

Ms LM O'Malley MLA  
Chair Public Accounts Committee  
4 Harvest Terrace  
West Perth WA 6005

Dear Ms O'Malley,

### **Student Transport Assistance Policy Framework Inquiry**

As a school bus contractor, I welcome the opportunity to contribute to the Student Transport Assistance Policy review.

The information I have provided in relation to the Terms of Reference are based on my experiences operating school buses in Western Australia for the past 30 years. I have not responded to all questions but hope my feedback provides some assistance to better our industry.

#### **A) Eligibility criteria for students to qualify for transport assistance;**

The current eligibility criteria to qualify for transport assistance is as follows:

- Be enrolled at the nearest appropriate school,
- Be enrolled in a pre-compulsory or compulsory education period,
- Regularly, attend their school and use the "Orange" school bus approved for that student,
- Reside more than 4.5 km from their school, and
- Reside outside a designated Public Transport Area.

In regards to eligibility criteria and its restrictions, I believe overall the current policy provides a reasonable structure for the management of transport assistance. The following changes could be made to improve eligibility criteria.

#### **Nearest Appropriate School and Complimentary Passenger Status**

The Education department allows for families to choose the school they wish to send their children. This may not be to the nearest appropriate school the student could attend. There are many reasons as to why a family may make this decision, ie sibling already attending the school, a specialised program offered by a school or parents place of work closer to the school.

School bus services policy for a student who does not travel to their nearest appropriate school states, providing there is seat available on the bus, the student will be allowed to travel as a "Complimentary Passenger". The complimentary passenger status provides a seat on the bus until an eligible student applies, if the bus fills the last complimentary student to be approved is required to give up their seat. This scenario can place the family in a difficult situation as half way through the school year, the child could no longer be able to catch the bus, often traveling to an outlying town.

I believe, School Bus Services and the Education Department policies need to be aligned in regards to allowing families to send their children to the school of their choice if a service is provided and as eligible travelling passengers. It is my belief, we want to provide families with the most accessible service possible, then the complimentary status of students travelling on school buses should be removed.

### **Terminus and Spur Extensions and the Approvals Process**

Approval of new or extended spurs (a spur is a deviation off the main route and terminus is where the bus starts its service) are based on a maximum distance the bus would be required to travel one way. Depending on the number of students who require the extension, 1 student can have a maximum of up to 5kms approved and 2 or more students 7.5kms.

When a family resides beyond the 5km or 7.5km maximum distance, a conveyance allowance will be offered to families which is a payment based on the distance families have to travel to meet the bus which goes towards the running costs of the family car. Given the inconvenience of still having to drive to meet the bus and the marginal fee paid, the offer of the conveyance allowance provides little benefit to families.

Within the student transport assistance policy there is 90-minute maximum journey time allowed for a student to travel on a bus one way to school. There are currently a number of services that are on this limit and some with special approval, that travel over the limit. My suggestion is in relation to the approval of new or extensions to spurs and terminuses is, if the journey time will still allow a bus to complete its trip one way within the 90-minute maximum journey time, this will determine the approval of a new or extended spur or terminus.

### **B) Types of transport assistance and entitlements provided to ensure students can undertake an education;**

The types of transport assistance are as follows:

Transport by an orange school bus which may be free or in cases where a contract school bus picks up the students inside a Public Transport Area may require the student to pay a student concession fare and/or

A Conveyance Allowance paid to their parent/carers.

#### **Conveyance Allowance**

The conveyance allowance offered to parents/carers who transport their children by the family car to the nearest appropriate school or to meet a bus on route is a more cost-effective option to the authority than extending a bus to meet the family.

The conveyance allowance is indexed annually and when completing the calculation based on the applicable rate of 22.04 cents per kilometre families are remunerated, based on the average fuel consumption for a mid-sized car and the fuel price in town today would equate to 18 cents of the 22.04 cents paid. This leaves the remaining 4 cents per kilometre to go towards tyres and repairs and maintenance to the vehicle. Fuel prices would only need to spike to absorb the full fuel cost.

The offer of a conveyance allowance can provide no benefit to families as it is time which is most important to them. If the parent is required to start work on the farm early or has other commitments, the time taken to drive the children to and from the bus stop, in some cases, are considerable distances, eats into their working day.

