

Mrs LM O'Malley MLA - Chair
Public Accounts Committee – STAP Framework
4 Harvest Terrace
WEST PERTH WA 6005

Dear Lisa,

I am grateful for the opportunity to submit my response to the Public Accounts Committee about the “Inquiry into the Student Transport Assistance Policy framework” (STAP). It is important to step back occasionally, take the blinkers off, and examine what we have in front of us.

We as Contractors are very fortunate to have a very good model to work with, being the Evergreen contract. It offers stability and certainty to Contractors and students using the services. In its current form it allows contractors to financially manage most of the factors that are involved in running a safe and efficient service. We need the Evergreen contract to continue and for contracts to be relocated, when necessary, not terminated.

The direction the current Government and bureaucrats are pushing is the tendered rate model which is fraught with danger. Prices being tendered are not compatible with long-term stability of service and long-term safety of buses. The push in the tendered rate model is playing into the hands of the cheap overseas bus manufactures and in no way supporting the Australian bus body manufacturers.

School Bus Services need to get back to the grass root reason they exist. That is, to offer a safe, reliable, and efficient bus service to rural students and to work hand in hand with contractors to provide this. The current attitude of School Bus Services needs to be checked and turned around.

I have included examples in my submission to substantiate my concerns about the direction of the industry. This is by no means an exhaustive list of the problems and concerns we as contractors face but gives some examples. I would look forward to any face-to-face meetings that may be available with the Committee to discuss further.

I trust that with all the submissions you receive you will be appreciative of the role the Evergreen contract plays in our industry. As a contractor we need security to be able to continue to offer our rural students the best educational outcomes possible. For most rural students,

IT STARTS AND FINISHES WITH A SAFE AND HAPPY BUS RIDE.

Yours sincerely



James McCabe
Managing Director
Regional Transit

Introduction

I started in the school bus industry in 2005. My first contract was in a small country town close to where I was living. I decided to put my toe in the water to see if it was an industry, I was compatible with. I liked what I saw and have been growing my involvement in the industry ever since.

I was involved in the change from the Composite Rate Model contract to the Evergreen contract. This change gave great hope and stability to my business aspirations.

I currently operate Evergreen contracts and I have one current long term tendered rate contract and have operated short term tenders in the past. I have lost faith in the Tendered rate model contracts. The prices that contracts are being awarded for, does not fit my idea of a sustainable and profitable business model, nor does it fit with my ethos for safety within my business. To be competitive with the rates that are currently being awarded I would need to compromise the safety of passengers, training of staff, maintenance schedules and the provision of well-made safe and reliable vehicles that can withstand the conditions and term of the tender. Something has to give with the tenders, and I fear that in the next 10 years we will see a dramatic deterioration in the safety and service that the Tendered model is offering.

In the early days of my involvement within the bus industry there was a definite link and cohesion between school bus contractors and School Bus Services. Mostly everyone worked together for the betterment of the industry and safety of the students. There was recognition of the role that contractors played in the provision of the service and the link they had with the local communities.

In the last 2 years there has been a turnaround in the attitude of School Bus Services toward contractors and regional families. We are getting many complaints from rural families about the unfriendly responses they are getting from Contract Officers. The attitude has changed from a work together mantra to a you will do it mantra. It is alienating School Bus Services from Contractors and local communities. This attitude needs to be turned around.

This is a submission to the Public Accounts Committee about the **“Inquiry into the Student Transport Assistance Policy framework”** (STAP) covering the Terms of Reference as listed below.

The Public Accounts Committee will inquire into the current Student Transport Assistance Policy framework within the current budget parameters, in particular:

- (a) the eligibility criteria for students to qualify for transport assistance, including:
 - i. nearest appropriate school;
 - ii. access to spurs; and
 - iii. inclusion of social, community, and economic and financial factors;
- (b) the types of transport assistance and entitlements to be provided to ensure students can undertake an appropriate education;
- (c) the relevance of existing policies, practices and rules that are applied in delivering the transport assistance arrangements;
- (d) the assessment process when evaluating the safety of bus stops and routes;
- (e) the implication of the National Disability Insurance Scheme on the delivery of transport assistance for students attending Education Support facilities;
- (f) the contractual arrangements with service providers, including the appropriateness of current school bus contracts, and payment arrangements, and previous contractual arrangements and the manner in which they were created;
- (g) the resourcing of the School Bus Services division within the Public Transport Authority; and
- (h) the appropriateness of the conveyance allowance as an alternative to transport assistance.

