2009 Victorian Bus Industry Survey

Final Report

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Executive Summary

THE PROJECT

This is the Final Report of the 2009 BusVic-Monash Victorian Bus Industry Survey. It is undertaken by the Institute of Transport Studies, Monash University on behalf of the Bus Association Victoria. The objective of the survey is to better understand the scale of Victorian Bus Industry, to estimate the value of its economic impact on Victoria and to canvass member views on current issues.

KEY FINDINGS

The Survey
A self complete questionnaire including a postal and web based sample was undertaken in July/August 2009. The focus was BusVic members with a single return for each member whether it was a single bus operator or a multi-operator group of companies. A validated sample of 225 returns was received representing 48% of membership. This is a very large response rate.

Estimated Industry Size and Impact
Expansion of the sample based on bus fleet size suggests that total industry employment (2008/9) is some 8,000 employees. Total income (2008/9) is estimated at $870M. Some 72% of employees work full time and 81% are bus drivers. An estimated 403,000 charter trips are made p.a. carrying 17.4M passengers p.a. (an average of 43 passengers per charter trip).

Business Conditions
In general business conditions over the last 12 months have been positive with continued positive performance expected over the next 12 months.

Previous 12 Months. Overall the industry reports stable (51%) or improving (37%) income in the previous year. A minority (12%) report decreased income. This is highest in the charter/tour operator group (29%) however 71% of charter tour operators report stable or improved conditions. Some 66% of route operators reported increased income.

In the last 12 months specific aspects of business are considered to have mainly remained stable or improved. Highest increases are reported in gross income (37%), capital investment (34%) staff training (24%) and profitability (21%). Highest decreases were in profitability (32%) and gross income (13%).

By business type large (50+ vehicles) and medium (5-49 vehicles) operators are the most likely to report better/much better performance over the last 12 months (50% and 30% respectively). Two thirds or greater of small (2-4 vehicle) and solo bus operators reported no change. Of those reporting worse conditions 26% were medium and 25% were small operators. A majority of route bus operators reported better or much better conditions (61%). A majority of school and charter/tour operators reported no change however 31% of charter/tour operators reported worse/much worse conditions.

Next 12 Months. The industry as a whole expects the next year to have stable (59%) or increased income (30%). Route bus operators are the most optimistic (46% expect an increase) while charter/tour operators report the highest expected decrease (18%). However again a majority of charter/tour operators expect stable (57%) or increased (25%) income next year.

Over the next 12 months the industry expects all specific aspects of business to remain fairly stable (56% to 88% depending on aspect of business). Highest increases are expected in gross income (36%) capital investment (28%) and profitability (22%). Highest decreases are expected in profitability (20%) and gross income (9%).

Large (58%) and Medium (45%) sized operators report the highest expected increases in performance over the next 12 months. Only a small share expects performance to get worse. This is highest for medium sized operators (11%). Route bus operators have the most optimistic expectations (61% suggest better performance). Again only a small share of operators (of all types) expect performance to get worse. This is highest for charter/tour operators (25%) but again a majority expect stable (31%) or improved performance (44%).

Operators' views on the performance of the national economy are fairly balanced between expectations of improvement and getting worse.

Business Influences
Operators were asked to rate how important a range of issues were for future viability of the industry and their business. Overall the industry considered government funding, fuel price and population growth/decline as the most significant influences. Larger operators and route bus operators agreed but also rated availability of skilled staff and the cost of labour as critical influences. Solo operators and school operators are concerned about fuel price and government funding. Interest rates were also highly rated for tour/charter operators.

BusVic Performance
Operators were asked to rate the performance of BusVic in representing the interests of their business over the last 12 months. Some 94% rated performance as good (47%) or very good (47%). Over 90% of all operators of any size rated performance as good/very good and so did route and school operator types. Some 6% of charter/tour operators rated BusVic performance very poor and 13% poor. But 69% said it was good and 13% very good.

Operators were also asked how BusVic performance had changed in the last 12 months. A high majority (70%) said no change whilst 26% noted improvement. Only 4% noted worse performance. These positive views were shared by operators of all sizes and for route, school and charter operators. Again the more concerned responses were from charter/tour operators (13% noting worse performance) however again a majority noted no change (56%) and 31% reported improvement.

Operator Comments
Operators were given the opportunity to provide direct suggestions regarding ways that BusVic could better represent their interests and also any other general comments on the industry or the survey. These are presented in Appendix A and B.

1 INTRODUCTION

1.1 Introduction

This is the Final Report of the 2009 BusVic-Monash Victorian Bus Industry Survey. It is undertaken by the Institute of Transport Studies, Monash University on behalf of the Bus Association Victoria (BusVic).

1.2 Survey Aims

The objective of the survey is to better understand the scale of Victorian bus industry, the value of its economic impact on Victoria and to canvass member views on current issues.

Questions in the following areas are covered in the survey:

Industry Size and Impact
- Buses operated by business area
- Bus business 2008/9 income by business area
- Employees by type and occupation

Business Conditions
- Changes in bus business income between 2007/8 and 2008/9
- Perceived prospects for bus business income next financial year
- Perceptions of current business conditions
- Perceptions of business conditions changes in the last 12 months
- Perceptions of business conditions changes in the next 12 months

Business Influences
- Perceived importance of factors on future bus business viability

BusVic Performance
- Perceptions of BusVic performance

Bus Charters
- Bus charters – number and ridership

The survey was completed by a sample of Victorian bus operators however an estimate of total bus industry size (employees and vehicles) and the size of its economic impact was made by expanding the sample results to account for those who have not completed the survey.

The survey was undertaken independently of BusVic to ensure commercial confidentiality of responses. No individual members are identifiable in the results.

1.3 Report Structure

The report is structured as follows:

Section 2: **Survey Design and Development** – details the approach to survey development and implementation.
Section 3: **Survey Returns and Validation** – outlines the sample return results from the survey.
Section 4: **Industry Size and Impact** – describes the fleet size, income and employee results and outlines the methodology and results for the expansion of these results to estimate total industry wide values. This chapter also includes an estimate of the scale of charter industry.
Section 5: **Business Conditions** – outlines the results of the business conditions questions.
Section 6: **Business Influences** – outlines the results concerning the perceived factors affecting future bus business viability.
Section 7: **BusVic Performance** – describes the results from the questions regarding the perceived performance of BusVic.

2 SURVEY DESIGN AND DEVELOPMENT

2.1 Introduction

This section details the approach to survey development and implementation.

2.2 General Approach

A self complete questionnaire was developed for completion by Victorian bus operators who were members of BusVic. To make it easier for bus operators to complete the survey two approaches were used to administer questionnaires; a web based survey and a postal survey. Operators could select either of these options according to their preference.

The web based survey was promoted via a broadcast email including a web link sent by BusVic to its membership. The web link enabled access to a survey management system administered by Monash University.

The postal questionnaire was mailed to all BusVic members and included a reply paid envelope. The envelope was to be returned to Monash University by a due date.

Both the web and postal questionnaires had the same.

2.3 Questionnaire

The self complete questionnaire covered questions in the following areas:

Industry Size and Impact
- Buses operated by business area
- Bus business 2008/9 income by business area
- Employees by type and occupation

Business Conditions
- Changes in bus business income between 2007/8 and 2008/9
- Perceived prospects for bus business income next financial year
- Perceptions of current business conditions
- Perceptions of business conditions changes in the last 12 months
- Perceptions of business conditions changes in the next 12 months

Business Influences
- Perceived importance of factors on future bus business viability

BusVic Performance
- Perceptions of BusVic performance

Bus Charters
- Bus charters – number and ridership

An explanatory statement was presented at the beginning of each questionnaire explaining what the questionnaire was about. It also clarified the independent nature of the survey and procedures put in place to protect member confidentiality. The voluntary nature of the survey was also emphasised.

