats, including the driver's seat. When not specified, the term 'bus' in this report applies to a bus or a coach type motor vehicle.

The bus and coach industry defines the construct of a bus as:

- a buggy type chassis (2, 3 or 4 axle) and associated mechanical components (engine, steering, axle, etc.) and the body (panels, floors, seating, etc.)
- a composite bus (also called monocoque) which does not have a traditional buggy chassis, is a composite of all mechanical and body components as an integral unit.

The bus and coach industry generally defines the size of a bus as:

- large – a bus that has a GVM of 10 tonne or more, a body length of 12.5 to 18 metres with a seat capacity (including driver) of 26 or more
- medium – a (midi) bus that has a GVM of less than 10 tonne, a body length of 8 to 10 metres with a seat capacity (including driver) of 16 to 25
- small – a (mini) bus that has a GVM of less than 4.5 tonne, a body length of less than 8 metres with a seat capacity (including driver) of 9 to 15.

Buses can also vary in style based on its primary area of operations (urban or regional) and/or primary duties (route, school, charter, long distance) and can be:

- single deck or double deck
- articulated or rigid
- high floor or low floor accessible.

Bus manufacturing – Fast Facts

The manufacturing supplies and services sector of the bus and coach industry is an important contributor to the Australian economy. It is also an important contributor to a heavy vehicle automotive manufacturing labour skill set that goes beyond just building buses and coaches. It continues to meet the many challenges of a global vehicle market-place that remains competitive in the Australian market, including some small export opportunities.

Based on various industry surveys undertaken by the BIC in 2010, 2018 and 2020, the BIC estimates that:

- $5 billion is contributed to the Australian economy each year in the manufacture of buses
- there can be up to 40 manufacturing and parts supply companies (local and abroad) that contribute to the final assembly of a single bus
- the sector employs more than 10,000 Australians
- close to $1.5 billion is contributed to the Australian economy each year in supplies and services to keep the buses operational and in service.

Buses sold in Australia

In the period Jan 2017 to Feb 2020 36.3% of buses were fully imported and 63.7% were built locally on either imported chassis or as a monocoque.

In this 3-year period, the market can be further broken down.

City type public transport/route buses:

- 11.1% – fully imported
- 88.9 % – locally built (on either imported chassis or as a monocoque).

School Buses:

- 40.4 % – fully imported
- 59.6% – locally built (on either imported chassis or as a monocoque).

17,969 buses were delivered into the Australian marketplace between 2008 to 2019. In 2019 there was 1499 buses and coaches delivered, declining to 1,229 in 2020 (economic impacts related to Covid-19). Reported bus deliveries average around 1,500 per year but the annual total deliveries vary which can significantly impact on the capacity of some businesses to deal with the peaks and troughs.

38.9% of buses delivered between 2008 and 2019 were route buses, 27.5% school buses, 24.9% charter buses and 8.8% long distance and tour buses.

Between 2008-2019, 9.5% of route buses, 65.9% of school buses, 71.5% of charter buses and 63.9% of long distance and tour buses were delivered fitted with seat belts.

Fleet on the Road – Fast Facts

In February 2020, the BIC undertook a significant analysis of the data from the ABS Motor Vehicle Use Survey (2018) and ABS Motor Vehicle Census 2019 census. Through this analysis, the BIC has been able to identify the number and types of buses being utilised by Industry to accurately reflect the current fleet on the road.

The BIC analysis identifies 43,684 'commercial-use' buses operating in the bus and coach industry delivering public transport, school and other government contracted services, tour, charter, long distance and other commercial services.

A buses life cycle often starts as a high patronage urban passenger service and ends with lower patronage services in regional and rural areas. Route and school bus services procured by or operated by state and territory governments operate at service levels that result in very low vehicle kilometres travelled each year. Therefore, the vehicles full life cycle, if maintained to specification, can be up to 25 years.

23% of the Australian bus fleet is 17 years or older and operate with Euro III or less emission standards. The average age of the public transport and school bus fleet should be 12 years with a maximum age of 25 years. It is important that the integrity of the bus frame at 20 years is assured by industry best-practice maintenance regimes.

Distribution of buses is broadly proportional to the population split in the country. Close to three quarters (31,557) of the total number (43,684) represents 72% of 'commercial-use' buses are registered in the eastern states NSW, Vic and Qld.

NSW has the largest fleet with approximately 4,500 more buses than either Qld and Vic.

2 axle buses (41,004) accounted for the bulk (93.9%) of registered buses on Australia's road network. Of these 60% have a GVM of 12 tonne or more.

Emissions and environmental performance of the fleet

Environmental performance of new buses is mandated by the federal government (Euro Emission Standards). In 2018-2019, Euro V comprised 72.70% of deliveries and Euro VI, 20.02%. Euro VI is expected to be mandated in 2027.

Over 90% of the current fleet uses diesel fuel (92.7%).

Public transport emits less than half that of private car by passenger kilometre transported.

Buses emit 2 million tons (or 2%) of enhanced greenhouse gases per annum. This is only 2% of the transport sectors emissions of 97 million tonnes per annum of carbon dioxide equivalent.

Fuel efficiency has improved by 14% since 2010 - an average of 25.4 L/100km travelled for buses built after 2012. This figure varies between 18.4 L/100km for petrol buses, 25.7 L/100km for diesel buses and 24.6 L/100km for LPG/CNG/dual fuel/hybrid and other fuel types.