Terms of Reference.

a) the eligibility criteria for students to qualify for transport assistance, including:

i. nearest appropriate school;

ii. access to spurs; and

iii. inclusion of social, community, and economic and financial factors;

1. Eligible and Complimentary Students - Kalannie.

We have a school bus contract in Kalannie. Some distance to the east of Kalannie there is a crossover of school boundaries with Koorda. We had students on our bus that were travelling to Kalannie for school but were in the Koorda catchment, hence they were deemed complimentary on our service. Their house was very close to the road and our bus went past on its normal run. School Bus Services would not allow us to stop at their house to pick up the students and stated that the students needed to go to the nearest available stop that was 2 kilometres up the road.

The family had just welcomed a newborn to the family. It made no sense to upset the young family to go 2 kilometres up the road to drop children for the school bus. I rang the contract officer and told him I was instructing my driver to stop at the house of the complimentary students and pick them up at their gateway. To me, a totally common-sense outcome.

This is one of many examples we are faced with, of the nonsensical approach with eligible and complimentary students

Recommendation

All students that travel on orange school buses are entitled to an education. Do away with the eligible and complimentary tags and make all students eligible.

Terms of Reference.

(a) the eligibility criteria for students to qualify for transport assistance, including:

i. nearest appropriate school;

ii. access to spurs; and

iii. inclusion of social, community, and economic and financial factors;

(b) the types of transport assistance and entitlements to be provided to ensure students can undertake an appropriate education;

(h) the appropriateness of the conveyance allowance as an alternative to transport assistance.

2. Wickepin Spur

The terminus for the Narrogin Wickepin bus was in the Wickepin town site. A family that lives 25 Kilometres to the east of Wickepin applied to School Bus Services for a pickup for their 2 children that were deemed eligible by School Bus Services. School Bus Services declined their application for a gateway service or spur and offered a conveyance allowance for the parents to take the students to Wickepin every day to catch the bus.

When pressed about their response about why the request had been declined the Contract Officer replied, "because it is not being offered". After much back-and-forth between the parent and School Bus Services no compromise was forthcoming.

There is history that the school bus has in fact travelled to the address where the family live to transport students to Narrogin. The current pickup time for the students is 7.30am, and they are dropped off at school at 8.30 am. That falls well inside the 90-minute timeframe for student travel. If a gate way service was offered to the family, it would still fall within the 90-minute timeframe. The only reason that School Bus Services has not offered a gateway service can only be put down to a money saving exercise. There seems to be limited acknowledgement that the main reason to provide the bus service is to get all students to and from school in a safe and timely manner.

Recommendation

If a gateway service can be offered to a family and it falls within the 90-minute travel timeframe then it should be offered regardless of spurs and the number of students at the stop.

EMAIL EXCHANGE - 2. Wickepin Spur

A few days after this email was sent (no response received) School Bus Services changed their mind and offered the family a 7.5-kilometre spur.

c) the relevance of existing policies, practices and rules that are applied in delivering the transport assistance arrangements;

3. Tom Price Paraburdoo Tendered Bus Contracts.

The first Tom Price Paraburdoo contract was awarded in term 4 2007, with the second awarded in term 1 2008. Both contracts were for a term of 15 years and comprised a B class bus (43 seat) and a C class bus (57 seat). The two contracts were aligned to expire at the end of 2022. We managed the contracts remotely but made regular trips to Tom Price to assist and monitor both drivers and students.