2.4 Industry Structure and Questionnaire Administration

The bus industry has a very diverse membership structure. Almost half of the industry is composed of single bus businesses. A small share of total membership is very large operators or groups running several large businesses with many hundreds of vehicles.

To ensure no overlap in responses, respondents were encouraged to complete only one questionnaire for their business as a whole.

2.5 Pilot Survey

A draft of the questionnaire was developed by Monash University after discussions with BusVic staff. This was reviewed by BusVic and adjustments made. The revised draft questionnaire was made available for web access and pilot testing. Six surveys were completed by selected bus operators who were asked to review and comment on the questionnaire. Suggested adjustments were made for the final survey.

2.6 Ethics

The Monash University Standing Committee on Ethics in Research Involving Humans (SCERH) reviews all research involving human participants at the university. It is a standard requirement of Monash University that all research conducted conforms to the ethical requirements of SCERH. Ethics approval was sought and granted (approval number 2009000894) in June 2009.

2.7 Survey Timing

The sampling for the survey started on 15th July 2009 with the broadcast email sent to BusVic members. The postal questionnaire mail-out followed on 20th July. The deadline for returns was 10th August.

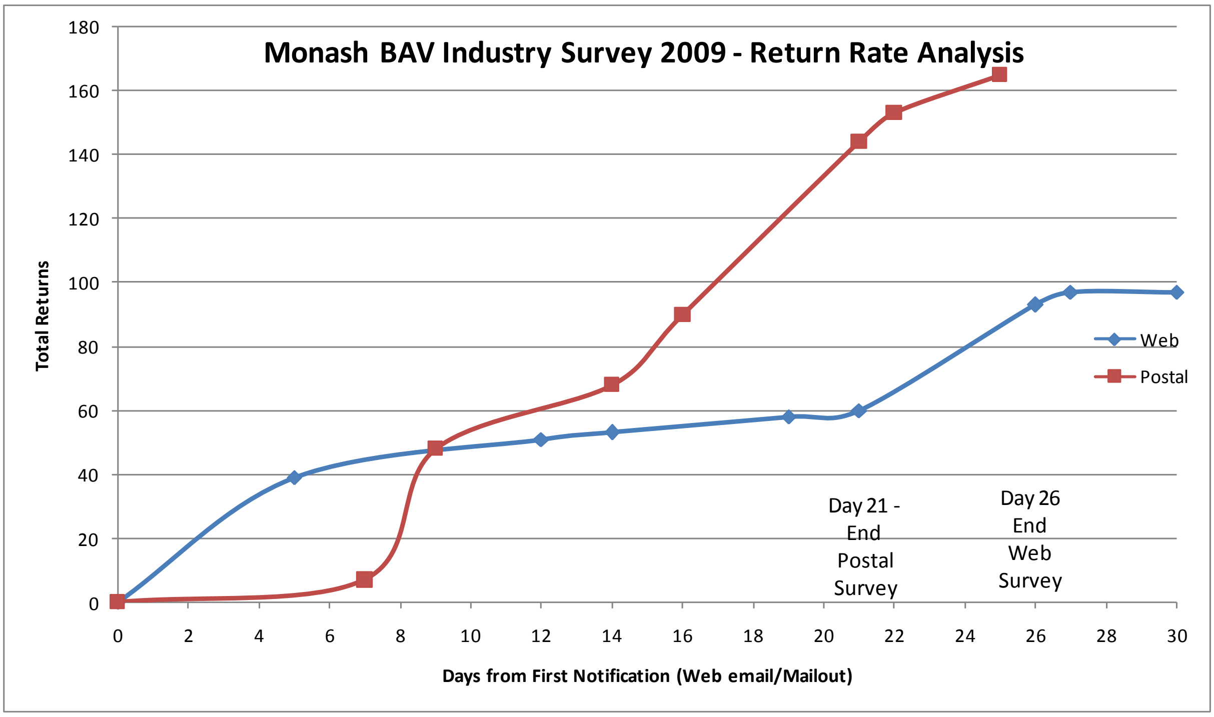
3 SURVEY RETURNS AND VALIDATION

3.1 Introduction

This section outlines the sample return results from the survey.

3.2 Survey response and data checking

A total of 261 responses were collected made up of 165 postal returns and 97 web survey responses. Figure 3.1 shows the response rate across the course of the survey for both postal and web responses. Several returns arrived late notably the postal returns (all were included in the analysis).



Total responses were assessed and reviewed for accuracy. Some 19 were found to be from businesses that had made more than one response for a different part of their business. A major aim of the survey was to assemble responses for all of the industry with large operators being treated in exactly the same way as a single bus operator.

These 19 responses were agglomerated into five multi-operator companies. This was done by summing the number of buses, employees and income and taking the average scores in their component surveys. For two groups, only one component business return included income details. This meant that income data for those groups would not have matched the number of buses they operate. In this case returns were only accepted for component businesses that had income details.

A further 29 responses were excluded either due to extremely incomplete data or because the same operator filled out the survey more than once. Often this was a case of an operator starting the survey online but then choosing to fill out the postal version instead.

This assessment resulted in a tally of 225 valid responses for final analysis.

There are a total of 470 BusVic members (when single bus operators and large group operators are each considered as a single member). This means that the overall response rate for the survey was 48%. <u>This is considered a very good response rate for an industry survey of this kind</u>.

3.3 Data validation

Responses for number of buses, income and number of employees were cross-checked to their respective totals; sometimes operators did not fill out the “total” or the arithmetic total did not match what they filled in. Where possible these totals were adjusted to correct these errors. There were few arithmetic errors on these totals except for the breakdown of employment by main occupation. In many cases the number of employees by occupation did not match the total they provided, or did not match the total given in the question beforehand (e.g. employment by full time/part time/casual).

4 INDUSTRY SIZE AND IMPACT

4.1 Introduction

This section describes the fleet size, income and employee results and outlines the methodology and results for the expansion of these results to estimate total industry wide values. It also includes an analysis of the charter industry.

4.2 Industry by fleet size and primary role

Table 4.1 shows the breakdown of the bus industry by size as well as the breakdown of the survey sample. Around half of operators are single-bus businesses and this is reflected in our sample. The response rate was highest from the larger operators but even the lowest response rate (for small operators) has a respectable 41% response.

Table 4.1: Fleet size – Total Industry Estimate, Sample and Response Rate

Category	Total Industry[1]		2009 Survey Sample		Response rate
	operator/group	buses	operator/group	buses	
Large ***50+ buses***	18 (4%)	3,062	13 (6%)	2,501	72%
Medium ***5 to 49 buses***	93 (20%)	1,380	52 (23%)	906	56%
Small ***2 to 4 buses***	134 (29%)	341	55 (24%)	144	41%
Solo ***1 bus***	243 (52%)	243	105 (47%)	105	43%
TOTAL	470	5,026	225	3,656	48%

Note: [1]Based on BusVic estimate – excludes non BusVic members. These total an additional 40 buses

Operators were further classified into a primary role between route, school or charter/tour. This classification was based on whichever category generated the most income for that operator. Where an operator did not provide income details the classification was made based on the number of buses in each category. Ambiguous cases were judged based on knowledge of the industry.