Bus Operations – Fast Facts

The bus and coach industry in Australia is predominantly based around the provision of school bus and public transport (route) services that are provided under state and territory government contractual arrangements. These contracted services are primarily provided by privately owned international and domestic bus and coach businesses.

The industry also provides services in the special school transport, and emerging markets such as aged care and community transport and health and para-transit markets, that are government contracted or privately contracted.

The industry also provides services in the 'deregulated market' providing charter, tourism, long distance, mining, correctional and other niche transport services that support other industries.

Ownership

More than 40% of all commercial use buses on Australian roads are owned by large operators. The private sector is the predominant player in the large operators group. There are 4 multinationals with a 16% share of 'commercial-use' buses and 18.95% spread across several national private companies.

Government bus fleets make up a fraction (7.6%) of the total number of 'commercial-use' buses on our roads.

Vehicle kilometres travelled

The average annual kilometres travelled by a bus is 24,600.

Contracted route services represent the most intensely utilised vehicles, at 48,900 km per bus per annum followed by charter activity - 23,600 km pa (coach and contracted government bus operators utilise their vehicles outside of contract service arrangements). Dedicated school services averaged 18,000 km per annum per bus.

50% of total vkms was undertaken in capital cities. The remaining 39% of intrastate travel was shared between other urban areas and other (rural/regional) areas and 12% of travel occurred interstate.

The ACT, SA, WA and NSW have the highest proportion of service kilometres dedicated to route services (40-65%). The NT (9%), WA (16%) and Queensland (17%) show a comparatively low proportion of dedicated school services compared with the rest of the group average of 23%.

On a nationwide level, route services accounted for 35% of all vehicle kilometres travelled followed by school (20%), then charter (18%) and tours (3%).

Cost of operations

The average cost for metro/outer bus operators in Australia for 2017 was $4.58 per service kilometre.

At present, 40% of heavy vehicle costs are recovered as state and territory registration fees. Depending on the mass of bus and the number of axles the annual registration charges vary from $513 to $2,674. The remaining 60% of heavy vehicle costs are collected through a road user charge applied to each litre of diesel fuel and collected by the Commonwealth government. The 2018-19 road user charge (RUC) was 25.8 cents per litre and has been frozen for the period 2019-20 and 2020-21. The RUC increased to 26.4 centre per litre on July 2021.The total contribution of all buses over 4.5 tonnes gross vehicle mass in 2016-17 in heavy vehicle charges amount to $173.5 million.

Safety record

The odds of a bus passenger suffering a fatal accident are approximately 1 in 150 million.

Deaths arising from crashes involving a bus account for just 0.018% of all total road transport fatalities in 2008-2017.

Data from BITRE for the period 1989 to 2019 shows around 35% of fatalities involving buses occurring on high-speed roads signposted at 90 km/h or higher, and just 12% on local roads with speed limits 50 km/h or lower. Most fatalities (40%) occur on 60 km/h roads.

Who drives the bus

Drivers make up approximately 80% of the labour force in a bus and coach operation, noting that drivers can often take on other roles in an organisation (eg. cleaning, etc).

Bus and coach drivers are aged 56 years on average, as compared to 40 years for the Australian workforce as a whole.

Bus and coach driving is lower skilled work although almost half (48%) have some form of post-secondary qualification. This compares with a working population average of 56%. Certificate III/IV are the most popular of such qualifications and accounts for 22% of all drivers.

Weekly pay of a bus driver is slightly lower than the national average but likely to vary significantly depending on how much overtime and weekend/public holiday work attracting penalty rates is completed.

14% of the bus driving workforce are female compared to a 46.7% national job average.

Bus Passengers – Fast Facts

In 2015-16 the bus and coach sector nationally accounted for just 5% or 21.6 billion passenger kilometres (pkm) private cars accounted for 64% or 279.1 billion pkm.

Bus and coach nationally represent around 57% of public transport pkm.

Between 1974 and 2016, car passenger kilometres have risen nationally on average 3.0% per annum, compared with 4.7% for bus/coach and 1.5% per annum for rail.

In terms of pkm in Australia's capital cities, buses contribute 4% (7.13 billion pkm) to the capital city passenger transport task, whilst heavy rail contributes 6% (12.14 billion pkm).

In absolute terms urban bus passenger kilometres has risen on average 2.3% per annum between 1976 and 2015. Rail use and the private car have each risen 3.0% on average per annum during the same period.

Amongst the five largest capitals, the average annual growth rate has been highest in Melbourne (4.6%), followed by Brisbane (4.6%), Sydney (1.6%), Adelaide (1.4%) and Perth (1.2%). Brisbane's success has been attributable to the staged opening of their dedicated busway network.

The main non-discretionary trip purpose made by Australians (the journey-to-work) is dominated Australia-wide by car (79%) where the majority of this is by sole occupancy vehicles, as opposed to pooled or shared trips.

Research suggests that there is a statistically significant relationships between household income, trip rates, and the risk of social exclusion, and estimated the value of additional trips for the adult population to be just under $20 per trip, a figure which is estimated to decline with increasing household income levels.

Considering a unit trip value of $18.50 (2016 prices) for regional route bus users and assuming a regional town route cost of $120 per hour, the break-even boarding rate (in terms of user social inclusion benefits) would be 6.5 passengers per service hour.

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