Student behaviour was always a concern but was manageable. The last two years we had the contracts we noted a deterioration in student behaviour. This was putting added stress on our drivers. We also noted that the police and the school were becoming more active in student behaviour management and were of great assistance to our drivers.

Term 3 and 4 in 2020 student behaviour on the buses came to a head causing our drivers a great deal of stress. We engaged regularly with the drivers over the phone and in person in Tom Price to try and help manage the situation. We issued behaviour management notices as per the Behaviour Management guidelines issued by School Bus Services. It is to be noted here that it is extremely difficult for a driver to monitor student behaviour on a large bus while they are driving. The driver while facing forward and controlling the bus is expected to see and hear what is happening on all parts of the bus. This is simply not practical and is impossible to do. What happens then is a student at the end of the run will come to the driver and lodge a complaint about another student. The driver is then expected to investigate the alleged offence. We all know that there are three sides to every story, side 1, side 2, and then the truth. In most cases a Behaviour Management notice cannot be written and sent home as the driver has not witnessed the indiscretion and cannot find out the truth, resulting in no resolution of the event.

School Bus Services have said on multiple occasions that we do not forward to them enough information on student behaviour management and are not issuing enough behaviour management notices to build a case for suspending a student. We cannot issue notices for situations based on one student's information only, which may be inaccurate or straight out false.

This highlights the drivers need, and our instructions as employers, to concentrate on driving the bus in a safe manner. As we all know, and as reinforced by the Governments advertising campaign on television, "a distracted driver is dangerous". How then is it appropriate for a driver to safely drive a large bus and monitor student behaviour at the same time.

Towards the end of the 2020 school year the police were being called to the bus on a near daily basis to help deal with situations arising not only from student behaviour but also parent behaviour. As detailed in the attached emails, it was determined that we as contractors ask for School Bus Services support in providing a bus aid on the buses to help with incidents happening on both services. The Police along with the Tom Price High School Principal wrote to School Bus Services supporting our

request for a bus aid. Along with that, both existing bus drivers indicated that they would resign their positions if there were no bus aids on the buses for the start of the 2021 school year.

I found this whole interaction with School Bus Services to be most unsatisfactory and very stressful. School Bus Services didn't seem interested at all in the welfare and safety of my staff or the students travelling on the bus.

In the phone call discussion I had with [REDACTED] on the 26th January, [REDACTED] stated to me that School Bus Services would not entertain the idea of a bus aid. My comment to him was that he had effectively given me a little over a week to organise new drivers. He stated to me in that call that it would be ok, just talk to your drivers and you will talk them around to continue driving. That comment blew me away and showed me the disregard that he holds towards contractors and their staff. From that conversation I believe I made the right call to protect my business and staff from further issues that could arise from continuing with the contracts. For the first term of 2021 I paid for one bus aid to alternate between the buses out of my own pocket. The turnaround in behaviour was substantial and we were able to continue the remainder of the contract in a safe manner.

I wish to also state here that I have heard verbally on 3 occasions that School Bus Services have stated to other parties that I as a contractor only gave them 3 months' notice of termination. I find that a slur on my character as a contractor given the email trail that is listed below.

I wonder what cost School Bus Services have had, with the implementation of a short-term tender and then going out to long term tender, as against providing a bus aid for the duration of the existing tender.

Over the last two years there has been a marked change in the attitude and action from staff at all levels in School Bus Services. Unfortunately, it has developed into a "them and us" scenario. There no longer seems to be a connect and willingness to work together to provide the best possible service to get our rural student to and from school safely and efficiently.

It is apparent in the attitude from School Bus Services that it has come down to a money saving exercise at the expense of all else. This can only be exemplified by the willingness of School Bus Services to accept Tender prices that are below the cost of providing the service and the move to allowing a lower quality bus onto the services as is being seen in the tendered rate models.

Recommendation

Behaviour issues and bus aids should not be limited to medically diagnosed conditions. School Bus Services to provide a bus aid on all B and C class bus services and as needed on all other services to allow drivers to concentrate on driving in the safest possible manner.

The events that occurred are best followed through the timeline below.