Table 4.2: Operator size group and primary role group – sample returns

		Primary role (Column %)				
		Route	School	Charter / tour	TOTAL RETURNS	Buses
Operator size (buses)	**Large (50+)**	9 (45%)	4 (2%)	0	13 (6%)	2,501
	Medium (5-49)	10 (50%)	31 (17%)	11 (61%)	52 (23%)	906
	Small (2-4)	1 (5%)	48 (26%)	6 (33%)	55 (24%)	144
	Solo (1)	0	104 (56%)	1 (6%)	105 (47%)	105
	TOTAL	20	187	18	225	3,656

Overall operators who primarily run school bus services dominate the returns. The large bus operators mainly run route services although two were mainly school bus operations. None primarily ran charter or tour services. All other operator size groups were primarily school bus operations. Of the operators who primarily run charter/tour services most were medium sized businesses.

4.3 Estimated industry employment and income

Industry-wide employment and income were estimated by expanding the sample to represent the whole of the industry. Expansion was based on the number of buses in each industry size group for the sample and for the industry as a whole in Table 4.1. The sample in this case only included those who provided employment or income estimates. It is also based on BusVic membership data as non-members represent a very small share of the rest of the industry (about 40 buses or less than one percent of buses in Victoria).

Table 4.3 and Figure 4.1 show industry employment estimates. Because the employment by status was reported more accurately, this value is used in the estimates. Overall the industry is estimated to employ some 8,000 people in 2008/9.

Table 4.3: Estimated industry employment (2008/9)

		Buses in industry	Buses in sample	Expansion factor	Sum of employees in sample	Total Estimated employees in industry[1]
Operator size (buses)	**Large (50+)**	3,062	2,412	1.27	4,008	**5,100**
	Medium (5-49)	1,380	877	1.57	1,315	**2,100**
	Small (2-4)	341	136	2.51	159	**400**
	Solo (1)	243	92	2.64	142	**400**
	TOTAL	5,026	3,517	1.43	5,624	**8,000**

Note: Only 204 operators provided employment details in sample
[1]Rounded to nearest 100

Figure 4.1 : Estimated industry employment by Operator Size (2008/9)

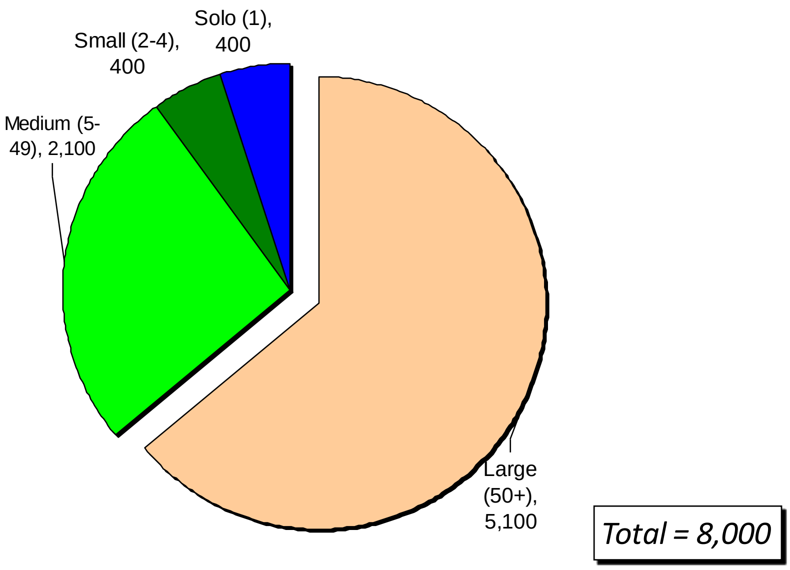


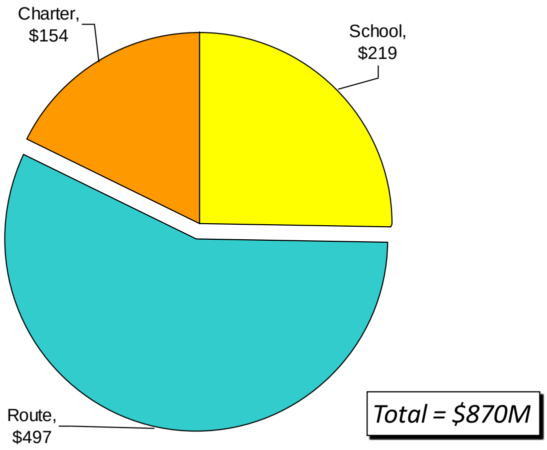
Table 4.4 and Figure 4.2 shows the industry income estimate.

Table 4.4: Estimated industry income – by Operator Role (2008/9)

		Buses in industry	Total Estimated income of industry ($M)
Role	**School**	1,765	**$219**
	Route	1,841	**$497**
	Charter	1,115	**$154**
	TOTAL	4,757	**$870**

Note: This expansion is based on bus operator size because a larger number of operators provided income details by industry size (204) versus by role (174). This total value was then divided into operator role groups based on the expanded sample of role groups. This is based on the proportion of buses in the industry dedicated to each role.

Table 4.2: Estimated industry income – by Operator Role (2008/9)



Overall the industry's estimated income is **$870M** (2008/9).

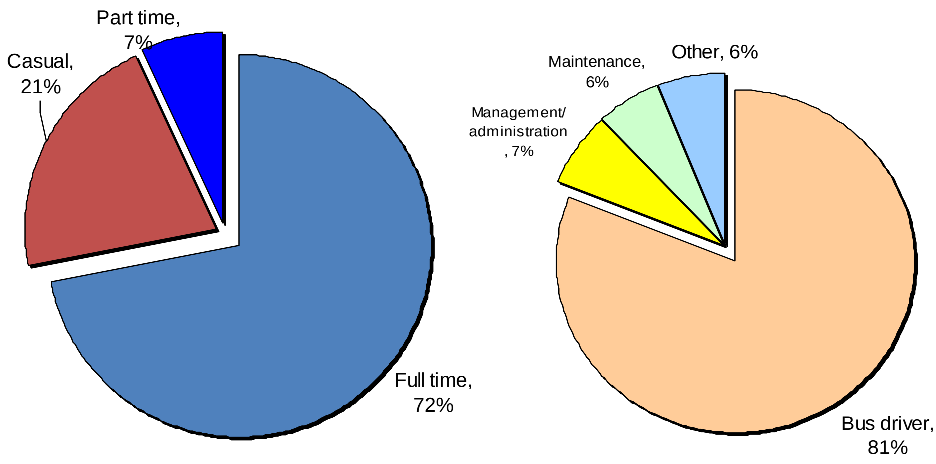
4.4 Nature of Industry Employment

Table 4.5 and Figure 4.3 shows the breakdown of employment in the sample by status (full time, casual or part time) and by role. Note that the total number of employees reported was slightly different across the two questions as some operators had difficulties working out the breakdowns.

Table 4.5: Sampled employment by status and role

	Count in sample	Percentage in sample
	BY STATUS	
Full time	4,065	72%
Casual	1,169	21%
Part time	388	7%
TOTAL	5,624	
	BY ROLE	
Bus driver	4,574	81%
Management / administration	406	7%
Maintenance	354	6%
Other	353	6%
TOTAL	5,678	

Figure 4.3 : Sampled employment by status and role



4.5 Charter industry estimate

Operators were asked to estimate the number of bus charters they undertook in 2008/09 and to estimate passenger boardings for these trips. A limitation of this analysis is that a large proportion of operators left this question blank. Most of these omissions probably mean that the operator did not conduct any charter trips but this cannot be assumed. For this reason, the following analysis (Table 4.6) was only conducted on those who answered the question with a number, a zero, or a notation such as “nil” or “n/a”.

