

Media Release

The Hon Ben Carroll MP
Minister for Public Transport
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NEW BUS FRANCHISE TO JUMP START ZERO EMISSIONS PLEDGE

The Andrews Labor Government will accelerate its transition to a zero-emissions bus fleet after awarding a Melbourne-based company the franchise to operate a third of the metropolitan bus network.

Kinetic, which operates SkyBus and runs local bus routes across Australia and New Zealand, has been awarded the \$2.3 billion contract for the Metropolitan Bus Franchise from 31 January 2022 until June 2031.

Kinetic will introduce 36 fully electric buses to the network by mid-2025, including five by June next year to jump start the Labor Government's pledge for all new public transport buses to be zero emissions from 2025.

More than half of the franchise fleet, 341 of the 537 buses, will be replaced with low or zero emission vehicles over the term of the franchise.

The new environmentally friendly electric and hybrid buses will be made at Volgren's Dandenong South facility, supporting jobs, boosting the local economy and helping to build Victoria's engineering, design and manufacturing expertise in these emerging technologies.

A minimum fleet target of 60 per cent local content will apply to the electric and hybrid buses, and Kinetic will also deliver on a local content target of 90 per cent for operations such as fuel and uniforms.

Learnings from the early introduction of electric buses will add to the findings of the Government's three-year, \$20 million Zero Emissions Bus Project which will start early next year.

The franchise, currently operated by Transdev, transports millions of passengers each year across 50 bus routes including the popular orbital routes that connect Melbourne's middle ring suburbs and city commuter services such as the Doncaster Area Rapid Transit.

The contract with Kinetic will see an uplift in operational performance – driving greater reliability and a strong focus on customer outcomes and increased cleaning.

Key workers at Transdev, including about 1,100 bus drivers, will be offered employment with Kinetic, and buses and six bus depots will transfer over on 31 January next year.

Melbourne-based Kinetic bought SkyBus in 2014 and now operates urban, regional, school and airport bus services across Australia and New Zealand. Kinetic now operates 52 bus contracts and 3,000 buses that move more than 50 million passengers a year.

In a first for a bus contract in Victoria, Kinetic has targets to increase the recruitment of women and priority job seekers such as long-term unemployed and Aboriginal and Torres Strait Islander people, and to increase spend with Aboriginal businesses and disability enterprises.

Quotes attributable to Public Transport Minister Ben Carroll

“We are jump starting our push for a zero-emissions bus fleet in Victoria to benefit the environment and help build our engineering, design and manufacturing expertise in these emerging technologies.”

“The roll out of 36 electric buses early on in this partnership will accelerate our pledge for all new buses from 2025 to be zero emissions and, importantly, will contribute to the learnings of the three-year Zero Emissions Bus Project.”

Quotes attributable to Department of Transport Head of Transport Services Nick Foa

“We have undertaken a robust and competitive tender process over the past year, and we look forward to working with Kinetic to continue to improve the travelling experience for bus passengers across its 50 routes.”

“We thank Transdev for supporting the State in providing a safe and reliable bus network and for working with us over the next four months to ensure a smooth transition for its employees and passengers.”

Quotes attributable to Co-CEO Kinetic Adam Begg

“With a leadership team that has grown up catching buses in and around Melbourne, this is an incredibly exciting announcement for us to partner with the Victorian Government to modernise the city’s bus experience and deliver benefits to the whole community.”

“We understand the incredible influence bus networks have on the livelihoods of communities and we’re fully supportive of delivering a world-class transport network that supports opportunity, inclusion, growth and community connections for generations to come.”