Timeline of events that unfolded.

- 30th Nov 2020 [Attachment 1.](#) Email to [REDACTED], Contract Officer for the Northern Region requesting a bus aid
- 1st Dec 2020 [Attachment 2.](#) Email exchange between [REDACTED] (Regional Transit [REDACTED]) and [REDACTED] and responded to by [REDACTED] School Bus Services [REDACTED], with numerous email attachments.
- 15th Dec 2020 [Attachment 3.](#) Email sent by me to [REDACTED] asking for assistance in providing a bus aid with attached formal letter and attached previous email interactions.
- 16th Dec 2020 [Attachment 4.](#) [REDACTED] response to my email
- 21st Jan 2021 [Attachment 5.](#) My email to [REDACTED] requesting a response.
- 22nd Jan 2021 [Attachment 6.](#) After no response, my formal letter of notice of termination on the contracts forwarded to [REDACTED] by email.
- 22nd Jan 2021 [Attachment 7.](#) [REDACTED] response to my email.
- 26th Jan 2021 [REDACTED] phone call to discuss the issues.
- 16th April 2021 [Attachment 8.](#) Email to [REDACTED] asking about termination date for contracts.
- 19th April 2021 [Attachment 9.](#) [REDACTED] requesting an email be forwarded and my response.
- 20th April 2021 [Attachment 10.](#) Alarm bells going that nothing has happened, and [REDACTED] has not actioned anything.
- 10th May 2021 [Attachment 11.](#) Emails between [REDACTED] and myself regarding any further information.
- 20th June 2021 [Attachment 12.](#) Emails with [REDACTED] regarding end date of contracts and bus drivers resigning.
- 22nd June 2021 [Attachment 13.](#) Formal notification from School Bus Services of contract termination.
- 5th July 2021 [Attachment 14.](#) Notification that the Tom Price buses had arrived back in Perth.
- 15th July 2021 [Attachment 15.](#) The professionalism of School Bus Services in advertising the Tender for new life of bus contracts.
- 15th Sept 2021 [Attachment 16.](#) Email exchange with [REDACTED] saying that the original email containing the termination letter in January had got lost in transmission.

Please see supporting attachments following, as listed above. Please note that as with all email trails, the latest date is the first email you will see with the originating email being the last in the trail.

Terms of Reference.

c) the relevance of existing policies, practices and rules that are applied in delivering the transport assistance arrangements;

4. Narrogin Wickepin and Narrogin Boundain bus contract novation.

Earlier this year I purchased two school bus contracts in Narrogin. These were the Narrogin Boundain contract and the Narrogin Wickepin contract. Novation of the contracts occurred on the 15th Feb 2021. As part of the novation process School Bus Services requested that all relevant information about the contract is passed from the outgoing contractor to the incoming contractor. This information, amongst others, consists of;

- Route maps
- Route Narratives
- Student information
- Custodial information and
- Medical information about students

I have no concern about the maps and narratives however, student information, custodial and medical information places us as contractors in a much higher risk category due to our need to consider OH&S regulations. If the outgoing contractor fails to pass on the correct/all information, then the contractor and students' safety could be compromised. In the email exchange provided below, Cosimo, the Compliance Coordinator at School Bus Services, said that if "you determine there are deficiencies" in this information then go back to your Contract Officer. My simple question here is, how do we know if there are deficiencies in the information. As a Compliance Coordinator I'm not too sure about his decision on this particular issue. Surely under OH & S guidelines School Bus Services failure to ensure the provision of this information prior to take over puts all contractors at risk of making avoidable errors in the care and delivery of students.

Recommendation

All information relating to the running of the contract be made available to the incoming contractor at least 2 weeks prior to novation date to allow the incoming contractor time to get paperwork in order and to make sure drivers are aware of all student issues.

