Te Uru Kahika
Regional and Unitary Councils Aotearoa

# The Economic Benefits of Bus and Coach


## Transport Special Interest Group
## September 2025

The Transport Special Interest Group (TSIG) is a collective body for regional council and unitary authority officers' transport interests. Our members are responsible for regional transport planning; identifying beneficial transport investment priorities; and planning and provision of public transport services. TSIG is a key stakeholder for central government agencies in relation to issues affecting New Zealand's transport system.

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Taith consulting

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# Executive Summary

**Bus passengers spend £39.1 billion per year in local economies. On average, bus passengers – travelling for leisure, shopping, and commuting - spend £32 per return journey in shops, cafes, restaurants, and leisure facilities at their destinations. This spending supports economic activity in local and regional centres across Britain. Over 2.2 million commuters rely on buses to get to work, providing businesses in our local economies with access to labour. These commuters earn approximately £72 billion per year and generate tax revenue of more than £15 billion per year. (From: The economic impact of local bus services, KPMG).**

The highest priority in the 2024 Government Policy Statement on Land Transport (GPS) is economic growth. Whilst the contribution of bus services to economically efficient transport networks in urban areas is often the focus, the direct investment benefits from organisations involved in the bus and coach industry is often underplayed.

Bus and coach services provide direct employment and ensure that workers have money to spend in the local economy. Public Transport Authorities, local councils, Public Transport Operators (PTOs) and supply chain companies support a variety of jobs, many of which are highly skilled and all collectively valuable. As the country moves towards electrification of the bus and coach vehicle fleet, there are further opportunities to enhance the total economic value of sector.

The annual economic productivity contribution of people employed in the bus and coach industry is estimated at $2 billion per annum. Added to that is the unquantified contribution of the bus and coach industry supply chain – everything from vehicles, to seat upholstery to digital information equipment. The move towards zero emission buses (ZEBs) could present further high-value supply chain opportunities for New Zealand businesses.

There are also benefit foregone if bus services are withdrawn – a good example being the impact on rural families who have to spend a lot of time transporting children to school following Ministry of Education service cuts.

This White Paper has used a limited number of information sources, and in terms of its economic contribution the New Zealand bus and coach industry is perhaps guilty of under-selling itself. Quantitative figures for direct economic investment which do exist should be updated using current (2025) PTO employee numbers and wage rates. It would be highly beneficial if PTAs and local councils also provided information (at an aggregate level) of the direct economic contribution of their bus planning and operations staff. Taken together this would provide information on wages and taxes being levered into the New Zealand economy.

A major gap in knowledge is the quantified economic benefit contribution of the bus and coach industry supply chain. It is recommended that a research project is commissioned to identify all companies providing services and products to PTAs, PTOs and local councils and estimate key metrics such as aggregate employee numbers, wages and taxes. Furthermore, future opportunities to enhance skills and increase the value chain with ZEBs should be clearly identified and progressed in a sector-wide plan.

The contribution of school transport services to the rural economy – evident through advocacy of Federated Farmers – would be a fruitful topic for further research. Whilst not directly mentioned in this White Paper, the contribution of bus and coach to tourism could also be worth exploring.

A national database of bus and coach economic investment and benefits information - updated every year – would provide decision makers at all levels with robust information for input into future investment proposals for improved bus services and infrastructure, as well being highly useful for policy discussions with central government officials and Ministers.

# 01 Introduction


One of the most influential economists of the early 20th Century, Joseph Schumpeter argued that economic growth is a result of innovations - new combinations of organisations, markets, sources of supply, processes and products[1]. Put simply, an economy is a system consisting of elements and connections, where the basic "elements" include people, products, commodities, real estate etc. and "connections" include trading, services, and the transmission of information and knowledge[2]. An economy is not, therefore, a static, singular "thing" but an agglomeration of everchanging cogs, wheels, factors and forces interacting dynamically which - despite the efforts of centuries of philosophers, scientists and economists – we simply do not fully understand.

But while complex, there are some simple foundational "truths" we can apply to any consideration of an economy and how to grow it - one being that all of the "elements" and "connections" in an economy need to function adequately for the whole to thrive[3].

We can see this when we consider cities as the vital loci of economic growth globally. The development, evolution and growth of urban space across cultures and civilisations has had the transport of goods and people as a fundamental factor[4]. All "world cities"[5] which dominate and shape our global economy have at their heart a connectedness[6]; the innate ability to facilitate the mass movement of goods and people across an economy. While the prime focus in recent decades across social science disciplines has been on the transformative place of information and communications technologies in modern global economies, as Forer notes, transportation technologies are a vital cog in any macro and micro economic engine[7].

