



National Competition Policy analysis 2025

Bus Industry Submission

May 2025



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The Bus Industry Confederation

The Bus Industry Confederation (BIC) is the national peak body for the Australian Bus and Coach Industry. We represent over 150 bus and coach operators, body, chassis and complete bus manufacturers and suppliers, parts and service providers, professional services, and state bus associations on issues of national importance.

Our membership is becoming increasingly diverse as key energy and infrastructure partners join as we transition the fleet to low and zero emissions. The BIC advocates on behalf of our members to federal, state and territory governments and associated bodies, to ensure the safe and efficient carriage of passengers, along with safe and sustainable operations and supply chains that support the industry.

About Buses

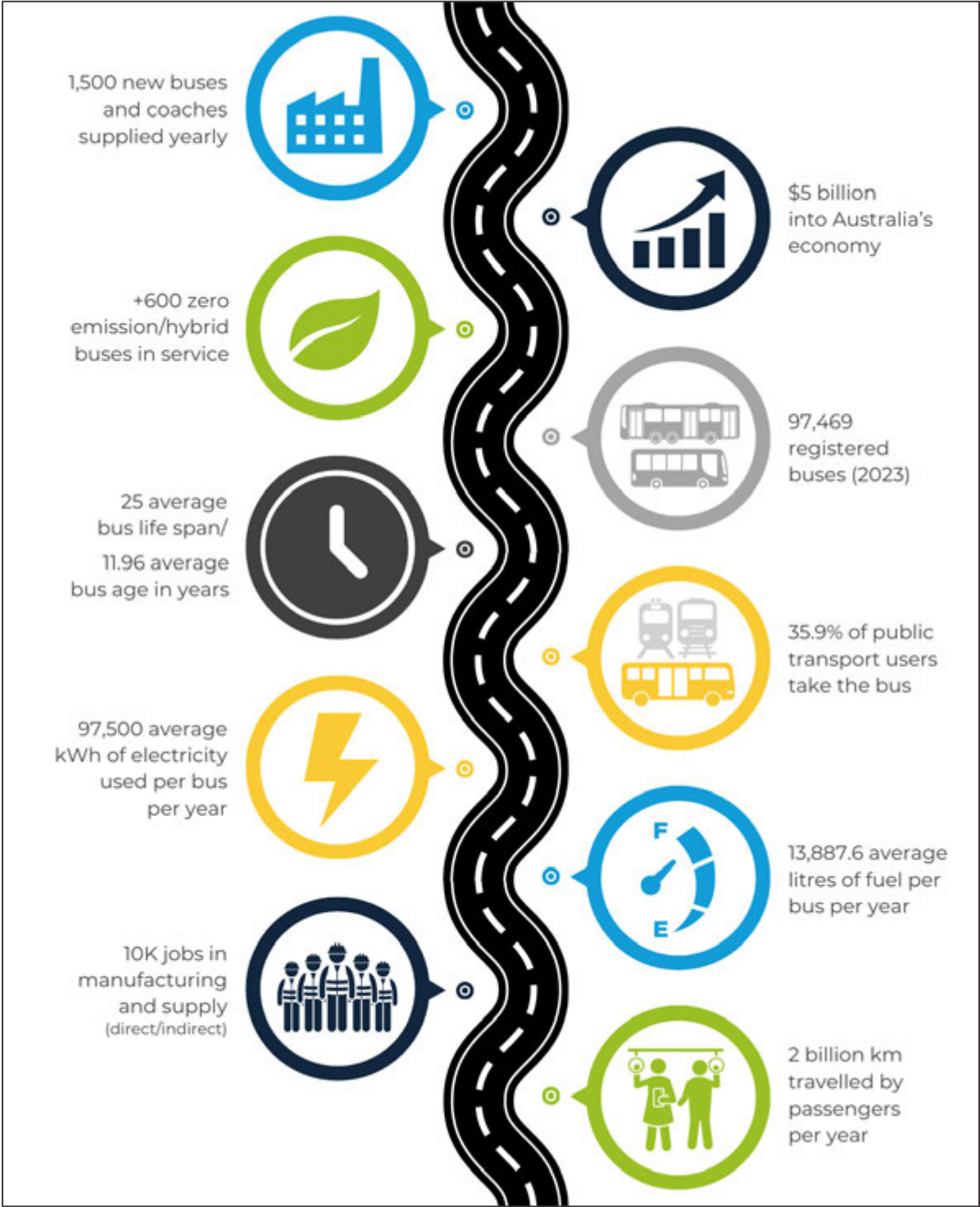
Buses serve as mass transit during peak hours, delivering societal benefits like reduced congestion, lower pollution, and enhanced productivity, as well as providing critical social mobility through frequent local routes. These benefits extend to improved public health, lower crime rates and better overall social outcomes, resulting in reduced costs for health and legal systems.