Survey respondents reported a total of 218,000 charter trips in 2008/09 with an estimated ridership of 9.0 million. When expanded to represent the industry as a whole, there were an estimated 403,000 charter trips p.a. and 17.4 million passengers. The average charter trip has 43 passengers.

Table 4.6: Estimated industry charters and charter passengers by primary role

		Buses in industry	Buses in sample	Expansion factor	Sum of charters in sample	**Estimated charters in industry (000)**	Sum of passengers in sample	**Estimated passengers in industry (M)**
Primary Role	school	1,765	2,394	0.74	142,865	**105**	5,463,682	**4.0**
	route	1,841	814	2.26	39,621	**90**	1,964,919	**4.4**
	charter	1,151	195	5.90	35,250	**208**	1,517,998	**9.0**
	TOTAL	5,026	3,403	1.48	217,736	**403**	8,946,599	**17.4**

Note: 164 operators responded to these questions in the sample. Estimates are rounded.

5 BUSINESS CONDITIONS

5.1 Introduction

This section outlines the results of the business conditions questions.

5.2 Business conditions – general results

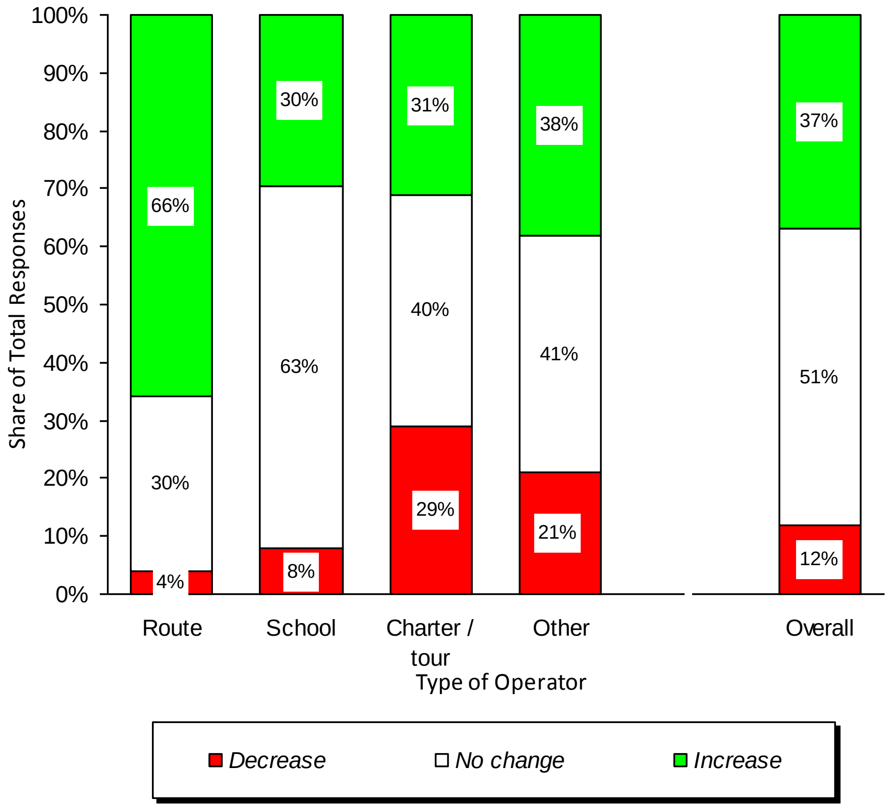
Last 12 Months

Table 5.1 and Figure 5.1 show perceptions of how business income has changed compared to the previous year, broken down by business area.

Table 5.1: Bus business income compared to previous year

	Decreased	No change	Increased
Route	4%	30%	66%
School	8%	63%	30%
Charter / tour	29%	40%	31%
Other	21%	41%	38%
Overall	12%	51%	37%

Figure 5.2: Bus business income compared to previous year



This shows that

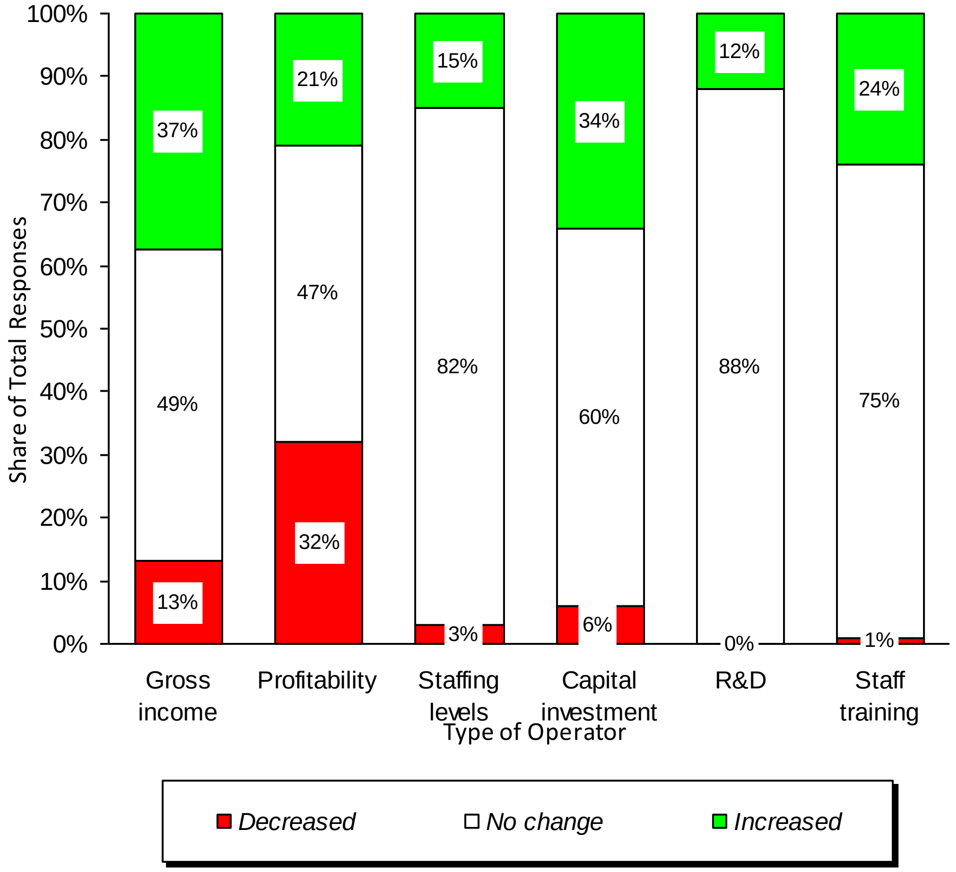
- A majority of route operations have increased income over the last year
- A majority of school services have had a stable income but almost a third reported an increase
- The highest declines in income were from charter / tour services. However a majority of these reported no change or an increase
- Overall conditions are mainly stable or improving.

Table 5.2 and Figure 5.2 show income changes by business aspect.