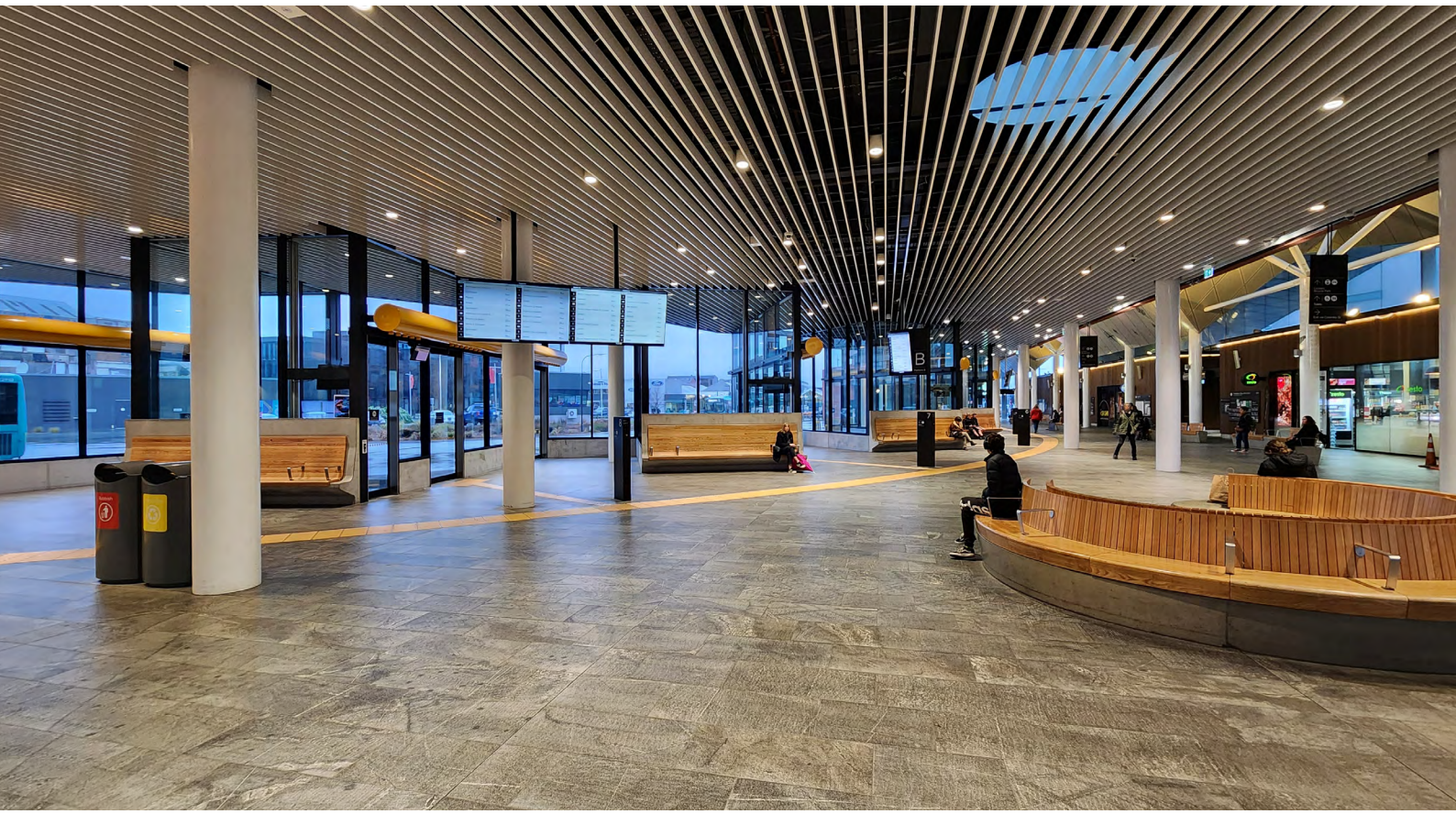
We make these points to establish an opening and self-evident premise: that the modern global economy, embodied in our urban landscapes of towns and cities, depends on its ability to transport masses of goods and people. From this we can clearly then demonstrate that public transport – the mass movement of people facilitated by publicly and / or privately provided modes – has an economic benefit for any economies, New Zealand's none the less. Quantifying and isolating the scale and nature of this benefit is less easy.

# 02

# Purpose

This White Paper will enable PTAs, local councils and PTOs to engage in robust and evidence-based dialogue with central government to secure long-term investment which will deliver greater levels of benefit back to New Zealand.

This White Paper focusses on these direct investment benefits, and starts with an overview of the bus and coach industry in New Zealand which is surprisingly extensive for a small country of just over five million people. The narrative then provides initial estimates of direct economic investment benefits of the bus and coach industry across the motu. A number of supply chain case studies then bring these numbers to life, and demonstrate the diverse range of ways in which bus and coach services deliver positive economic impacts. There is also a section which identifies economic benefits of bus services to two distinct groups of people – older bus drivers and rural dwellers. Finally the paper looks ahead to the future and outlines the main opportunities for the bus and coach industry to deliver added economic value. The paper concludes with a series of recommendations which revolve around more regular collection, analysis and reporting of economic benefits information.



# 03

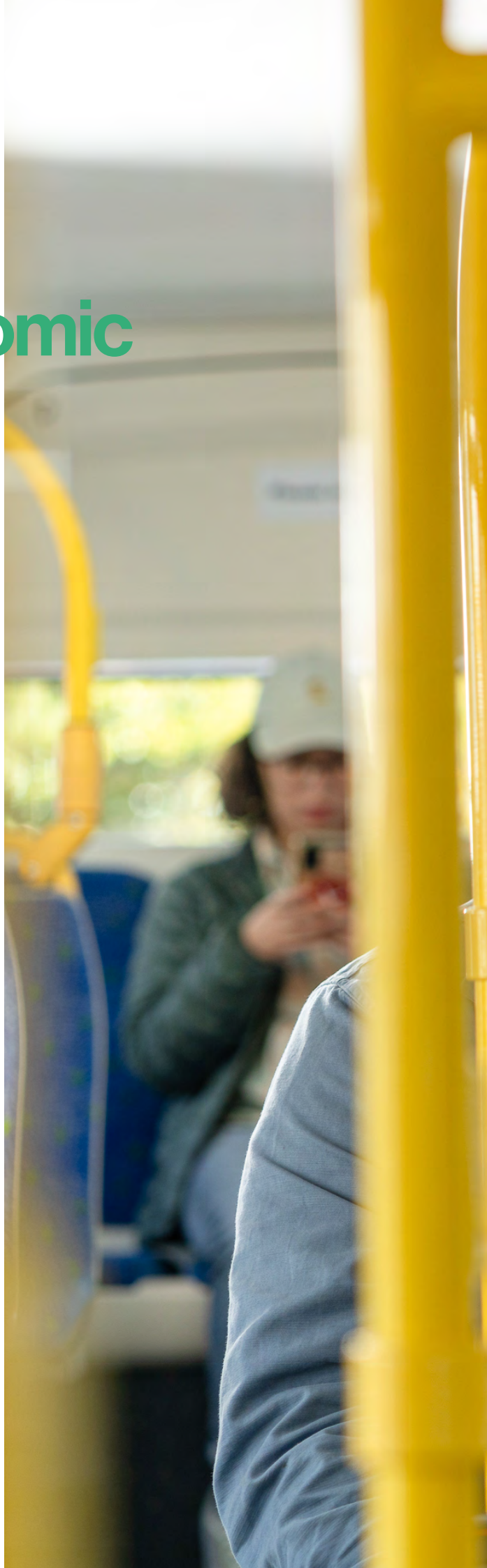
# Buses and Economic Growth

Whilst few people would question the transformative impact of the private car on the national economy and productivity, the critical role of shared mass transit modes such as the bus receives less attention. Well-used bus networks can be a strong indicator of positive urban economic outcomes. The Greater Wellington region has the highest mode share for bus in New Zealand, and is also one of the strongest economic performers. In contrast some of the poorest areas of New Zealand have little or no public transport services.