As mentioned, approving new or extensions to spurs and terminuses based on the 90-minute maximum journey time will provide families with a much better service.

## **C) The relevance of existing policies, practices and rules that are applied in delivering the transport assistance arrangements;**

### **Temporary Distance Variations**

Temporary Distance Variations were introduced to declare kilometres travelled over or under the standard daily kilometres recognised in the school bus contract. If less kilometres have been travelled during the term a financial calculation based on the reduced number of kilometres is calculated and deducted from contractor's payments. If on the odd occasion more kilometres are travelled, the same calculation is applied and an extra payment is made to contractors.

TDV's are very time consuming to complete due to having to re-enter each morning and afternoon start and finish kilometres into a SBS spread sheet before returning them at the completion of each term. Contractors have had to absorb the obvious extra administration burden without adjustments to administration payments which make up the contractor's service charge. The extra administration costs for SBS to process TDV's would have to equate to a large portion of what SBS save by the TDV process.

Speedometer readings are used for the basis of TDV calculations. Accuracy issues exist with speedo readings and is common for speedos to vary quite substantially, especially the older the bus gets for which financial calculations are determined.

Contractor payments are based on the number of school days they operate per year. Throughout the year and within the recognised number of school days, schools have pupil free days. As the kilometres not travelled on these pupil free days equate for the large portion of the kilometres not travelled and recorded on TDV's, a much simpler process for all would be for contractors to declare the kilometres not travelled on pupil free days to be deducted from the recognised number of school days they operate.

### **Life of Bus**

Recently the replacement life of a school bus was increased from 10 years to 12 for an A Class bus (24-seater) and from 15 years to 17 for a B and C class bus (42 – 57 seat buses).

When operating in regional areas there is a number of unsealed corrugated roads which take a heavy toll on the vehicle as they are simply not designed to operate in these conditions. There are examples of buses which have travel a high percentage of unsealed roads which should have been replaced before they have reached even the old 10 or 15 year life span.

Increasing bus age to 12 – 17 years is only going to increase the degradation suffered by these vehicles. The reliability and safety of service will be jeopardised because of this decision, especially buses travelling on unsealed roads.

I have seen Chinese imported buses operating in unsealed road conditions not even make it through half of it 15-year life span before it should have been replaced.

I believe the bus ages should remain at 12 and 15 years, possibly even reduced for contracts with a high percentage of unsealed kilometres travelled.

## **School Bus Inspectors**

Orange school buses were once inspected mechanically by Public Transport Authority employed school bus inspectors.

PTA inspectors travelled the state turning up unannounced at depots twice a year only inspecting orange school buses. They were very thorough, knew the vehicles inside out and were a fountain of knowledge if you did have a mechanical problem or need advice on what to keep an eye on. Turning up unannounced also made sure contractors maintained their vehicles to a high standard as inspectors had the power to put your bus off the road if a fault serious enough was found.

Possibly as a cost reducing measure, the PTA inspectors and inspection process came to an end with buses undergoing an annual inspection at a vehicle licencing centre. This created problems for contractors operating in remote areas as they would have to travel large distances to licencing centres for inspections. Another issue created with the annual inspection, is that contractors would know the date of their inspection, this could encourage contractors to hold off on certain maintenance until the lead up to the inspection which should have normally been completed earlier.

Inspections carried out by the original PTA school bus inspectors were much more thorough. Removal of PTA inspectors was an example of a cost cutting measure which I believe has been prioritised over the best interests of service delivery. Given the high standards of maintenance required when operating a school bus believe PTA inspectors should be reinstated.

## **Suitability of RPT Green and Silver Buses Used on School Bus Services**

Unseat belted green and silver low floor buses used for school bus services in regional areas are not suitable vehicles to carry young primary aged students. No seat belts, seats facing along the aisle rather than across with a seat in front makes them quite dangerous when the bus needs to make a sudden stop. These buses are licenced to carry standing passengers with grab handles fitted for passengers but encourages students to stand when seats could be used.

A number of students travelling on these buses may have also previously travelled on orange buses where the rules are to always wear your seat belt and not to stand while the bus is in motion. These rules need to be uniform across both types of buses and green and silver buses should be fitted out with seat belted seats.