Email Trail – Supporting Documents

Terms of Reference.

c) the relevance of existing policies, practices and rules that are applied in delivering the transport assistance arrangements;

5. Narrogin Depot Changes.

On the 30th April 2021 an email was sent to our contract officer, [REDACTED], about the new depot location for an existing bus we owned and for an additional 2 that we had just purchased. Emails were exchanged to clarify depot address and garage type classification. This was all confirmed in an email to [REDACTED] on the 17th May 2021. On the 14th October we sent an email to [REDACTED] stating that the depot payments had not been increased in line with garage classification. We received no acknowledgement about that email and have sent off a further email on the 28th October 2021 requesting the change take place.

I refer to School Bus Industry Customer Service Charter put out by School Bus Services on their website;

Our goals

- Better transport solutions for our network of buses;
- A consistent and collaborative approach to contract management;
- Continuous improvements in the standard of service delivery;
- High standards of communication;
- Streamlined and simplified contractual requirements;
- Assist the school bus industry where possible with the development of a more highly skilled and professional workforce;
- Take a leadership role in education and awareness about the school bus industry sector; and
- Work in partnership with; the school bus industry representatives, contractors and their staff to achieve best practice outcomes.

Efficiency

- Our administrative services will be easily understood and simple to use;
- We will acknowledge your correspondence within 24 hours and officially respond within an agreed time frame; and
- Contract payments will be made in the agreed time frames and any significant changes will be discussed with your prior to payment being made.

Words are easy, action is not. Why does this have to be hard, and where is the communication as outlined in the Customer Service Charter, 'We will acknowledge your correspondence within 24 hours and officially respond within an agreed time frame'. We are currently being paid \$3.251 per day per bus for the garaging but are eligible for \$11.749 per day per bus. That's a shortfall of \$8.50 per day per bus. Hopefully we will get back paid when the issue is resolved.

Further information regarding this issue that has just come through, is that School Bus Services have finally agreed to pay the difference in garaging back to the 19th April 2021. A timeframe of some 7 months.

Recommendation

Communication be followed through in a timely manner and acted on accordingly.

Terms of Reference.

f) the contractual arrangements with service providers, including the appropriateness of current school bus contracts, and payment arrangements, and previous contractual arrangements and the manner in which they were created;

6. Evergreen Contract Security.

The change to the evergreen contract gave me as a contractor a solid base on which to build my business. In 2015 I had 2 evergreen contracts relocated from Wyalkatchem to Denmark. To me this was a common sense approach where there was a diminished need for services in Wyalkatchem and a definite need for new services in Denmark. This relocation gave me great faith in the stability of the industry and the belief that I could invest funds in purchasing new contracts with security.

With the change of Government this all changed when we were told that Evergreen contracts would no longer be relocated, but instead terminated. I have had one contract terminated so far in Kalannie, with the threat of another termination in Hyden. These contracts along with many others were purchased in good faith with the knowledge that relocation would happen if the service was no longer needed in the town it was operating in.

With the termination of an evergreen contract, contractors loose considerable capital that was invested in purchasing the contract as well as the ongoing cashflow. Termination of these contracts undermines small business.

What we are seeing with the introduction of the Tendered Rate Model is operators submitting prices that are “bare bones”, and not having any surplus funds to allow for proper staff training and all the commitments that go with OH&S, or necessary allocation of funds for bus maintenance. The only way to be competitive price wise with a tender, is to use the cheapest buses on the market. I question the long-term viability and reliability when a bus manufacturer like Yutong in China say their bus has a 10-year lifespan out of the factory. How does that relate to a 17 year contract term and gravel roads?

Where is School Bus Services commitment to providing safe and reliable transport for regional children to and from school. It appears they have lost sight of their charter and are being influenced by financial factors only.

The Evergreen contract model is a tried and proven contract that provides the most reliable and safe travel arrangements for students and financial security to small business.

Recommendation

This is one of the most important features of this review. Instead of School Bus Services terminating Evergreen contracts, they should be relocated to another area of need. This will give contractors confidence and stability within their business.

Terms of Reference.