The purpose of this paper is to highlight the economic benefits of bus and coach investment as demonstrated by a number of participants in the industry across New Zealand. This industry provides a range of publicly supported, commercial, contract and charter services that form the backbone of the public and shared transport in New Zealand:

- Local public service buses which are contracted and funded by PTAs - Regional Councils and Unitary Authorities.
- School buses provided either by the Ministry of Education (MoE) or educational establishment itself.
- Commercial public service buses provided by private companies, which is primarily made up of the Inter City long distance network.
- Private charter / hire vehicles which are commissioned for a specific group of people to share, for example tourists and sports tours.

The New Zealand Bus & Coach Association (BCA)[8] has around 200 full and associate members, who deliver all public bus and over 98% of school services in New Zealand, as well as the majority of tourism and charter operations. Bus and coach operators vary in size from a few large internationally owned firms (some of which were previously New Zealand businesses) through to medium and smaller sized family-owned companies.



# 04 Types of Bus Service Economic Benefits

There are three types of economic benefit of bus services, as summarised in Table 1 below:

## Table 1: Economic Benefits of Bus Services

| 1. Economic activities of those involved in provision of bus services and supporting infrastructure | |
|---|---|
| PTO earns revenue from providing a passenger service: | • Earns profit, receives public investment and pays dividends / taxes.<br>• Provides jobs and pays wages to employees.<br>• Spends on operating costs including fuel and overheads.<br>• Supply chain provides jobs and pays wages to employees.<br>• Makes capital purchases from companies in New Zealand. |
| Councils invests money in provision of services and infrastructure: | • Employs staff (permanent and contract) who earn wages and pay taxes.<br>• Commissions supply chain to assist with service planning, information, design, operations and infrastructure provision – thereby creating additional value add employment.<br>• Supply chain investment in wider goods and services.<br>• Spending by Council and supply chain employees in the wider economy. |
| **2. Economic and social activities of bus passengers** | |
| User benefits from bus travel: | • Access to jobs, education and services for people with no other option.<br>• Journey time savings compared with other modes.<br>• Lower prices (fares) compared to cost of car travel (fuel and parking). |
| Non-user benefits relative to other modes: | • Congestion reduction resulting mode switch from car to bus (benefits all other remaining motor vehicle drivers).<br>• Improvement in road safety as bus travel is statistically safer than the car, and provides an alternative to drinking alcohol and driving. |
| **3. Economic impact of bus passengers interacting with local economies** | |
| Spending by passengers in the local economy: | • Shopping.<br>• Leisure and tourism.<br>• Nighttime economy. |
| Economic benefits foregone if buses did not exist: | • Ability for childcare givers to participate more fully in the work force (especially in rural areas).<br>• Widening the size of labour markets and pool of potential employees.<br>• Reduction in traffic congestion around schools.<br>• Employment opportunities for older people who can fit bus driving shifts around their lifestyles. |

Source: Adapted from The economic impact of local bus services, KPMG, September 2024.

This paper focuses primarily on the first of these benefits – economic activities of organisations directly involved in provision of bus services and supporting supply chain activities. There will also be some discussion around benefits foregone if buses did not exist.

# 05 Support for Economic Growth and Productivity

The 2024 Government Policy Statement on Land Transport (GPS)[9] sets out a series of priorities for future investment in New Zealand. The first and most important priority is economic growth and productivity:

"The Government's overarching priority for investment through this GPS is to support economic growth and productivity. Efficient investment in our land transport system connects people and freight quickly and safely, supporting economic growth and creating social and economic opportunities including access to land for housing growth."

The GPS identifies major public transport projects in the largest urban areas as a contributor to the economic growth priority. However, it is silent on the economic benefits of bus and coach services across the whole of New Zealand.

If bus and coach services are well patronised, they represent a very economically efficient use of road space compared to a private car – up to 12 times according to one study[10] in Santiago, Chile. Figure 1 below is an illustration of this issue.

**Figure 1: Road Space Occupied by One Bus and Many Cars**

Source: Polish bus company advertisement reproduced from www.barnflakes.com

Reducing traffic congestion – caused when demand for travel exceeds the capacity of the roading system to provide it – can be a key economic benefit of bus and coach services. As congestion decreases, so too does travel times for freight vehicles, which leads to reduced freight costs. A 2019 survey completed by Auckland Council in concert with Auckland Tourism, Events and Economic Development concluded that 33% of respondents viewed congestion as an impediment to business growth[11].

There are also economic benefits associated with getting people to education, training and employment opportunities, as well as for purposes such as shopping, leisure and tourism. Added to that is the economic impact of bus passengers spending money in the local economy. A 2024 study by KPMG for the UK Confederation of Passenger Transport (CPT) estimates the economic from these two benefits as being £54.7 billion per year[12]. Applied pro rata to the New Zealand population at current (mid-2025) exchange rates this would equate to around $12.3 billion per year.

A report from Leeds University Institute for Transport Studies[13] notes that the bus services make indirect economic contributions to the economy, including the output of workers who:

- Either commute by bus as their main mode of transport or use the bus reasonably often as part of their commute.
- Use the bus as a back-up mode of transport to their main mode.
- Would not participate in the labour market were it not for the bus.
- Are able to access better jobs (in which they are more productive) because of the bus.

All these economic benefits would be significantly reduced if bus services did not exist. The fact that they do is sometimes taken as a given.

# 06

# Direct Financial Investment Benefits

Economic benefits delivered by bus and coach industry direct financial investment receive relatively little attention. These benefits accrue through investment by the New Zealand Government (especially NZTA), Public Transport Authorities (PTAs), Public Transport Operators (PTOs), local councils (responsible for infrastructure) and private companies which supply goods and services which support the bus and coach industry.