Table 5.2: Business condition changes in last 12 months – by Business Aspect

Business Aspect	Decreased	No change	Increased	n/a[1]
Gross income	13%	49%	37%	1%
Profitability	32%	47%	21%	1%
Staffing levels	3%	82%	15%	3%
Capital investment	6%	60%	34%	3%
Research & Development	0%	88%	12%	21%
Staff training	1%	75%	24%	9%

Figure 5.2: Business condition changes in last 12 months – by Business Aspect



This shows that

- The majority reported unchanged or increased gross income and profitability in the last 12 months
- Capital investment was also either unchanged or increased
- Staffing levels and staff training were mostly stable with some increases; only 3% cited a decrease in staffing despite a rise in unemployment nation-wide
- Research and development was stable but a significant proportion said that this area did not apply to them at all. This may relate to smaller operators who have less scope for these kinds of activities.

Next 12 Months

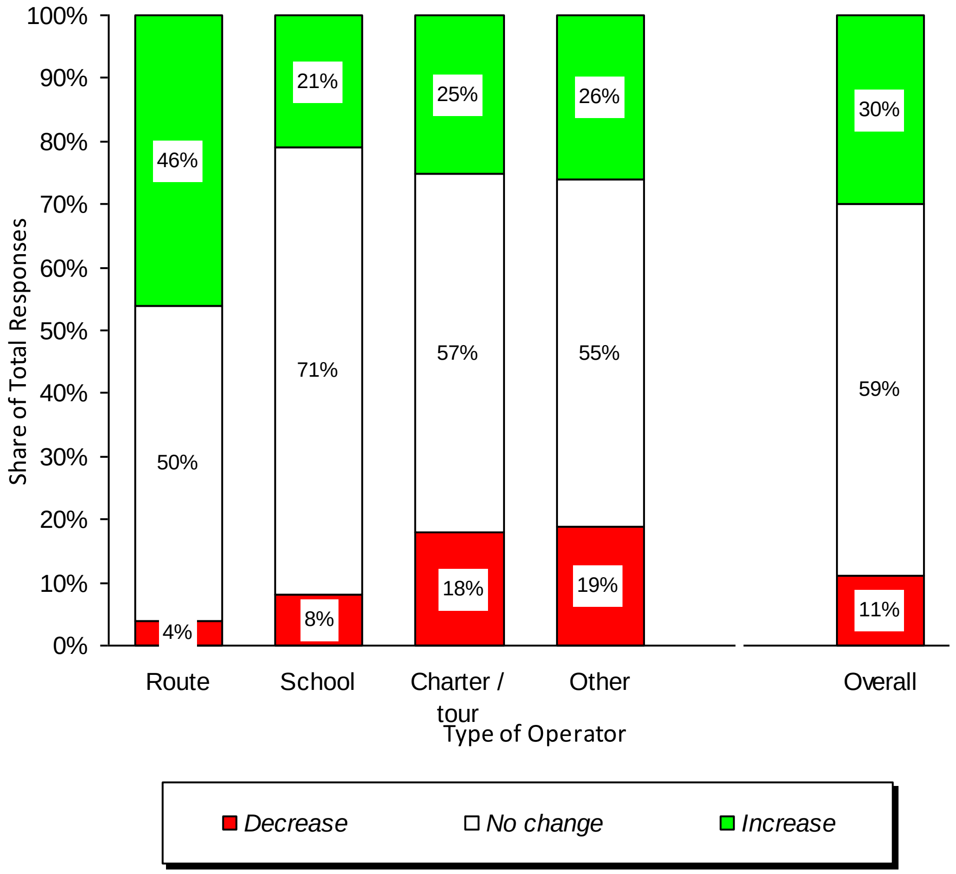
[1] Note: Percentages include the “not applicable” option because these were explicit in the survey. However percentages shown for applicable responses have been adjusted to show total change.

Table 5.3 and Figure 5.3 show estimates of income changes in the next 12 months.

Table 5.3: Estimated change in bus business income for next year

	Decrease	No change	Increase
Route	4%	50%	46%
School	8%	71%	21%
Charter / tour	18%	57%	25%
Other	19%	55%	26%
Overall	11%	59%	30%

Figure 5.3: Estimated change in bus business income for next year



This shows that

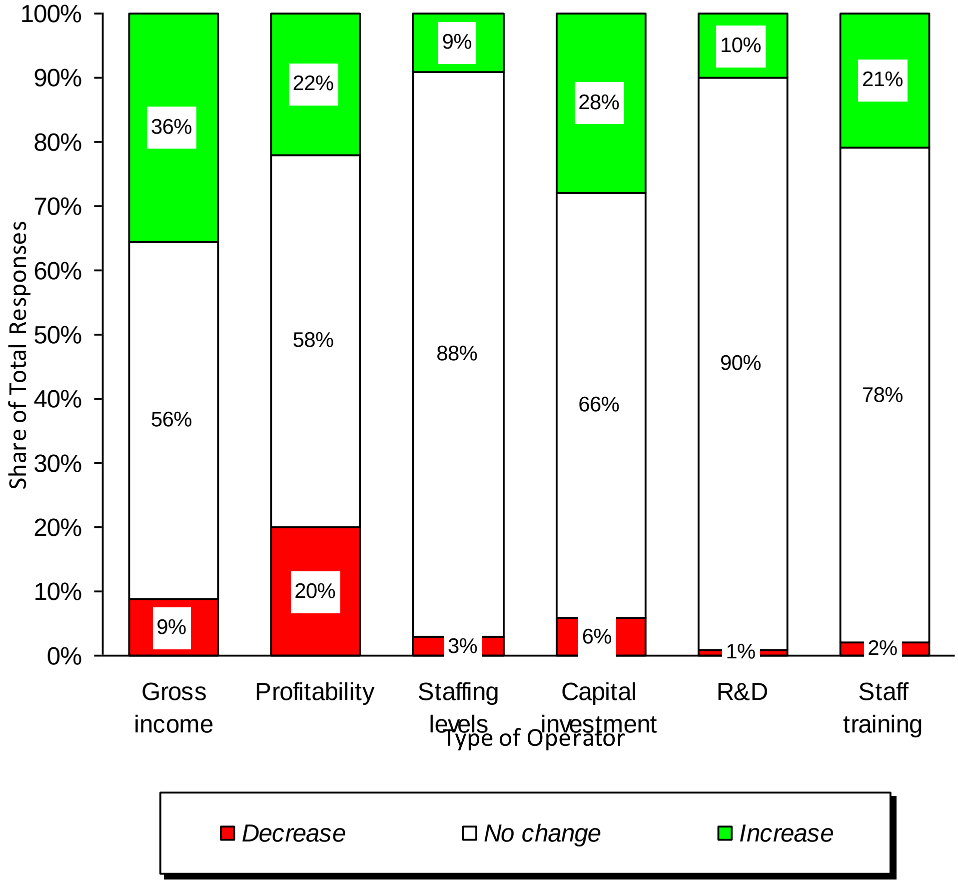
- Overall, operators predicted less change in the future than they saw in the last year
- Predictions of route income are slightly less optimistic than in the past (Table 5.1) however almost half still predicted an increase
- School route conditions are not predicted to change
- Charter / tour operations are the most likely to anticipate a decrease in income next year (however this was still only a minority of predictions)
- Overall forecasts are for mainly stable or improving income.

Table 5.4 and Figure 5.4 show estimates of income changes in the next 12 months by business aspect.