## **4.5kms Rule**

To provide the most efficient use of the orange bus network and provide the best service to families possible I would like to see the 4.5km from the nearest appropriate school rule be abolished.

In towns where there are designated public transport areas, the outskirts of these boundaries be used for the point where families are able to apply for transport assistance as an eligible application.

In towns where there are no designated public transport areas, immediately outside the built-up area of town where families reside, should be able to apply as eligible students. Depending on the location of the school 4.5kms can be quite a distance from the immediate built-up area of a smaller country town.

## **D) the assessment process when evaluating the safety of bus stops and routes;**

The assessment process of evaluating the safety of a new bus stops and routes usually is the responsibility of the Technical Officer within the shire the service operates. The best outcomes are achieved when the technical officer works in conjunction with the contractor.

If a parent confirms they would like a new bus stop, usually when first applying for transport assistance, SBS staff will contact the appropriate shire employee to conduct an inspection of the site. This can be completed with or without consultation with the operator, my preference is to always be involved.

If not already in place, a SBS policy which outlines guidelines be provided to shire employees and contractors when surveying new or alterations to bus stops and routes. In regards to new bus stop locations, provisions should always allow for the bus to stop completely off the road on the verge of a highway or any road with a high volume of traffic and speed limit over 60kms per/hour. Some narrower rural roads with less volume of traffic up to 60kms per/hour, providing there is sufficient line of sight for motorists in either direction, may not be so critical to have a bus stop completely off the road.

New bus stops need to take into consideration, other motorists and their vehicles providing the appropriate line of sight to enable them to slow down or even break to a stop if required. This includes heavy haulage which would require a further distance of up to 300m to slow down to a stop if required.

Appropriate drainage should also be considered to prevent any bogging issues during the winter months and area free of low-lying tree limbs.

Local shires do not fund the installation of new bus stops which would often include clearing, installation of suitable drainage and a hard gravel base. Any such works would usually need to be approved through the local shire and would be completed at the expense of the family. I have been told by our local shires they no longer receive funding for the erection of school bus stops signs which once were placed before and after bus stops to warn motorists of an upcoming bus stop.

In regards to alterations or designs of new routes, any road needs to be preferably sealed and where buses have to travel off road, made a priority by the local shire to maintain. The roads need to be wide enough for oncoming traffic of all sizes to pass and free of low-lying limbs and are suitably drained for during the winter months.

There are many factors which need to be considered when confirming the suitability of a new stop, route or amendment which you will not necessarily pick up from just looking at maps. The contractor is the best initial source of information regarding the suitability of a bus stop or new route. Where an agreement cannot be made between the contractor and SBS, the appropriate local shire employee could be brought in to assist with any decision.

### **Bus Flashing Lights**

In NSW school buses have wig wag flashing lights on the front and rear of the vehicle which are activated when the bus arrives at a bus stop. The alternating wig wag lights flash left and right and are activated when the driver opens the door.

The flashing lights are to alert approaching motorists in either direction children are present and to slow down to 40kms per/hour which is a road rule in NSW.

The flashing lights continue for 20 seconds after the door is closed before the bus then continues on its way.

This safety feature may be worth considering for Western Australian school buses also. From experience you can warn a student as they are alighting from the bus to wait for it to pull away and be able to see in both directions up the road before crossing only for them to run straight across the road from in front or behind the bus.

I am also frequently shocked to see how many motorists don't have the common sense and slow down when they come across a bus parked school bus at a stop on the side of the road. This usually happens on open roads and where the speed limits are higher.

If considered for Western Australian school buses I would suggest to be included in new school bus specifications not as a retrofit program.

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

**Evergreen Contract**

The Western Australian “Orange” school bus system is renowned as one of the safest and most reliable bus networks anywhere in the world. This reputation has been built from what’s is now known as the “Evergreen Contract” previously the Composite Rate Model and before that the Standard Rate Model.

The Evergreen Contract is an average cost model applied for the basis of contract payments. It provides operators with a fair remuneration package allowing them to invest in high quality modern vehicles required for the safe and reliable delivery of service.

The security of tender the Evergreen Contract provides operators peace of mind knowing their substantial investment is sound, enabling them to concentrate on providing the highest level of service possible.