Bus and coach services provide direct employment and ensure that workers have money to spend in the local economy. PTAs, local councils, PTOs and supply chain companies support a variety of jobs, many of which are highly skilled and all collectively valuable. As the country moves towards electrification of the bus and coach vehicle fleet, there are further opportunities to enhance the total economic value of the sector.

Tranzit, which has been run by four generations of the Snelgrove family, started in 1925 as the Grey Bus Service in Wairarapa, with just one vehicle. With their headquarters still in Masterton today Tranzit is New Zealand's largest family-owned transport and tourism company, boasting a fleet of more than 3,000 vehicles and 2,200 staff. Whilst other firms – such as Go Bus, NZ Bus and Ritchies – are no longer New Zealand owned they still provide significant employment and generate high economic value.

Other countries such as the United Kingdom and USA have developed and publicised estimates of how public transport services directly contribute to economic growth.

The American Public Transportation Association (APTA) produce a highly informative and practical guide to quantifying economic benefits of mass transit services, including those operated by buses. The "My Economic Impact Tool"[14] is designed to enable transit agency staff to generate information regarding the role of both public transport operations and capital projects within the local economy.

The tool shows the breadth and depth of local jobs and income that are generated directly or subsequently (multiplier effects) from public transport agency annual investment on both operations and capital improvements. A web-based calculator application is designed around simple data entry of agency annual budget information provided to the National Transit Database (NTD).

The results from this calculator application portray, in both tabular and graphic form, economic impacts including:

- Jobs, wages, sales and value-added supported by both agency operations and capital expenditures.
- Both direct and subsequent (multiplier) effects as agency activities ripple through the local economy.
- The diverse occupational mix of jobs supported by agency operations and capital activities.

A range of reports provide multiple options for how to communicate public transport contribution to the economy with politicians and the public. The analysis can be used to communicate two key messages:

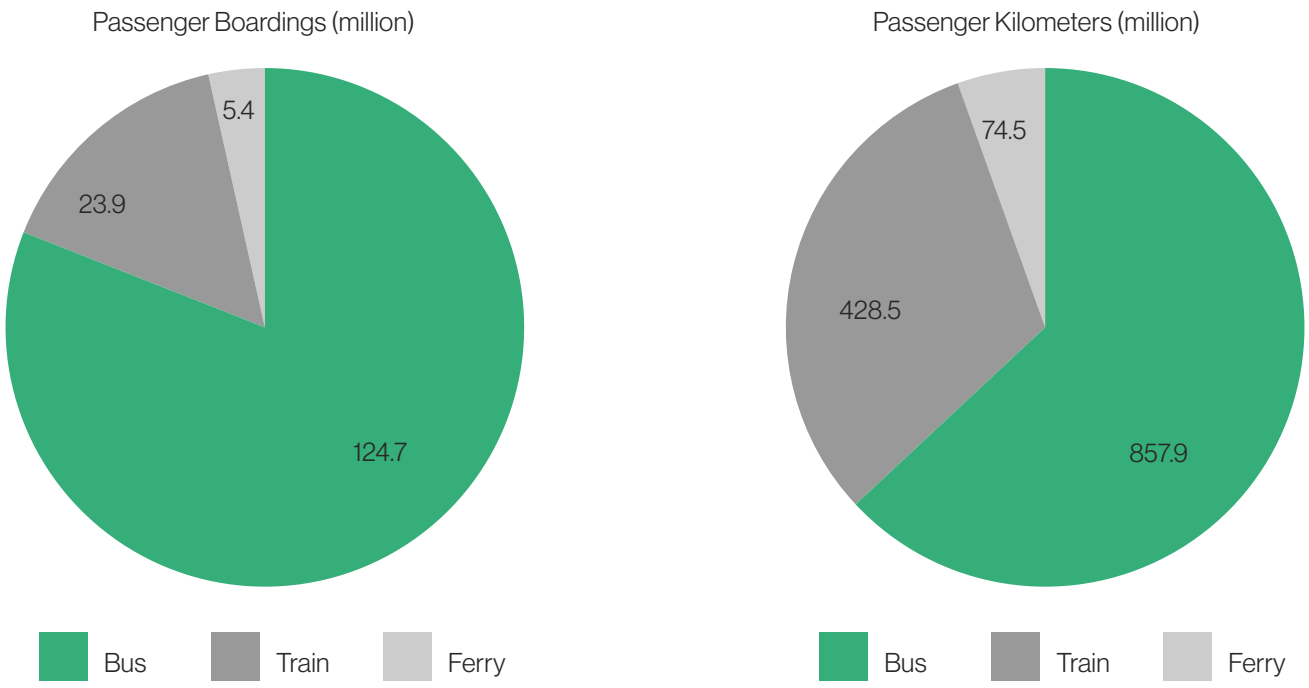
- The public transport agency plays an important role by directly or indirectly supporting a broad set of local jobs and economic activity across a spectrum of businesses and occupations.
- Taxpayer money invested in public transport returns to the community through generation of more jobs and income.

# 07

# The Importance of Bus Use

**Buses are the backbone of the New Zealand public transport system. Figure 2 shows that for both total passenger boardings and passenger kilometres the bus has 79% and 63% of the country's public transport market share.**