Table 5.4: Expected business condition changes in next 12 months

	Decrease	No change	Increase	n/a[1]
Gross income	9%	56%	36%	0%
Profitability	20%	58%	22%	1%
Staffing levels	3%	88%	9%	4%
Capital investment	6%	66%	28%	3%
Research & Development	1%	90%	10%	20%
Staff training	2%	78%	21%	8%

Figure 5.4: Expected business condition changes in next 12 months



This shows that

- Most anticipate stable or increasing gross income for the next 12 months
- Just under 60% anticipate stable profitability with the rest fairly evenly split between anticipating a decrease or an increase in the next year
- Staffing levels and research & development are expected to remain very stable
- Capital investment and staff training are expected to remain fairly stable although both have a large minority expecting increases.
- Research and development is relatively stable. However a high share consider this to not apply to them. This could be smaller operators who have little interest in this area.

Table 5.5 looks at perceptions of business conditions in the bus industry and national economy. This table shows that

- Most operators thought bus business conditions were unchanged compared to last year. A similar share thought conditions were better or worse
- Most operators think conditions next year will be similar or better than this year

- Predictions of national economic conditions were more ambiguous. There was an even split between predictions of better or worse conditions and a minority thinking things will remain unchanged.

Table 5.5: Business conditions of bus industry and national economy

	Much worse	Worse	No change	Better	Much better
Current condition in bus industry versus 12 months ago	0%	18%	64%	17%	1%
Bus industry to perform over next 12 months	1%	7%	51%	38%	3%
National economy to perform over next 12 months	2%	36%	22%	39%	1%

5.3 Business conditions – disaggregate results

Table 5.6 breaks down perceived business conditions by operator size group and Table 5.7 by operator role group.

Table 5.6: Industry conditions by operator size group

		Worse or much worse	**No change**	**Better or much better**
Operator size	Current bus industry conditions versus 12 months ago			
	Large (50+)	17%	33%	50%
	Medium (5-49)	26%	45%	30%
	Small (2-4)	25%	65%	10%
	Solo (1)	11%	77%	12%
	Bus industry to perform over next 12 months			
	Large (50+)	8%	33%	58%
	Medium (5-49)	11%	45%	45%
	Small (2-4)	8%	49%	43%
	Solo (1)	6%	58%	36%
	National economy to perform over next 12 months			
	Large (50+)	25%	42%	33%
	Medium (5-49)	47%	17%	36%
	Small (2-4)	42%	22%	36%
	Solo (1)	32%	23%	45%

This table shows that

- Large operators are the most likely to say conditions have improved/will improve in the future
- 26% of medium operators believe industry conditions are worse than last year and they are the most likely to think conditions in both the industry and the economy will continue to worsen
- Small operators have a similar outlook to medium operators
- Solo operators report the most stable industry conditions with the majority reporting unchanged conditions; they are also the most optimistic about the national economy.

Table 5.7: Industry conditions by operator role group

		Worse or much worse	**No change**	**Better or much better**
Operator primary role	Current bus industry conditions versus 12 months ago			
	Route	6%	33%	61%
	School	18%	68%	14%
	Charter / tour	31%	56%	13%
	Bus industry to perform over next 12 months			
	Route	0%	39%	61%
	School	7%	55%	39%
	Charter / tour	25%	31%	44%
	National economy to perform over next 12 months			
	Route	28%	28%	45%
	School	37%	21%	42%
	Charter / tour	53%	33%	13%

This table shows that

- The majority of route operators say conditions are better than last year and will continue to improve; they are also fairly optimistic about the economy
- School operators believe conditions are similar to last year and a significant minority think the industry will improve next year
- Charter / tour operators are the most pessimistic with almost a third viewing their conditions as worse than last year and a quarter thinking the industry will worsen next year
- Charter / tour operators are also the most pessimistic about the national economy with over half predicting worse performance.

Tables 5.8 and 5.9 look at perceived changes in specific aspects of business conditions by disaggregate operator group.

Table 5.8: Business condition changes in last 12 months by operator size group

	Decreased	No change	Increased
Gross income			
Large (50+)	0%	0%	100%
Medium (5-49)	13%	27%	60%
Small (2-4)	12%	63%	26%
Solo (1)	16%	59%	25%
Profitability			
Large (50+)	8%	17%	75%
Medium (5-49)	30%	28%	43%
Small (2-4)	37%	49%	14%
Solo (1)	34%	59%	7%
Staffing			
Large (50+)	0%	25%	75%
Medium (5-49)	6%	58%	35%
Small (2-4)	4%	90%	6%
Solo (1)	1%	99%	0%
Capital investment			
Large (50+)	8%	0%	92%
Medium (5-49)	4%	27%	69%
Small (2-4)	6%	82%	12%
Solo (1)	7%	74%	19%
Research & Development			
Large (50+)	0%	55%	45%
Medium (5-49)	0%	72%	28%
Small (2-4)	0%	97%	3%
Solo (1)	0%	98%	2%
Staff Training			
Large (50+)	8%	25%	67%
Medium (5-49)	0%	60%	40%
Small (2-4)	0%	79%	21%
Solo (1)	1%	90%	9%

Table 5.8 shows a clear difference between large/medium operators and small/solo operators

- All large operators and most medium operators had an increase in income last year
- Profitability, staffing, capital investment, research & development and staff training increased or remained stable for most large and medium operators
- Income remained stable or increased for small and solo operators whereas profitability remained stable or decreased
- Staffing levels, capital investment, research & development and staff training remained stable for the majority of small and solo operators.

Table 5.9 also shows a clear difference between large/medium operators and small/solo operators for the next 12 months

- All large operators and half medium operators anticipate an increase in income next year
- Profitability, staffing, capital investment, research & development and staff training are anticipated to increase or remain stable for most large and medium operators
- Income is expected to remain stable or increase for small and solo operators whereas profitability expectations are more diverse
- Staffing levels, capital investment, research & development and staff training are expected to remain stable for the majority of small and solo operators.

Table 5.9: Anticipated changes in next 12 months by operator size group

	Decrease	No change	Increase
Gross income			
Large (50+)	0%	17%	83%
Medium (5-49)	10%	40%	50%
Small (2-4)	6%	67%	27%
Solo (1)	10%	62%	28%
Profitability			
Large (50+)	17%	17%	67%
Medium (5-49)	19%	50%	31%
Small (2-4)	24%	57%	20%
Solo (1)	19%	67%	14%
Staffing			
Large (50+)	0%	50%	50%
Medium (5-49)	6%	69%	25%
Small (2-4)	2%	98%	0%
Solo (1)	1%	99%	0%
Capital investment			
Large (50+)	8%	25%	67%
Medium (5-49)	2%	45%	53%
Small (2-4)	6%	78%	16%
Solo (1)	8%	77%	15%
Research & Development			
Large (50+)	0%	55%	45%
Medium (5-49)	0%	79%	21%
Small (2-4)	0%	97%	3%
Solo (1)	2%	97%	2%
Staff Training			
Large (50+)	8%	25%	67%
Medium (5-49)	0%	66%	34%
Small (2-4)	0%	84%	16%
Solo (1)	3%	90%	7%

Table 5.10 shows changes in conditions in the last 12 months by operator role group. This shows that

- Route operators have seen increases in gross income, profitability, staffing, capital investment and staff training though research & development has for the most part remained stable
- School operators have seen some increases in income and some decreases in profitability; other aspects of business conditions have remained fairly stable
- Charter / tour operators have seen increases in income but a range of increase and decrease in profitability; they have increased capital investment but they have not increased staffing as much as route operators.