Buses have a strong and diverse manufacturing, and supplier presence in Australia providing **10,000 direct and indirect jobs** in Australia. This encompasses full manufacturers, assemblers, importers, component manufacturers, suppliers, and importers. We provide an **economic contribution \$5Billion** yearly to the Australian economy.

Buses provide a cost-effective role in moving people from and to their destinations every day, whether its dense urban outer urban, regional, or interstate. For example, in outer suburban areas, where other mass transit options are scarce, buses are vital in addressing poverty, disadvantage, and the financial strain of car ownership. They offer essential mobility to communities facing isolation, poor services, and socio-economic challenges.

Buses - The essential public transport carrying Australia.

Industry Snapshot | 2025



Response

The Bus Industry Confederation (BIC) welcomes the opportunity to provide input to the Productivity Commission's review of the National Competition Policy (NCP) 2025, as requested by the Hon Jim Chalmers MP.

This submission focuses on the proposed reform concerning the adoption of international and overseas standards within regulatory frameworks, as well as the harmonisation of regulated standards across Australia.

Executive Summary

As the major provider of public transport in Australia with a strong manufacturing and supply presence we highlight significant concerns with adoption of international standards without first addressing the many issues within Australia different jurisdictions.

BIC also emphasizes the critical need for a level playing field within the Australian bus industry. It highlights several key areas where reforms are necessary to ensure fair competition, harmonisation across states, and collaboration with industry stakeholders at every level, especially within Australia first.

- Firstly, BIC advocates for **harmonisation of regulations across the jurisdictions** to eliminate the current fragmentation that imposes significant compliance costs and operational inefficiencies on bus operators. By aligning state-based regulations with national standards, the industry can achieve greater consistency, reduce administrative burdens, and enhance service delivery.
- Secondly, our submission highlights the **importance of maintaining a strong equal playing field for all industry participants**. This includes addressing issues related to industrial relations, procurement practices, and regulatory frameworks that disproportionately impact smaller and regional manufacturers and operators. BIC calls for reforms that promote an outcome that ensures local suppliers are not disadvantaged and importers are not unduly restricted, ensuring that all businesses have equal opportunities to compete and thrive in the market. This issue needs to be managed very carefully, and the BIC are extremely concerned that its views have not been adequately considered to date.
- Finally, BIC underscores **the necessity of collaboration with industry stakeholders at every level**. Effective policy development and implementation require active engagement with operators, manufacturers, service providers, and other key players in the bus industry. We recommend establishing formal mechanisms for industry consultation and partnership to ensure that reforms are practical, achievable, and aligned with the needs of the sector.

By addressing these critical areas, the industry can achieve sustainable growth, improved service quality, and greater economic efficiency.

Information Request 1

Which occupations would be best-suited to a national licensing scheme?

There are two elements to this section - technical occupations and drivers.

Technical

With the transition to zero emission vehicles being led by buses, it is essential that technical occupations critical to the bus industry – such as auto elections, mechanics, and body repairers – have nationally harmonised competencies and licensing requirements in order to work safely on vehicles. . Currently each jurisdiction sets its own mandates, leading to misalignment across jurisdictions, creating challenges for businesses and manufacturers having to accommodate different competencies requirements.

Jurisdictions will always want to retain control of their own licensing schemes; however, it is critical that these schemes are aligned and enable cross-border recognition to support a consistent and efficient national approach.