**Figure 2: Public Transport Passenger Boardings and Passenger Kilometres in 2023-24**

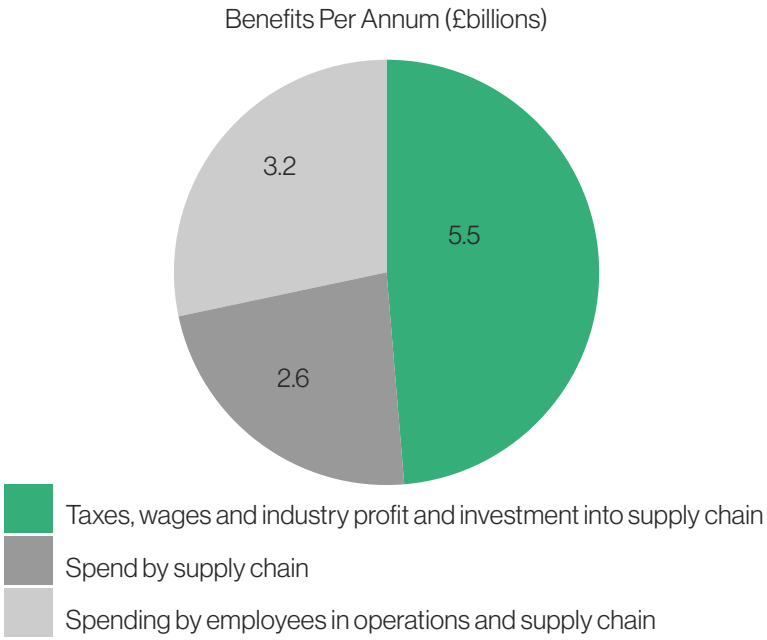



Source: NZTA

The figures don't include commercial or charter coach services, which tend to be long distance and would therefore add a significant increase in total passenger kilometres.

In the United Kingdom, the report by KPMG for the Confederation of Passenger Transport (CPT) estimates £11.3 billion of total benefits per annum attributed to bus industry economic activities, and split into three categories. The largest of these is the taxes, wages and industry profit and investment into the supply chain.

**Figure 3: Total Benefits of UK Bus Industry Economic Activities**




Source: The economic impact of local bus services, KPMG, September 2024

If this level of economic benefit were replicated in New Zealand pro rata by population, it would equate to around $2.5 billion per annum at current (July 2025) exchange rates. On its web site the BCA states that the sector currently contributes around $1.8 billion per annum to the New Zealand economy – Gross Domestic Product (GDP) with its members employing over 13,000 staff and creating many employment opportunities in the wider economy for manufacturers and suppliers.

In spite of COVID-19 and trends around working from home, the industry is proving remarkably resilient. A decade ago, an NZIER report[15] for the BCA concluded that the bus and coach sector added almost $1.2 billion to Gross Domestic Product (GDP) in 2014 and, at 35%, grew faster than the national average between 2000 and 2014. At the time, the sector employed 9,830 Full Time Equivalents (FTEs). The 2024 figures compare very favourably to 2014. Adjusted for inflation bus and coach sector total GDP growth has been 19% over last 10 years, and there are 32% more staff employed – all of whom should be paying taxes and spending money in the economy. All this reflects the fact that there are more bus and coach services operating than ever before. Public bus service kilometres have increased by from 101 million to 127 million (26%) in the last ten years.

One interesting area of analysis is the number of staff employed in rural and interurban services (a subset of the overall figure quoted by the BCA). From a high point of 2,050 in 2013 the number of employees in interurban and rural bus transport has declined to just 1,200 in 2023. The COVID-19 pandemic resulted in a decline of 500 employees, following which there has been a slight recovery. A gradual reduction in the number of school bus services may also be a factor.

Figures for 2023 produced by Te Pukenga Work Based Learning Ltd provide another set of numbers for the census "passenger services" employment category. Key highlights from their report include:

- 10,357 "filled jobs" (0.4% of the New Zealand total).

In terms of job numbers the top five occupations are:

**Bus Drivers**
6,358

**Charter Tour and Bus Driver**
444

**Passenger Coach Driver**
438

**Labourers**
251

**Motor Mechanic**
195

Contribution to GDP of $1.117 billion ($127,156 per FTE).

These figures clearly demonstrate the economic value of the bus and coach industry, and additional contributions from PTAs and local council staff – who commission bus services and infrastructure – would likely take the annual figure to around $2 billion. And all this before the wider supply chain to the bus industry is considered.

# 08

# Supply Chain Case Studies

**It isn't just direct investment from the bus and coach industry which generates economic benefits. The supply chain for the bus and coach industry is extensive, and includes:**

- Vehicle design, manufacture and assembly.
- Supply of spare parts.
- Supply of fuel and (increasingly) electricity.
- Vehicle refurbishment and heavy maintenance.
- Vehicle cleaning and light maintenance.
- Technology and innovation services.
- Bus shelter supply and installation.
- On-road infrastructure construction.

Overall, the supply chain for the New Zealand bus and coach industry is a vital part of the country's economy, supporting essential services and contributing to employment and tourism. While precise figures for its value have not been established, this complex network of manufacturers, suppliers, and service providers plays a crucial role in keeping New Zealand moving.

In lieu of quantitative estimates of economic contribution, several case studies illustrate the value that the supply chain can bring. These three examples are just the tip of the iceberg and illustrate the very broad economic base that is supported by direct investment in bus and coach services.

# Global Bus Ventures (GBV)

Founded over 48 years ago in New Zealand, Global Bus Ventures (GBV)[16] quickly developed a reputation for high quality construction and innovative bus designs. The business moved to Ashburton in 1985 with around 20 staff suppling tour coaches to the local market, and has now grown to be a supplier of all types of passenger service vehicles across New Zealand and the world. The company now has 130 staff based in Rolleston.

The company began work on the first electric buses in the early 1990s, and supplied the 2000 Sydney Olympics with the first successful range extended electric vehicle. Buses were soon being exported to Hong Kong, Japan, England and Australia.

Over the last 20 years GBV has continually developed and improved various generations of electric bus and battery technology. By 2016 the company's EV Gen IV – a full-sized city bus with greater on-board energy storage – was being exported to Dubai, Saudi Arabia, Qatar and the United Arab Emirates. In 2024, GBV designed the EV25 with an estimated range of over 500 kilometres on a single charge with an operating efficiency of less than 0.8 Kilowatt Hours per kilometre. The vehicle can operate in climates of up to 60 degrees Celsius, which makes it a prime export opportunity for places like Australia and the Middle East.

GBV have built long life Aluminium bodied buses of all varieties, from 25-69 seat school buses, city buses single and double deck, to 5-star Tour coaches. They have and are also presently building electric city buses. They have designed and built New Zealand's first and only Hydrogen Fuel Cell city bus which is currently in operation with Auckland Transport. This was followed by the production of battery electric city buses for the Christchurch Orbiter route and a custom design catered to the needs of Dunedin City Council for an electric library bus.

