

Media Release

Local Manufacturing Jobs at Risk as Mercedes-Benz Halts Bus and Coach Sales in Australia

20 February 2023

Today, Mercedes-Benz, a renowned brand in the global bus and coach industry, has declared that it will halt its bus and coach business operations in the Australian market and effective immediately, discontinue the sale of its new bus and coach products (Fuso unaffected). Mercedes-Benz Bus have committed to provide technical and ongoing support through its dealership network to existing customers and for their bus and coach products in the market.

Despite state governments transitioning fleets to zero emission buses there is no clearly defined industry roadmap to provide certainty for manufacturers looking to support the transition. This uncertainty is compounded by inflation, supply chain issues, wage growth and skill shortages.

The announcement by Mercedes-Benz comes as a shock to many industry insiders, as Mercedes-Benz has been a major player in the Australian market for years. The announcement highlights the fragility in the local bus and coach manufacturing sector. The company's decision is likely to have significant implications for local manufacturing and local jobs. There can be up to 40 manufacturing and parts supply companies that contribute to the final assembly of a single bus.

In light of this announcement, the BIC is calling on the State and the Australian Government to take action to ensure the bus and coach industry is effectively supported. The BIC believes that the key to the industry's long-term success is the implementation of procurement models that provide manufacturers with greater long-term certainty and more consistent levels of demand.

In our recent Federal budget submission, we called for a national procurement plan which would provide manufacturers with a clear roadmap for the future, helping them to make strategic investments and plan for future growth. To support the industry and create more jobs, we urge state governments to review and standardise buy local policies across the industry – particularly for products that are manufactured in Australia. Standardising buy local policies would help manufacturers and state governments forward plan for peaks in product demand. This planning would in-turn support bus and coach industry and service providers with a clearer pathway to transition to zero emissions vehicles.

The BIC is committed to working with its members to find ways to minimize the impact of this announcement and to support the industry during this time of significant change in the transition to zero emission buses and coaches. We will continue to advocate for policies that support the bus and coach industry and help the industry thrive for years to come.

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