

SCHOOL BUS CONTRACTORS, GARAGING ALLOWANCE

940. Hon BARRY HOUSE to the parliamentary secretary representing the Minister for Planning and Infrastructure:

- (1) What is the current garaging allowance for school bus contractors?
- (2) Is the Government abolishing the allowance?
- (3) If that is the case, why?

Hon GRAHAM GIFFARD replied:

I thank the member for some notice of this question..

- (1) The current garaging allowance is \$450 per annum.
- (2)-(3) This allowance is being considered in the negotiations that are currently occurring between government and industry as part of the review of the school bus contract system. The member should note that the provision of garages is not necessary for the safe delivery of school bus services, as argued by industry. This is clearly evidenced by the fact that the school bus industry has a good safety record, yet 30 per cent of the fleet has no shelter and another 30 per cent of the fleet has only partial shelter. It should also be noted that Transperth buses are not garaged. This has had no negative impact on their safe operation.

The industry has also argued that buses should be garaged to preserve their residual value. The payment model allows residual value of 10 per cent for small buses and five per cent for larger buses, whereas sale prices achieved by contractors equate to 25 per cent residual value for small buses and 20 per cent residual value for large buses. Contractors keep this windfall gain. Hence, if garaging assists in achieving that gain, arguably contractors should pay for it.