The GBV supply chain encompasses companies who employ over 3,000 staff on a very wide range of functions that collectively make up a completed bus, including:

- Fibreglass.
- Metals and composites.
- Paint.
- Electrical.
- Chassis.
- Doors and hardware.

# Somar Digital

Metlink – the PTA of Greater Wellington Regional Council – has a partnership with Somar Digital[17] and is a prime example of how investment in the public transport sector benefits not only local businesses but also the wider community.

Somar Digital is a Wellington-based company specialising in web design and development. Over the years, they have delivered a range of innovative solutions for Metlink – apps, digital screens and timetable builders - helping save time, reduce overheads, and improve service delivery, while making it easier for Wellingtonians to navigate their city.

When Metlink first engaged Somar Digital, the company had nine employees and an annual turnover of approximately $672,000. Today, Somar Digital has more than doubled in size employing 23 people and now has an annual turnover of close to $5 million.

# Starfish Interiors

A Kiwi owned and operated company, Starfish Interiors[18] started off in 2003 as a small operation focussed on motorhomes and caravans. However, since 2015 the company has expanded into supplying new seats, soft furnishings and refurbishment services to the transport industry.

The company employs in-house computer assisted design (CAD) staff and manufacturing experts which provides a bespoke service to bus and coach companies. They also have access to the leading fabric houses in New Zealand who offer a range of high-quality products and high-grade fabrics.

Starfish employ a highly skilled team with many years of practical experience spanning pattern making, sewing, upholstery, design and manufacturing using the latest technology available including laser cutting and 3D modelling. The firm therefore makes an important contribution to the west Auckland economy through its work for the bus and coach industry.

# 09 Future Economic Opportunities

The image of the bus and coach industry being a dirty, grimy and generally under-developed economic sector is a thing of the past. The challenge of providing shared mobility in an age of increasing car ownership means that the industry today is modern, innovative and forward-looking. The phasing out of diesel vehicle propulsion – and its replacement with battery electric and possibly hydrogen – is one example. Not only are the likes of GBV producing more innovative and practical vehicles, but the types of supporting economic sectors are changing too.

The author of this paper undertook an electric bus study tour to China in late 2024. The size of the industry is staggering. Just one manufacturer – Yutong – produces 10,000 electric buses every month. That is more than the entire public bus fleet in London, and three times that of New Zealand!

But even more impressive is that modern electric buses are essentially clusters of high technology on wheels. Table 2 summarises a variety of sophisticated management systems which monitor and optimise performance in a variety of traffic conditions, topographical situations and climates.

## Table 2: Technology Management Systems for Electric Buses

| Management System | Key Functions |
|---|---|
| Battery | • Monitors battery state of charge (SOC), cell voltages, temperature, and other critical parameters.<br>• Controls charging and discharging processes to optimize battery life and performance.<br>• Protects the battery from overcharging, over-discharging, and other harmful conditions. |
| Thermal | • Maintains optimal battery temperature for performance and safety.<br>• Uses heating or cooling systems to regulate battery temperature. |
| Charging | • Schedules charging sessions to minimize downtime and energy costs.<br>• Controls charging infrastructure to ensure efficient and safe charging. |
| Telematics | • Tracks vehicle location, speed, and other operational data.<br>• Monitors vehicle health and performance.<br>• Provides real-time diagnostics and alerts. |
| Energy | • Optimises energy consumption by analysing driving patterns and route data.<br>• Predicts energy needs and adjusts driving behaviour accordingly. |
| Fleet | • Manages vehicle maintenance, scheduling, and other operational tasks.<br>• Integrates with other management systems for a comprehensive view of fleet operations. |
| Predictive | • Analyses telematics and sensor data to predict potential failures.<br>• Schedules maintenance proactively to minimize downtime and costs |

Source: Author research

# Buses and New Technology

In addition to the above, Artificial Intelligence (AI) cameras not only monitor crime and anti-social behaviour, they also provide important safety and data monitoring functions. Cameras can detect when a bus driver is tired and losing focus on the road, which can then set off an alert in the cab. A similar system is already being used by the Singapore Land Transport Authority which can monitor driver fatigue, blind-spot detection as well as functioning as a high-capacity surveillance system[19].

AI software can also enable passengers to be counted on and off buses, and person / facial recognition software means that the same individual can be recorded anonymously every time they use the service.

This technology is already being used and utilised overseas, for example in Sofia, the capital of Bulgaria, the Sofian Urban Mobility Center in partnership with Theoremus, a digital solutions company, developed a real-time AI system that monitors the occupancy levels on board buses, using the pre-existing onboard cameras[20]. Implementation of this system only required a simple AI model trained on 50,000 images

With suitable privacy controls, stop boarding and alighting data – coupled with trip frequency per person – could be a gold mine of data for future bus service planning and optimisation.

**Figure 4: AI Cameras Count People On and Off Buses**


Source: James Llewellyn

All of these systems – which optimise economically efficient bus operations - have been developed by a large cadre of highly intelligent and educated people who have made China the economic powerhouse that it is. There is no reason why people and companies in New Zealand cannot develop future home-grown products and services for the domestic and international bus and coach market, as well as transportation more generally.

# Skilled Operation of Battery Electric Buses

Electric bus batteries themselves continue to evolve in order to balance a number of key requirements:

- Range: increasing the distance between charges so that buses are kept in service for longer.
- Life: increasing the number of years that a battery can be used for a passenger service vehicle, and then finding alternative uses such as storage when its first life is over.
- Weight: reducing the weight of batteries whilst maintaining or even enhancing both range and life, so as to reduce overall weight of vehicles and the impact they have on roading infrastructure.
- Raw materials: finding alternatives to rare metals such as Cobalt and ensuring that these are sourced ethically.
- Safety: managing the risk of thermal runaway battery fires and working in high voltage operational environments.

There is still much research and development to be done on these matters, which could represent economic opportunity for New Zealand universities and technology companies.

