

28 July 2022

File Ref: EXTR-9-1345

Hon Michael Wood
Minister of Transport
Minister of Immigration
Minister of Workplace Relations and Safety
Parliament Buildings
Wellington

Office of the Chairperson
100 Cuba Street
PO Box 11646
Wellington
T 04 384 5708
www.gw.govt.nz

Tēna koe Minister

Bus driver shortages, fair pay and immigration settings

Congratulations on your recent appointment to the Immigration portfolio. I write to you in your capacities as Minister of Transport, Immigration and Workplace Relations and Safety, and in the spirit of our partnership to improve public transport and respond to the climate emergency.

Over the last six months it has been heartening to see support from both the community and government to the establishment to the new \$27 per hour base rate of pay for bus drivers. This has gone a long way to stem the outflow of bus drivers from our workforce.

However, GW continues to face a seemingly intractable shortage of around 100 drivers across our region, which is now being compounded by Covid and other illnesses. We are operating a reduced timetable to allow for shortages but are still seeing significant cancellations.

As identified in our recent submission to the Fair Pay Agreements Bill, achieving our public transport goals requires a stable and sustainable workforce. To address the current shortfall and meet our patronage projections, we estimate that at least 300 new drivers will be needed over the next 10 years in the Wellington region alone. When we consider driver attrition and our ambitious mode shift targets, the number will be even higher.

Ongoing competition from other sectors adds to this pressure. Bus drivers hold Class 2 & 4 licences and are therefore prime candidates for recruitment into the heavy transport sector with its much more lucrative rates of pay.

We understand that this problem is not unique to Wellington. Bus driver shortages are impacting public transport services across most urban areas of New Zealand. We believe that these chronic shortages demonstrate an underlying gap in our New Zealand workforce, and therefore we must

consider alternatives that provide for overseas drivers to help meet this current and future demand. To be clear, we do not believe that the arrival of immigrant bus drivers will cause a displacement of New Zealanders from these jobs.

It is our view also that our work to improve pay rates and driver terms and conditions has opened a potential solution that may be relatively straightforward to implement.

Immigration New Zealand currently categorises “Bus Driver” as Level 4 in the Australian and New Zealand Standard Classification of Occupations (ANZSCO). Now with the Wellington region pay rate at \$27 per hour (the NZ median), there is a strong case for Bus Driver to be added to the list of “Occupations treated as exceptions” along with others such as Train Driver, Bicycle Mechanic or Tour Guide. Through altering this setting, Bus Driver would be classed as skilled in the Skilled Migrant Category and, should they be paid \$27 an hour as they are in Wellington, would be eligible to apply for a Resident Visa.

Minister, this measure seems broadly consistent with the government’s policy direction and may “shift the dial” on this currently intractable shortage.

More importantly though it represents a real lever for change, encouraging the sector to offer bus drivers the pay and conditions that truly reflect the value and contribution they make to our community.

Ngā mihi



Daran Ponter
Chair

DD: 027 454 0689