Table 5.10: Business condition changes in last 12 months by operator role group

	Decreased	No change	Increased
Gross income			
Route	0%	6%	94%
School	15%	57%	28%
Charter / Tour	7%	14%	79%
Profitability			
Route	6%	22%	72%
School	35%	51%	14%
Charter / Tour	29%	29%	43%
Staffing			
Route	6%	22%	72%
School	2%	91%	8%
Charter / Tour	14%	60%	27%
Capital investment			
Route	6%	17%	78%
School	7%	67%	26%
Charter / Tour	0%	33%	67%
Research & Development			
Route	0%	67%	33%
School	0%	92%	8%
Charter / Tour	0%	82%	18%
Staff Training			
Route	0%	33%	67%
School	1%	80%	19%
Charter / Tour	0%	79%	21%

Table 5.11 shows the anticipated changes in conditions by operator role group. This table shows that

- Route operators anticipate an increases in gross income, profitability, staffing, capital investment and staff training
- Some school operators expect an increase in income and capital investment whereas some expect decreases in profitability; other aspects of business conditions will remain stable
- Charter / tour operators expect stable or increasing income but profitability forecasts are more varied; other aspects of business conditions will remain stable.

Table 5.11: Anticipated changes in next 12 months by operator role group

	Decrease	**No change**	**Increase**
Gross income			
Route	6%	17%	78%
School	9%	61%	30%
Charter / Tour	6%	44%	50%
Profitability			
Route	6%	17%	78%
School	21%	63%	16%
Charter / Tour	25%	50%	25%
Staffing			
Route	0%	39%	61%
School	3%	94%	3%
Charter / Tour	6%	81%	13%
Capital investment			
Route	0%	33%	67%
School	7%	69%	24%
Charter / Tour	0%	73%	27%
Research & Development			
Route	0%	67%	33%
School	1%	92%	7%
Charter / Tour	0%	91%	9%
Staff Training			
Route	0%	34%	61%
School	2%	82%	16%
Charter / Tour	0%	80%	20%

6 BUSINESS INFLUENCES

6.1 Introduction

This section outlines the results concerns the perceived factors affecting future bus business viability.

6.2 Issues influencing the bus industry – general results

Operators were asked to rate how important a range of issues were to the future viability of their business. They rated these issues on a 1 to 5 scale where 1 meant "very unimportant" and 5 meant "very important. Table 6.1 show the average scores sorted by importance.

Table 6.1: Bus Industry Viability Influence Factors – Average Score

	Average score	Group
Government funding for services	4.5	Policy
Price of fuel	4.5	Economic
Population growth/decline	4.4	Economic
State Government transport policy	4.4	Policy
Compliance with regulations	4.3	Policy
BusVic advocacy	4.3	Policy
Interest rate	4.1	Economic
Availability of capital funding	4.1	Economic
Availability of skilled staff	4.0	HR
Cost of labour	4.0	HR
Access to colleagues, meetings & advice	4.0	HR
Unusual natural events	3.9	Environmental
Global/national economic performance	3.8	Economic
Access to training/education	3.8	HR
Management succession planning	3.7	HR
Industrial relations environment	3.7	HR
Ageing workforce	3.7	HR
Australian dollar exchange rate	3.6	Economic
Broadband internet access	3.5	Policy
Climate change	3.4	Environmental
Availability of unskilled/semi-skilled staff	3.3	HR

This table shows that

- Government policy and economic factors were very important issues for the bus industry
- The price of fuel and population growth/decline were also principal concerns
- BusVic advocacy rated in the top third of important issues with an average score between "important" and "very important"
- Broadband, climate change and availability of unskilled staff were of least concern on average.

6.3 Issues influencing the bus industry – disaggregate results

Tables 6.2 shows the importance ratings for a range of industry influences broken down by operator size group. Table 6.3 shows the top 5 rated issues for each operator size group.

Table 6.2: Industry influences by operator size group

	Operator size			
	Large (50+)	Medium (5-49)	Small (2-4)	Solo (1)
Government funding for services	4.8	4.6	4.5	4.4
Price of fuel	4.0	4.4	4.5	4.6
Population growth/decline	4.4	4.3	4.6	4.3
State Government transport policy	4.6	4.4	4.5	4.3
Compliance with regulations	4.2	4.5	4.5	4.2
BusVic advocacy	3.9	4.4	4.4	4.2
Interest rate	3.9	4.1	4.2	3.9
Availability of capital funding	4.1	4.3	4.2	4.0
Availability of skilled staff	4.4	4.4	3.9	3.8
Cost of labour	4.4	4.1	4.2	3.8
Access to colleagues, meetings & advice	3.9	4.1	4.0	3.9
Unusual natural events	3.6	3.9	3.9	4.0
Global/national economic performance	3.8	3.9	3.9	3.8
Access to training/education	3.8	3.9	3.8	3.7
Management succession planning	3.8	4.0	3.6	3.5
Industrial relations environment	4.1	3.9	3.8	3.5
Ageing workforce	3.9	4.0	3.6	3.5
Australian dollar exchange rate	3.6	3.7	3.6	3.5
Broadband internet access	3.6	3.6	3.5	3.4
Climate change	3.5	3.7	3.4	3.3
Availability of unskilled/semi-skilled staff	3.9	3.6	3.4	3.1

This table shows that

- For large operators the most important influences (in order) are government funding and policy, population growth/decline, availability of skilled staff and cost of labour
- For medium operators the most important influences are government funding, regulatory compliance, price of fuel, government policy, BusVic advocacy and availability of skilled staff
- For small operators the most important influences are population growth/decline, government funding and policy, price of fuel, compliance and BusVic advocacy
- For solo operators the most important influences are price of fuel and government funding; overall they do not rate most influences as important as their peers suggesting they are less influenced by external conditions that their peers

Table 6.2: Top 5 Industry influences by operator size group

Operator size			
Large (50+)	**Medium (5-49)**	**Small (2-4)**	**Solo (1)**
Government funding for services (4.8)	Government funding for services (4.6)	Population growth/decline (4.6)	Price of fuel (4.6)
State Government transport policy (4.6)	Compliance with regulations (4.5)	Government funding for services (4.5)	Government funding for services (4.4)
Population growth/decline (4.4)	Price of fuel (4.4)	Price of fuel (4.5)	Population growth/decline (4.3)
Availability of skilled staff (4.4)	State Government transport policy (4.4)	State Government transport policy (4.5)	State Government transport policy (4.3)
Cost of labour (4.4)	BusVic advocacy (4.4)	Compliance with regulations (4.5)	Compliance with regulations (4.2)
	Availability of skilled staff (4.4)		BusVic advocacy (4.2)

Tables 6.3 show the importance ratings for a range of industry influences broken down by operator role group. Table 6.4 shows the top 5 rated issues for each operator size group.