Drivers

A national licensing scheme for bus drivers would directly benefit the workforce by addressing the current lack of cross-border recognition of driver qualifications, which creates unnecessary barriers to employment mobility. As highlighted by BIC and APTIA, drivers licensed in one state often face delays and additional costs when seeking work in another due to inconsistent licensing standards. In some cases, even the need to re-skill. This fragmentation discourages workforce flexibility and limits operators' ability to respond to driver shortages across jurisdictions. A national scheme would streamline the process, allowing bus drivers to move freely between states without requalification, supporting both recruitment and retention—key priorities identified in BIC and APTIA's workforce development strategies.

What would be the first steps towards a national licensing scheme for selected occupations?

The BIC recommends beginning with mutual recognition of existing state-based licenses, followed by the development of national competency standards in collaboration with industry representatives and training bodies. Establishing a centralised licensing database and aligning training curricula nationally would ensure consistency and safety across the sector. This approach is consistent with the BIC's broader call for a National Heavy Vehicle Skills and Workforce Program to address systemic workforce challenges.

Why did previous attempts at a national licensing scheme, such as the National Occupational Licensing Scheme, fail? How could a renewed attempt overcome the barriers?

The National Occupational Licensing Scheme (NOLS) was **not intended for application within the automotive industry**. As such, the BIC is not in a position to comment on any shortcomings of the scheme in this context.

Licensing of the Automotive sector

There has been much discussion recently especially surrounding electric vehicles, any consideration of licensing within automotive trades must be strictly limited to initiatives that support the **upskilling of the existing workforce**. These initiatives must be developed **in close collaboration with automotive peak bodies** and must not impose unnecessary restrictions or barriers on the current industry. The goal should be to enhance capability, not to constrain or displace existing operators.

The BIC have emphasised the importance of **industry-led consultation** and the need for **clear economic justifications** as essential principals to build consensus, overcome political barriers and guide any future licensing reforms.

What benefit would a national licensing scheme provide over an expansion of the automatic mutual recognition scheme?

Specifically for the automotive sector, an Automatic Mutual Recognition (AMR) scheme reduces administrative barriers, it does not address inconsistencies in training, safety standards, or enforcement. A national licensing scheme would ensure:

- Uniform qualifications,
- Greater regulatory certainty
- Improved uniform workforce competency
- Less financial burden on areas of industry where there is no-cross boarder recognition.
- Less financial burden on the jurisdictional governments administering their own schemes.

To provide an informed supportive mechanism for government, BIC strongly emphasize the importance of close industry consultation prior to proceeding with any expansion.

How could the Productivity Commission best quantify the benefits of a national licensing scheme?

Specifically for the automotive sector, the Productivity Commission could quantify the benefits of national licensing by modelling:

- Labour mobility improvements and reduced vacancy durations specifically:
 - Drivers
 - Tradespeople / Technicians.
- Compliance cost savings for employers, tradespeople, and jurisdictions.
- Productivity gains from faster deployment of skilled labour and less government resources required to administer different requirements in different jurisdictions.
- Sectoral output and employment growth, especially in bus manufacturing and maintenance.

The BIC also suggests incorporating case studies from industry peak bodies, operators and manufacturers to demonstrate real-world impacts and support evidence-based policymaking.

