Secure stable funding and investment schemes

Diversified revenue, stable funding, enhanced efficiency and increased patronage are the four pillars supporting the financial robustness of the sector and helping reduce dependency on subsidies.

The demand for public transport has been growing and will continue to do so in most parts of the world due to urbanisation, energy prices or environmental concerns. Moreover, expectations from public transport are growing in qualitative terms as well (lifestyle, etc.)

This requires a drastic increase of capacity (notably to ease bottlenecks at peak time) but also additional resources to train staff, to develop innovations and to widen services portfolios to name a few. Securing more resources, on a structural basis, is essential to further develop and improve public transport and to sustain services in the long run.

However, an increased pressure on public budgets has resulted in underinvestment in public transport fleets and infrastructures for many decades. Excessive dependency on the public purse can therefore thwart the growth efforts of the sector.

Alternative funding streams and private investments are increasingly recognised as indispensable funding sources, but the recent financial crisis could jeopardise this contribution from private investors. A more commercial approach to service delivery and pricing (without compromising social policy objectives) will help reach a better cost coverage ratio and raise the financial attractiveness of the sector.

The ambitious aim of doubling public transport market share worldwide by 2025 reinforces this call for investment in public transport.

Call for action

> Use latest available methods to demonstrate value for money of investment in public transport and communicate towards all stakeholders, including private investors, to position the public transport sector as strong and stable with good long-term prospects for investment.

> Support the development of the right policy frameworks to ease the access to funding, notably adequate fiscal rules and accounting standards.

> Develop new income sources from diversified transport services as well as traditional activities.

> Invest in new technologies that add value to service and/or cut costs.

> Urge governments to learn from the current financial / economic crisis to accelerate the shift towards more sustainable production and consumption patterns (“Green New Deal”) and give incentives to the development and use of sustainable modes.

> Improve the life-cycle cost of products.

> Be prepared to get involved in Public-Private partnerships initiatives.

2025=PTx2

Dubai (UAE)

Due to the rapid growth in the population and in built-up areas, mobility demand is expected to quadruple by 2020, to 22 million daily passenger trips. The challenge of providing “safe and smooth transport for all” in this context was taken up by the creation of an integrated transport authority (RTA) which set out to **increase the modal share of public transport from 6% currently to about 30% by 2020**. Ambitious public transport development plans include four metro lines (318km), seven tramway lines (270km), 90 new bus routes (2,500km), and five new waterways (210km), for a total investment of about USD10bn.

2025=PTx2

New Zealand

The government has bold plans to promote sustainable transport within the country. Public transport ridership has already increased by almost 50% since 1999/2000 and patronage has approximately doubled in the country’s second largest urban area, Christchurch, since 1998. However, due to the dispersed nature of the population, the annual number of boardings per capita is currently only around 28. The New Zealand Transport Strategy 2008 plans to more than **quadruple this figure** to 117 boardings per capita per year. This is possible if the projected growth rate of public transport in Wellington to 2016 continues to 2040, and secondly if Auckland and Canterbury achieve the same per capita level of use as Wellington in 2040.