Table 6.3 : Industry influences by operator role group

	Operator role		
	Route	School	Charter / Tour
Government funding for services	4.8	4.5	4.1
Price of fuel	4.1	4.5	4.3
Population growth/decline	4.2	4.4	4.2
State Government transport policy	4.7	4.4	4.1
Compliance with regulations	4.3	4.4	4.2
BusVic advocacy	4.1	4.3	4.0
Interest rate	3.7	4.1	4.3
Availability of capital funding	4.1	4.1	4.0
Availability of skilled staff	4.4	3.9	4.2
Cost of labour	4.3	4.0	3.9
Access to colleagues, meetings & advice	4.0	4.0	4.0
Unusual natural events	3.5	4.0	3.9
Global/national economic performance	3.9	3.8	3.7
Access to training/education	3.9	3.8	3.8
Management succession planning	3.9	3.6	4.0
Industrial relations environment	4.0	3.7	4.1
Ageing workforce	3.9	3.6	4.0
Australian dollar exchange rate	3.5	3.5	3.9
Broadband internet access	3.8	3.4	3.9
Climate change	3.4	3.4	3.8
Availability of unskilled/semi-skilled staff	3.6	3.3	3.7

Table 6.3 shows that

- For route operators the most important influences are government funding, government policy and the availability of skilled staff
- For school operators the most important influences are government funding, price of fuel, population growth/decline, government policy and compliance
- For charter/tour operators the most important influences are price of fuel and interest rate; overall their importance ratings are lower than their peers

Table 6.4: Top 5 Industry influences by operator role group

Operator role		
Route	**School**	**Charter / Tour**
Government funding for services (4.8)	Government funding for services (4.5)	Price of fuel (4.3)
State Government transport policy (4.7)	Price of fuel (4.5)	Interest rate (4.3)
Availability of skilled staff (4.4)	Population growth/decline (4.4)	Population growth/decline (4.2)
Compliance with regulations (4.3)	State Government transport policy (4.4)	Compliance with regulations (4.2)
Cost of labour (4.3)	Compliance with regulations (4.4)	Availability of skilled staff (4.2)

7 BUSVIC PERFORMANCE

7.1 Introduction

This section describes the results from the questions regarding the perceived performance of BusVic.

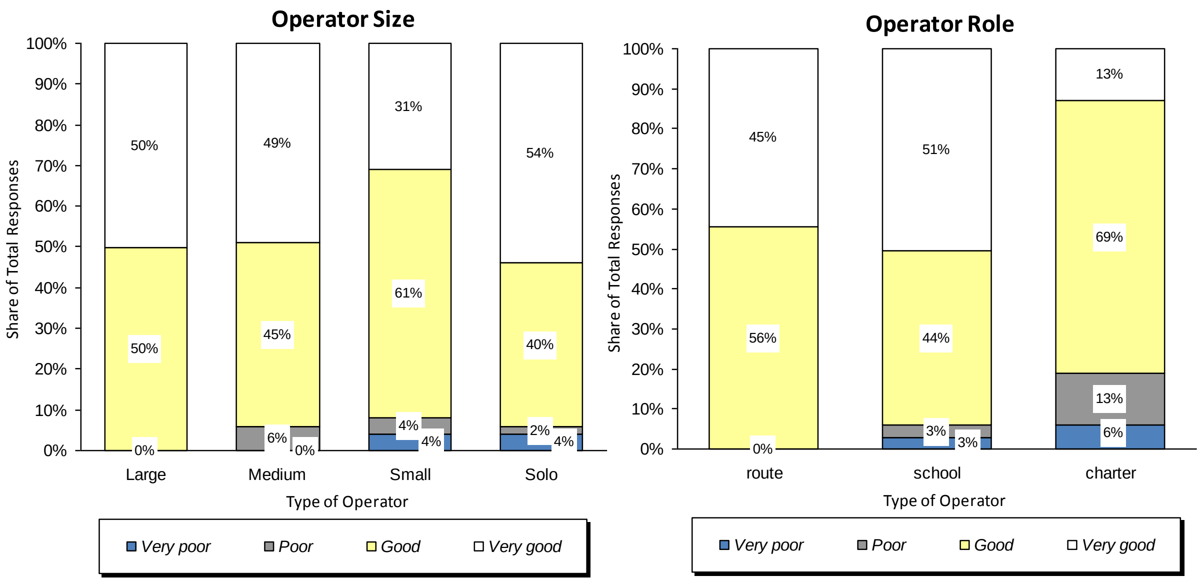
7.2 Ratings of BusVic Performance

Table 7.1 and Figure 7.1 show responses to the question, "How do you feel BusVic has been acting to represent the interests of your bus business over the last 12 months?"

Table 7.1: BusVic performance over last 12 months

	Total	Operator Size				Primary Role		
		Large	Medium	Small	Solo	route	school	charter
Very poor	3%	0%	0%	4%	4%	0%	3%	6%
Poor	3%	0%	6%	4%	2%	0%	3%	13%
Good	47%	50%	45%	61%	40%	56%	44%	69%
Very good	47%	50%	49%	31%	54%	45%	51%	13%

Figure 7.2: BusVic performance over last 12 months



This shows that

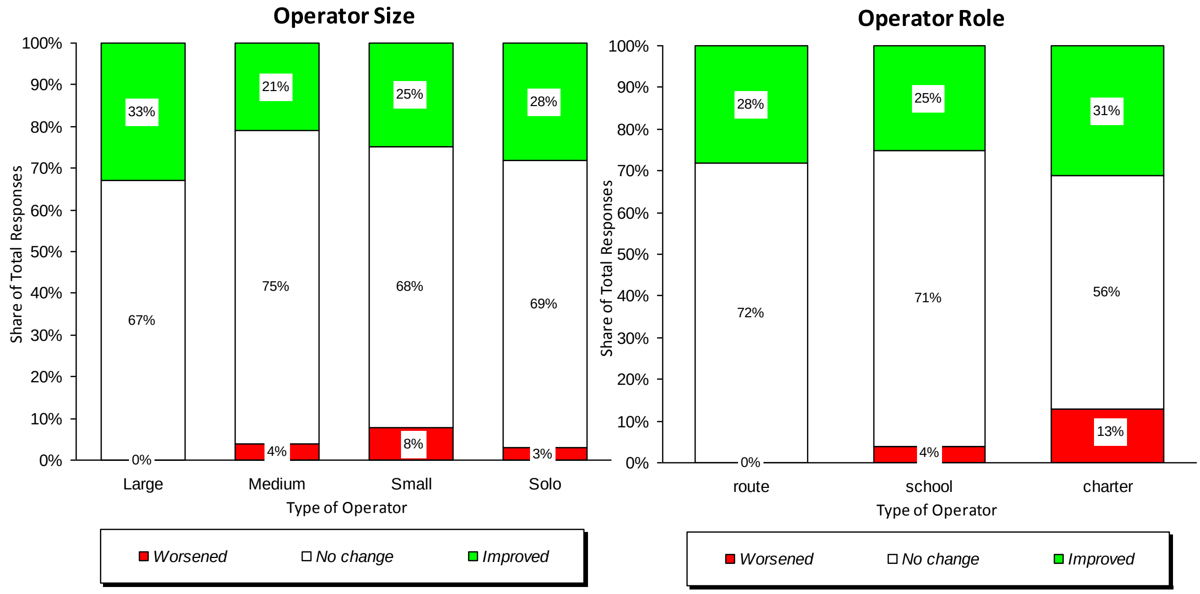
- Overall the high majority of ratings are evenly split between "good" and "very good"
- A high majority of all operator size groups and primary role groups rated performance as "good" and "very good"
- 'Poor' and 'very poor' ratings were identified for a small minority. Of these charter/tour operators were the highest with 19% rated BusVic as either "very poor" or "poor". However for even this group 69% rated BusVic as 'good'.

Table 7.2 and Figure 7.2 show responses to the question, "Has this rating changed compared with their performance over the previous 12 months?"

Table 7.3: BusVic performance compared to previous 12 months

	Total	Operator Size				Primary Role		
		Large	Medium	Small	Solo	route	school	charter
Worsened	4%	0%	4%	8%	3%	0%	4%	13%
No change	70%	67%	75%	68%	69%	72%	71%	56%
Improved	26%	33%	21%	25%	28%	28%	25%	31%

Figure 7.4: BusVic performance compared to previous 12 months



A large majority feel that BusVic is performing the same this year as it did last year. However just over a quarter thought performance had improved. A higher share of large and charter operators thought BusVic performance had improved.