Information Request 2

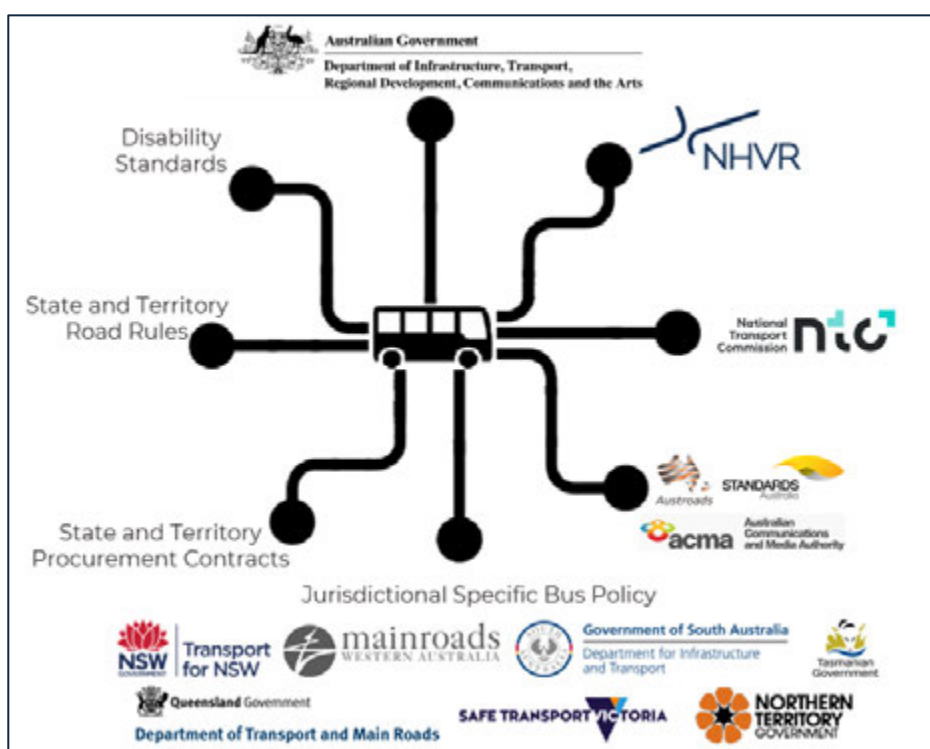
Are there examples of government regulation where greater harmonisation with international standards is needed? What sectors should be prioritised?

Yes. As part of its submission into ADR harmonisation to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) released in January highlighted significant opportunities to harmonise standards for the automotive sector. This should be continued as a priority.

Harmonisation issues

For the bus sector, there is such disparity with standards between jurisdictions in Australia for buses to the point whereby *a bus is perfectly legal in one state is illegal in another*, significant work is still required to **achieve national harmonisation in Australia first** before pursuing alignment with international standards.

Below is an example of the many complex rules that the bus industry operates under now, highlighting there is opportunity to harmonise.



Interconnections of various regulations, policies, and requirements for buses

Prioritisation should be absolutely without doubt be given to harmonising jurisdictions across Australia first and **ensure local jobs are fully supported** and not compromised.

See our response to the question **How is international standards incorporation operating in practice in sectors like road vehicles** further below in this document for detailed information.

What is the impact of a lack of harmonisation?

BIC highlights that misalignment within Australia's jurisdictions imposes significant financial costs on the industry each year. Quantifying the actual value is as complex as dealing with the different requirements themselves. Recent studies have indicated that each vehicle or major body supplier will spend +\$1M per model in customising the technical specifications to suit each different Australian jurisdictional requirement. With state and territory governments purchasing 50% of buses sold (750 in 2024) – this represents a substantial and avoidable expense that undermines the ability for manufacturers to achieve economies of scale. There is a **lack of willingness for state and territory governments to come together** and resolve these discrepancies at a regulatory level, despite some existing work in progress on technical specifications.

This misalignment delays the introduction of new vehicle models, and limits product availability. This fragmentation discourages international investment and innovation, particularly in the zero-emission vehicle space. For example, deviations from UN Regulation R118 on fire safety standards could disrupt supply chains and increase costs for Australian operators. Cost to industry alone is \$8.3M per year as a rudimentary estimate (\$332K per supplier yearly across 25 major suppliers). There are many other quantifiable examples.

Domestic harmonisation must be prioritised first within Australia before considering international practices.

While international harmonisation is important, it must recognise Australia can take the lead in some areas and not abandon local strengths because it is easier to adopt international standards.

How is international standards incorporation operating in practice in sectors like road vehicles?

BIC supports considered harmonisation of Australian Design Rules (ADRs) with international standards only where it improves efficiency and supports the adoption of advanced vehicle technologies.

Recognise Australia's lead

BIC strongly cautions that harmonisation efforts must not come at the expense of Australia's more rigorous safety and environmental standards, which often exceed international benchmarks and are tailored to local operating conditions. Examples are ADR 68 (bus occupant protection), ADR 59 (Rollover protection) and ADR 58 (bus construction). These Australian led and internationally recognised higher standards must be retained where they provide clear public benefit.

