

Department of Transport and Planning
1 Spring Street, Melbourne, Victoria 3000

1 September 2023

To whom it may concern,

REF: Zero Emission Bus Transition consultation paper

Thank you for the opportunity to contribute to the Victorian Government's plan to transition Victoria's bus fleet to zero emission buses (ZEBs). Committee for Melbourne (the Committee) welcomes the government's consultation paper and its commitment to decarbonising the state's bus fleet.

The Committee is an apolitical, not-for-profit, member-based organisation that brings together over 140 organisations from Melbourne's business, academic and civic sectors whose common purpose is to shape a better future for Melbourne. As an independent organisation, we represent no single interest group or political position but seek to develop innovative ideas to continue to enhance Melbourne's position as an economically prosperous and highly liveable global city.

Our [Benchmarking Melbourne 2023](#) report provides data-based insights into various aspects of Melbourne's liveability, connectivity and the economy. This report revealed a 'tale of two cities,' highlighting the high-performing city centre's superior public transport compared to the wider metropolis. These insights prompted our recent work on metropolitan bus reform, with the release of our [Course Correction – Reforming Melbourne's buses](#) report.

Course Correction outlines that Melbourne needs a network of direct, efficient, reliable and eco-friendly bus services to address the intertwined challenges of liveability, equity and sustainability. The report provides a vision for a reformed bus network and makes six key recommendations as part of a package of comprehensive reforms. Those key recommendations are to: 1. Develop a compelling public narrative; 2. Deliver 10-minute services on key routes; 3. Have a reform plan prior to recontracting; 4. Embed incentives into bus contracts; 5. Re-invest any savings into the bus network; and 6. Create coalitions of support. The report demonstrates that comprehensive bus reform aimed at encouraging more Victorians to travel by bus will yield substantial benefits, including:

- Taking 100 million private vehicle trips annually off Melbourne's road network by 2030.
- Saving up to 870,000 tonnes of carbon dioxide equivalent by 2030 with bus fleet electrification and **mode share between 1.6% and 4%**.

Whilst *Course Correction* does not focus specifically on how to transition the bus fleet to ZEBs, it does demonstrate that transitioning the fleet should form part of a comprehensive reform package to take cars off the road and increase bus mode share, to achieve a meaningful reduction in Victoria's transport emissions. The consultation paper recognises that "the transition of approximately 4,500 diesel buses to ZEBs from 2025 **will contribute** to the Victorian Government's goal to achieve net zero emissions by 2045." The Committee supports the transition of the fleet to ZEBs and submits its *Course Correction* report to underline the concurrent package of measures that will be needed to achieve meaningful emissions reductions. In addition, the Committee would like to specifically address three criteria listed in chapter five of the consultation paper.

1. Support workforce transition – training and skills

For bus operators and the wider industry to enhance the skills of their workforce and attract new talent, collaboration with government and training providers is crucial. This collaboration could involve creating specialised courses, including accredited micro-credential qualifications that focus on specific skills.

Micro-credential qualifications are small qualifications that validate skill, knowledge or expertise in a specific area. Unlike broader qualifications such as diplomas or degrees, micro-credentials offer targeted skills and knowledge. They benefit employers by keeping their workforce updated and allowing them to monitor employee growth. For workers, they speed up professional development without committing to lengthy degree programs.

The development of micro-credentials, which complement the existing educational framework, will be vital for enhancing current workers' skills and facilitating smooth transitions in the job market. The bus industry can advocate for the Victorian Government's support in crafting suitable micro-credential courses through universities and vocational education and training institutions. Recognising (through accreditation) and financially backing these courses through subsidies or loan schemes could help ensure uptake and a continuous supply of skilled workers.

2. Depot master planning

The Committee recognises that depots and supporting infrastructure are critical to a successful ZEB transition, and that a range of different requirements and characteristics will need to be considered as part of the process.

In *Course Correction*, a case study on Greater Manchester's bus reform is featured. It highlights the decision by the Greater Manchester Combined Authority (GMCA) to bring buses back under control through franchising. Part of its reasoning was the need to increase patronage but also to help successfully decarbonise the bus fleet.

Acquiring depots from existing contractors was complex. However, GMCA's depot strategy represented the best outcome for all parties by reducing the likelihood of existing operators having stranded assets and minimising the transition risk from significant reorganisation of people, routes and assets.

One of the key learnings for Melbourne from Greater Manchester's experience is that government support is crucial in managing the risk associated with upgrading depots and transitioning to a decarbonised fleet.

3. Other opportunities to explore

The Committee recognises that state government investment in ZEBs is important, with the potential saving of up to 870,000 tonnes of carbon dioxide equivalent in 2030 with bus fleet electrification and mode share between 1.6% and 4%.ⁱ However, Melbourne's bus system is underperforming, comprising only 1.62% of total trips in the city and expected to decrease to 1.36% by 2030 if no changes are made.ⁱⁱ Bus patronage needs to rise to decrease the number of polluting car trips and fully capitalise on the ZEB investment's environmental advantages.

Low ridership is due to various factors like lengthy journey times, infrequent services, poor integration with trains and trams, as well as concerns with reliability, accessibility and safety. If these issues persist while transitioning to ZEBs, Melbourne's bus system could remain substandard, further entrenching car dependency.

Reforming the bus system into a network of frequent, direct and reliable bus services is essential to boost patronage. With the Victorian Government set to recontract 30% of the metropolitan bus system, effective from July 2025, bus operators should bid for contracts in alignment with a reformed bus network plan that emphasises customer convenience. Reform should also extend to the entire system. The Department of Transport and Planning (DTP) could define its desired network for each region in Melbourne and work with current operators to align changes with its vision.

The Committee thanks DTP for providing the opportunity to offer feedback on its discussion paper and wishes it well as it seeks to transition Victoria's bus fleet to ZEBs. For further information, contact Senior Policy and Advocacy Officer, Brett Van Duppen, at bvanduppen@melbourne.org.au

Yours sincerely,



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ⁱ Committee for Melbourne, *Course Correction – Reforming Melbourne's buses*, 2023, p. 22.

ⁱⁱ Committee for Melbourne, *Course Correction – Reforming Melbourne's buses*, 2023, p. 9.