Electric buses will also require upgrading of skills for staff who work both in PTAs and PTOs. For the former, understanding the technology capability and matching it to passenger service and operational requirements will be a critical skill. Tasks such as network planning, timetabling, procurement and performance monitoring may require a higher-level technical knowledge in order to develop economically beneficial solutions. For the latter, skilled jobs such as mechanics will evolve from working on diesel engines to a much wider skill set using diagnostic data to plan for efficient and effective maintenance schedules. Schedulers will have a vast array of performance data to understand how to optimise charging versus passenger service time. Bus drivers are also becoming more familiar with charging vehicles, recognising issues and generally monitoring performance in service. An already skilled job is evolving further.

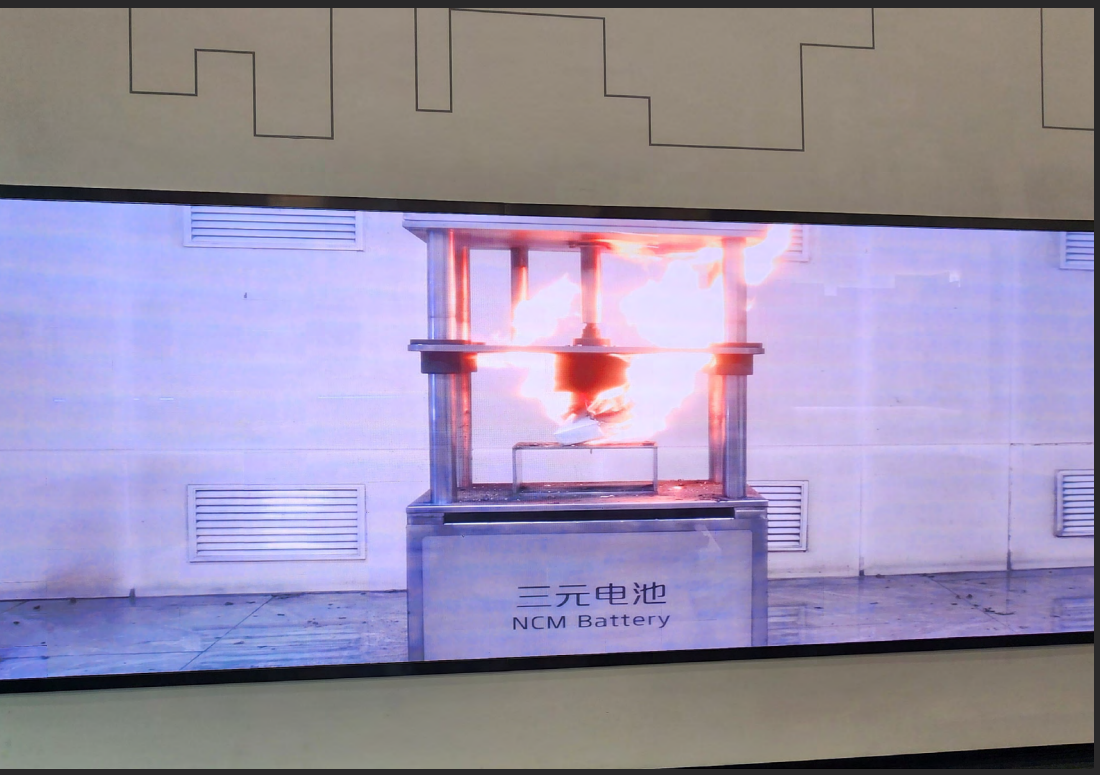
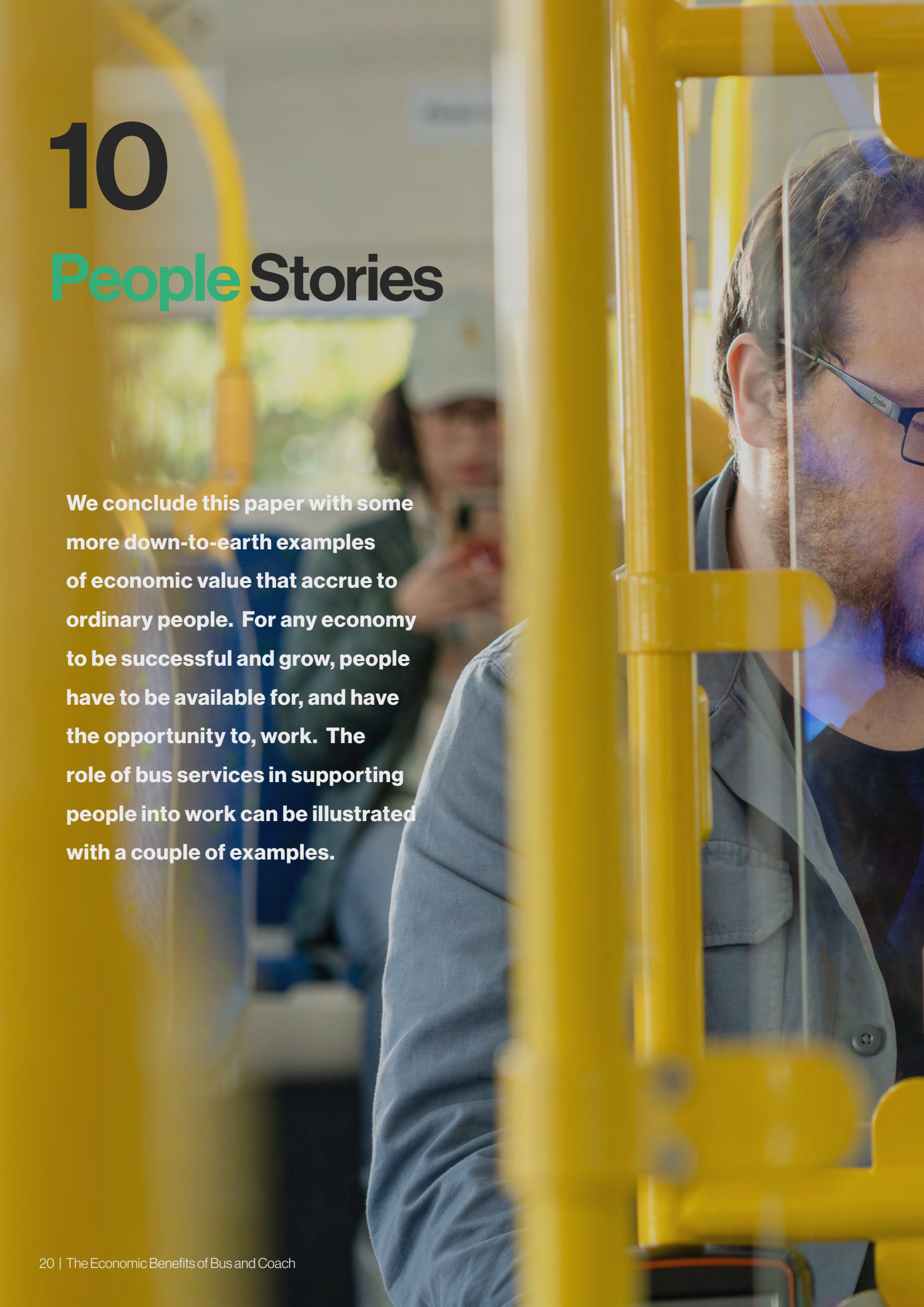