Equal playing field

The BIC also highlights the critical importance of preserving Australia's sovereign manufacturing capability. A blanket adoption of international regulations **risks disadvantaging local manufacturers** by favouring imported vehicles over local that may not meet the specific needs of Australian operators or conditions. This could undermine up to 5,000 domestic industry, jobs, and Australian innovation. Also, the \$5B it contributes to the economy yearly. The current proposals risk hurting local manufacturers.

Any harmonisation must maintain an equal playing field for local manufacturing and importers alike.

Considered transition

Australia's regulatory landscape is shaped by a complex network of state and territory specific requirements. A sudden or blanket adoption of international standards could disrupt this framework, creating confusion and inconsistency in compliance and enforcement.

Given these risks, the BIC emphasises that any changes to ADRs must be undertaken through full and transparent consultation with industry peak bodies. For the bus sector, this means working closely with BIC to ensure that harmonisation efforts are practical, equitable, and supportive of both safety and sovereign capability. A collaborative approach will ensure that Australia's transition to modern, low- and zero-emission transport technologies is both effective and sustainable.

For full details, please refer to BICs submission on ADR harmonisation: <https://bic.asn.au/wp-content/uploads/BIC-submission-to-ADR-Harmonisation-Review-2024-2025-Final.pdf>

Are there reforms needed to Australia's standards and conformance infrastructure?

Yes, alignment across all Australian jurisdictions must be the priority.

The BIC recommends a series of reforms aimed to promote greater transparency, consistent industry consultation, and timely updates to national standards and regulations. Only once these domestic foundations are firmly in place can international harmonisation be considered—without risking significant disruption to the regulatory and operational landscape.

BIC also strongly advocates for open access to international standards that are referenced in Australian regulations. The current paywall barriers limit accessibility, particularly for small and medium-sized enterprises, and hinder both industry engagement and compliance. Ensuring these standards are freely available is essential to supporting a fair, informed, and inclusive transition for the entire sector.

Information Request 3

Which sectors or policy areas need reform to further promote competition?

The public transport sector, particularly the bus and coach industry, requires reform in several key policy areas to enhance competition:

Heavy Vehicle Regulation:

The BIC has consistently maintained that the bus sector should not be regulated in the same way as freight transport under the Heavy Vehicle National Law (HVNL). In its submission to the Productivity Commission's National Transport Regulatory Reform Review, the BIC called for a regulatory framework that reflects the unique operational and safety profile of

passenger transport, which would reduce compliance burdens and open the market to more operators.

Industrial Relations:

APTIA has highlighted the need for reform in industrial relations to promote fair competition. It argues that public transport should be classified as an “essential service” under the Fair Work Act to prevent prolonged industrial action that disrupts services and creates an uneven playing field between public and private operators². This would ensure continuity of service and reduce the risk of monopolistic practices in contract awards.

Conclusions / Summary

The Bus Industry Confederation (BIC) submission to the National Competition Policy analysis 2025 presents a compelling case for reforming the Australian bus industry to promote fair competition, harmonisation across states, and collaboration with industry stakeholders.

Key points from our submission include:

Harmonisation Across States: The BIC advocates for aligning state-based regulations with national standards to reduce compliance costs, improve operational efficiency, and enhance service delivery. Harmonisation is essential in areas such as vehicle standards, occupational licensing, and procurement processes.

Equal Playing Field: The submission emphasizes the need to address industrial relations, procurement practices, and regulatory frameworks that disproportionately impact smaller and regional operators. Reforms should promote transparency, fairness, and inclusivity, ensuring equal opportunities for all industry participants.

Collaboration with Industry: Effective policy development and implementation require active engagement with industry stakeholders. The BIC recommends establishing formal mechanisms for consultation and partnership to ensure that reforms are practical and aligned with the sector's needs.

In conclusion, the BIC's submission outlines a comprehensive roadmap for enhancing competition, harmonisation, and collaboration within the Australian bus industry. By addressing these critical areas, the industry can achieve sustainable growth, improved service quality, and greater economic efficiency.

Further Consultation

Should the department wish, the BIC would be open to discuss this document and commentary in further detail.

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