

19 September 2022

[REDACTED]
Legislative Assembly
Committee on Transport and Infrastructure
Parliament House
Macquarie Street
Sydney, NSW 2000

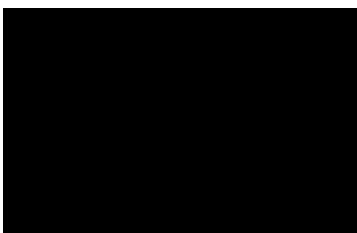
RE: Emission free modes of public transport

Dear [REDACTED]

In response to your supplementary question, we have pleasure in submitting our response on the following pages.

If you have any further questions, please don't hesitate to contact myself.

Yours sincerely



Scott Dunn
Managing Director

QUESTION

1. What can the NSW Government do to ensure that local manufacturers are involved in all stages of the bus manufacturing supply chain?

RESPONSE

We believe that it is essential that NSW Government ensures that all the complete bus including the chassis and body is built in NSW to ensure the maximum amount of local content. This should be achieved by awarding a 3 to 5-year contract for the delivery of buses which would offer best value for the NSW Government.

The diagram in figure 1 shows the amount of current local content in relation to the body and chassis.

Bus 'A' shows the Custom Denning Element Bus which is the only bus that is fully designed and 100% built in Australia.

Bus 'B' shows the other Australian body builders (Volgren, Bustech and Express) who currently build a body on an imported chassis either from Europe or China. In this build model the chassis representing around 60% of the costs and around 40% allocated to the body, therefore most of the build is still overseas and not contributing to local manufacturing. The other issue is that all the IP around electric bus technology remains with the chassis builders and Australia doesn't advance their current learning beyond building bus bodies. Custom Denning would welcome working with other local body builders by providing electric bus chassis to ensure all buses remain 100% Australian made.

Bus 'C' represents imported buses from either China (Yutong & BCI) or China/Malaysia (Nexport). Whilst they may state there is local content this is minimal with around 5% local content. Currently most buses operating in Sydney were purchased under this model through Nexport.

The benefits of local manufacturing with constant stable demand have been discussed previously however as a summary this includes,

- Ability to employ, upskill and create advanced manufacturing/high voltage vehicle manufacturing expertise
- Ability to use this expertise to develop other types of transport and vertically integrate supply chain into local battery manufacturing
- Long term consistent demand will foster investment in local supply chain and development of purpose-built manufacturing facility in Western Sydney
- Long term consistent demand drive efficiency, thus offering better value to the NSW Government. The efficiency then enables businesses to compete internationally the global electric bus market.

It is in the power of The NSW Government to support local manufacturing thus revitalising vehicle manufacturing in Australia.

Figure 1 - Build Content