(c) the relevance of existing policies, practices and rules that are applied in delivering the transport assistance arrangements;

(f) the contractual arrangements with service providers, including the appropriateness of current school bus contracts, and payment arrangements, and previous contractual arrangements and the manner in which they were created;

7. Temporary Distance Variation

Temporary Distance Variation (TDV) reports are an onerous and time-consuming part of Contractors daily administration. It also appears that contract officers are taking an inordinate amount of time to administer the variation reports. Accuracy and manipulation are of a major concern.

School Bus Services sent contractors an excel spreadsheet and demanded Contractors fill out the sheet and return at the end of each term with all odometer readings. This was developed and implemented by School Bus Services with no consultation with the industry. The spreadsheet is locked so that formulas are not viewable. The spreadsheet has been amended at least eight more times over the past 2 years. [REDACTED], School Bus Services [REDACTED], admitted at one stage that there were errors in the formulas in the spreadsheet. Contractors were not offered an explanation and no adjustments were made due to this error. I question the ability of School Bus Services to deduct money from Contractors using a spreadsheet that was untested and faulty.

At the end of each term Contractors must submit the temporary distance variation via the School Bus Services website. Contractors must sign off saying that the report is true and accurate to be able to lodge the required reports. On most occasions true and accurate is not the case when we must report on the figures calculated by the spreadsheet, for example:

I have a town-to-town direct service which does 277.77kms daily, the route never varies. This service had 1 pupil free day for the term meaning we needed to refund 277.77kms to School Bus Services. On completion of the School Bus Services spreadsheet, it determined we owed 167.77kms as a refund an anomaly of 110kms.

On another run we have a driver who completed her run fully every day except for 1 pupil free day. The daily kilometres are 292.43 and this amount should have been reimbursed to School Bus Services. However, we had to repay 317.43kms as this was the amount calculated by the spreadsheet.

School Bus Services staff have been known to alter details in the spreadsheet after it has been submitted. How is this possible and I question the legality of doing so after a contractor has signed off on the report?

We are also required to record charter work on the spreadsheet. Why is this necessary when it has nothing to do with the school bus contract?

I am very happy to hand back to School Bus Services any money for the days when the bus has not run at all, for example, pupil free days. [REDACTED] has stated an amount that School Bus services recoup from temporary distance variations. This amount includes money recouped from pupil free days. I feel that this would make up most of the money recouped. If we were to look at the total amount less the pupil free days, I would question that the remainder reimbursed, less the time required to administer temporary distance variations would make it a viable exercise.

One of the issues we are constantly having trouble with and being questioned by Contract officers is the amount we are being paid, in dollar terms, against total kilometres travelled and the error rates that are applied.

Example.

We have a run where the driver lives approximately 25 past the terminus of the bus run. We do not get paid for the 25 kilometres one way that the driver drives to the first pickup point or terminus. The table below shows what we actually (actual) do and what we are paid to do (Approved). This is for the morning run only, so we need to double the figures to get the daily kilometres.

	Approved	Actual
Unloaded Start	61.29 km	30.44 km
Loaded	92.71 km	92.71 km
Unloaded End	0.55 km	87.31 km
Service Total	154.55 km	210.46 km
Unsealed	42.85%	60.28%

The important figures here are the service total.

Approved total = 154.55 kilometres in the morning time 2 = 309.10 kilometres per day

Actual total = 210.46 kilometres in the morning time 2 = 420.92 kilometres per day

The difference is 111.82 kilometres per day. So we subsidise at our expense the cost of running the bus 111.82 kilometres per day.

This highlights two factors

1. Why do we need to justify kilometres that are being travelled outside what we are actually being paid, and
2. How can School Bus Services define actual and approved depots for their benefit. If the Actual depot is moved closer to the school, then School Bus Services will move the Approved depot closer. However, if the Actual depot is moved further away from the school, then the Approved depot remains where it is. There is no recognition that drivers in regional areas are sometimes hard to come by and sometimes there is little choice in who is driving and where a vehicle needs to be housed.

Recommendation

Do away with Temporary Distance Variations on the understanding that the days that the bus has not operated at all are paid back by the contractor.

Please note:
Attachments 1-16 in this document have been redacted