**Figure 5: Testing of Battery Safety**

# 10

# People Stories



**We conclude this paper with some more down-to-earth examples of economic value that accrue to ordinary people. For any economy to be successful and grow, people have to be available for, and have the opportunity to, work. The role of bus services in supporting people into work can be illustrated with a couple of examples.**

# People Stories - Bus Drivers

Bus driving is a highly responsible and skilled job, with safety of passengers and other road users paramount. It is also a career that provides opportunities for:

- Middle-aged and older people remaining active in the economy.
- Students and those looking for part time and casual work (a current senior manager in Go Bus started his career as a driver in student days).

The last few years have experienced shortages of bus drivers that NZIER warned about, and which have resulted in significant service disruptions in many parts of the country. Therefore, the country cannot afford to ignore the huge economic contribution made by older bus drivers, and should be encouraging as many as possible to keep driving for as long as desirable.

Bus drivers have been recruited from many different industries – often with very positive results. Tauranga bus driver Preston Chen previously worked in IT and, when he is not behind the wheel of a Kinetic-operated Baybus service, has developed several innovative tools that have streamlined processes across the depot.

Along with 3D printing an advanced cash box, Chen has developed two apps, one that allows drivers to easily share their roster with loved ones, and another that makes it possible to view real-time feedback from their routes based on General Transit Feed Specification (GTFS) data. In August 2025 Chen's dedication to creating a better working environment was recognised during Kinetic Tauranga's recent Rewards and Recognition ceremony[22].

## 2015 NZIER Report Ageing Bus Drivers

In 2015 NZIER produced a report[21] on the subject of ageing bus drivers for the BCA. Key findings were:

### Age Profile

The age profile of bus drivers was increasing faster than the general labour force, with the percentage of drivers aged 65 or over increasing from 10% to 23% between 2004 to 2014.

### Retirement Risk

In 2014, 39% of the bus driver labour force was aged 60 years or more and at risk of leaving the industry through retirement.

### Staff Retention

Flexible employment policies were seen as pragmatic and successful ways to retain older workers in many industries, and particularly relevant to the passenger transport industry because it naturally lends itself to shift-work and part-time roles.

### Demand Pressures

Demand for bus public transport was increasing over time while the number of people licensed to drive a bus was decreasing (highlighting potential for driver shortages).

# People Stories - The Rural Economy

A more nuanced economic contribution of bus travel comes from the rural sector. Ministry of Education (MoE) school bus services form the backbone of transport to primary and secondary education across rural and small-town New Zealand. At the 2023 census over 112,700 students used school buses, with another 82,683 using public buses (mainly in larger towns and cities).

When school buses do not exist, there are serious implications for the rural economy and lifestyle. In response to MoE school bus service cuts, Federated Farmers, a New-Zealand-based lobby and advocacy group for rural communities and farmers, advocates for a social investment approach when making decisions about rural transport, which means:

- Balancing short-term savings with maintaining the long-term economic viability of rural communities.
- Keeping school transport services running as an economic investment in these communities.
- Recognising that cuts to bus services are already affecting farms' ability to attract and retain staff, and therefore employment prospects for rural dwellers.

Federated Famers Rural Education spokesperson Toby Williams states:

"No buses means no staff, which ultimately undermines rural communities. We need young families to move to and stay in rural areas, but if access to schools is difficult, why would they?" [23]

Activities such as milking need to take place at times when parents would otherwise have to take children to school. Care givers in particular could be denied opportunities for full time farming and rural industry employment as a result.


These two examples demonstrate that bus and coach services don't just contribute to the economy, they are the economy.

# 11

# Recommendations

This White Paper has used a limited number of information sources, and in terms of its economic contribution the New Zealand bus and coach industry is perhaps guilty of under-selling itself. Quantitative figures for direct economic investment which do exist should be updated using current (2025) PTO employee numbers and wage rates. It would be highly beneficial if PTAs and local councils also provided information (at an aggregate level) of the direct economic contribution of their bus planning and operations staff. Taken together this would provide information on wages and taxes being levered into the New Zealand economy.

A major gap in knowledge is the quantified economic benefit contribution of the bus and coach industry supply chain. It is recommended that a research project is commissioned to identify all companies providing services and products to PTAs, PTOs and local councils and estimate key metrics such as aggregate employee numbers, wages and taxes. Furthermore, future opportunities to enhance skills and increase the value chain with Zero Emissions Buses should be clearly identified and progressed in a sector-wide plan.

The contribution of school transport services to the rural economy – evident through advocacy of Federated Farmers – would be a fruitful topic for further research. Whilst not directly mentioned in this White Paper, the contribution of bus and coach to tourism could also be worth exploring.

A national database of bus and coach economic investment and benefits information - updated every year – would provide decision makers at all levels with robust information for input into future investment proposals for improved bus services and infrastructure, as well as being highly useful for policy discussions with central government officials and Ministers.

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