While I believe profit margins do not reflect the level of responsibility placed on contractors, it is recognised by way of a formular built into contractor payments. Reputable industry suppliers provide accurate figures for which the average cost model of operating costs is based, providing a fair level of remuneration to maintain vehicles appropriately for an efficient cost.

The Evergreen Contract is tried and tested. It may not meet current state supply commission guideline but given the nature of the service we provide, compliance with these guidelines may not be the best option to provide the level of service required for our industry.

History has proven this model allows for the safe and reliable transport of regional West Australian students, therefor is the contract model of choice.

**Tendered Rate Model Contracts**

The authority’s preference of contracts being awarded by way of tender has been to the detriment of the industry.

Low tenders submitted usually by large operators who have an economy to scale advantages driven by the smallest of profit margins has provided the authority a misleading impression the same level of service will be maintained as with the Evergreen contract. TRM contracts have not been operating long enough for this to be confirmed.

Imported Chinese buses are the vehicle of choice for TRM contracts. The initial savings compared to the cost of a good quality Australian built buse provides quite the tender advantage. The problem being the poorly manufactured Chinese buses will be lucky to last the 12- or 17-year life of a school bus contract before having to be replaced, as well as parts becoming very difficult to source to complete the appropriate maintenance. The reliability of the service will be compromised with these vehicles, the full effect of this won’t be apparent until buses further into their life. It is interesting to note, no Chinese buses are used government owned metro fleet of buses.

Employees on wage agreements paid under appropriate rates, remote management of contracts, vehicles not maintained appropriately due to proximity of company’s workshops away from where the service operates, are all common practice from TRM operators.

Tendered contracts are a race to the bottom and not a contract model suitable for business of transporting school children.

**Relocation of Evergreen Contracts**

Businesses large and small have invested substantial amounts of money, time and effort purchasing into the school bus industry via the Evergreen Contract.

At the time of purchase the Evergreen contract was a sound investment due to the on-going requirement of the service and in the event student numbers diminished, the effected contractor would be offered an Evergreen contract where a new service was required.

In 2017 the minister made the decision that no new Evergreen contracts would be offered which also included the relocation of services. This decision was made without any consultation with industry and immediately took away the security of investment businesses had paid substantial amounts of money for when originally buying into. In many cases contracts were purchased by operators knowing they had an investment to sell at the time of retirement, this investment was erased from the moment this decision was made.

We now have a situation where, if an Evergreen contract is absorbed by expansion of metro green and silver bus, these services will be relocated. In the situation where a regional evergreen contract is no longer required the operator just has to accept their livelihood can be taken away with as little as three-month's notice, which can be while the vehicle still under finance.

Relocation of all Evergreen contracts needs to be the practice, not only when operated on the fringe of a metro network.

#### **G) Resourcing of the school bus services division with the public transport authority;**

Based on response times of contractual queries and processes from SBS it would indicate they are under resourced when it comes to their staffing. The micro management of contracts today would not be helping the situation, for example end of term Temporary Distance Variations.

It is also a double standard where contractors comply with a performance standard regime where demerit points are issued to a contractor for a late submission of administration matters where contractors wait times for SBS administration matters are irrelevant.

#### **H) The appropriateness of the conveyance allowance as an alternative to transport assistance;**

As previously mentioned, I would like to see the 90-minute maximum journey time used to determine spur and terminus extensions. This would do away with a large number of conveyance allowances being paid.

The conveyance allowance could still be offered to families who reside beyond the 90-minute maximum journey to meet the bus or when a road is not suitable for a bus to travel.

Concluding my submission, I have a genuine concern for the future of the Western Australian school bus industry.

The minister's preference to the tender rate model may be more economically viable for government to operate and meet state supply commission guidelines but will this contract model be capable of maintaining the same safe and reliable service long term that regional families have become accustomed to? I don't believe so.

Combined with the authority's reluctance to approve any decision which results in extra expenditure, has taken priority over providing families with the best level of service that could be achieved with the existing network.

Western Australian school bus contractors are very proud of the service they have delivered to date. This level of service would not have been possible without the most appropriate contract model in place.

I look forward to the findings of the inquiry.

Regards

Nat Muir