

SUBMISSION TO THE NDIS REVIEW:

MAINTAIN THE STATUS QUO WITH SPECIALIST SCHOOL STUDENT TRANSPORTATION

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EXECUTIVE SUMMARY

The NDIA and Commonwealth Government should cease considering accepting the shifting of cost for the existing state-based, bus-based specialist school transport networks from State Governments and ensure the status quo remains. Maintaining the status quo for existing state-based, bus-based specialist school transport systems is in the best interests and safety of the children, their families and the schools that they attend.

The National Disability Insurance Agency ('NDIA') has considered 'uberising' the transporting of schoolchildren with a disability to and from specialist schools by developing a cost per seat model for doing so. The idea of homogenizing the needs of children with a disability, which would be required to create a market-based arrangement, like an app, is flawed and simply incompatible with a child and parent-centred model necessary for the safe, enduring, and routine delivery of specialist school transportation service. Numerous consultancies have been engaged over the years to provide advice to NDIA on alternative models and nothing has been proffered.

Routine is a key factor contributing to the well-being of many children with disabilities. The children love the routine, because they get the same driver, the same supervisor and the same seat every day; they know what to expect. And the schools like it; it works. The NDIA's demand-responsive or car-based or people-mover based models would not have this routine.

This is particularly important as the number of children identified as experiencing autism spectrum disorder has increased. The October 2017 issue HCF's Health Agenda magazine pointed out between 2009 and 2015 the number of autism diagnoses increased from 64,400 to 164,000. The latest survey undertaken by the Australian Bureau of Statistics was from July 2018 to March 2010. That survey revealed that the number had increased to 205,200. Children aged between 10 and 14 were found to be the group with the highest occurrence rate of autism.

Bus-based specialist school transportation systems are operated to a very high set of regulatory operational requirements, namely a maintenance management system, maintenance information system, and rigorous safety protocols. Car and people-mover based models do not feature these levels of safety.

Driving and supervising a specialist school bus is a special task. There is nothing general about it. The resources operators require to train both drivers and supervisors are significant. All drivers and supervisors need a working with children's check, police check, and driver's certificate. They must also have their first aid certificate/medical plan. They are then trained by their employer on how to manage student safety on and off the bus including manual and technological methods such as student manifest systems, hoists, wheelchairs, safe driving practices, emergency procedures, communication techniques. Providers of alternative, demand responsive forms of transport are not required to have these skills and competencies, which is a diminution of safety standards.

In Victoria and most other states, special school buses are not used for any other purpose, like charter, route, or mainstream school bus work. They are exclusively used to deliver children with special needs to and from their school each school day and the buses sit idle for the 160 non-school days of the year.

This matter has been drawn out for 9 years so far and caused an unnecessary amount of anxiety and uncertainty to specialist school transport operators, students, and their families. The severity and urgency of the situation is heightened right now for several reasons. First, Departments of Education are directing their contracted operators to replace buses with new buses (because the existing bus has reached the end of its useful working life), but they can't, as the operators' financiers are denying the operator the loan as they only have a service contract with the State to the end of 2024 (in Victoria) and 2023 (in Queensland) to repay the loan on the new bus. Operators need a term of 10-15 years to pay down debt associated with a new special school bus.

Further, some students with special needs are unable to access special school buses as the buses are at capacity. Some State Governments are not sanctioning the deployment of more buses because of the uncertainty associated with who will be administering and funding these networks. In addition, numerous consultancies have been engaged over the years to provide advice to NDIA on alternative models. Nothing has been proffered. Due to these operational matters being most pressing, the Review Committee should give this situation its early consideration and resolve to discard the concept of NDIS taking on responsibility for the specialist school transportation systems throughout the country and maintain the status quo as soon as possible to give certainty to all parties.

The Commonwealth Government, in its review of the NDIS, should take these facts into consideration and not afford any more time to sacrificing the needs of children with a disability for ideology or funding issues and maintain the status quo in respect of the transportation of children with disabilities to and from their special school.

TIMELINE

1. Since 2014 the National Disability Insurance Agency ('NDIA') has considered 'uberising' the transporting of schoolchildren with a disability to and from a special school by developing a cost per seat model for doing so.
2. The idea of homogenizing the needs of children with a disability, which would be required to create a market-based arrangement, is flawed.
3. Further, to use the words of The Hon. Kevin Andrews, the Chair of the Joint Standing Committee on the National Disability Insurance Scheme ('Joint Standing Committee'), *'there is an existing market. The difference from the market that exists now is that it is one that has a collection of clients, if I can put it that way, on the basis of a school rather than on individuals'*¹.
- 4.1. In 2017, NDIS endeavoured to conduct a 'pilot Smart Market' trial of demand responsive transport options at a Victorian school which does not have a typical cohort of children with profound disabilities, which should have maximised its prospects of success. The trial was deferred indefinitely.
- 4.2. As part of a 2016 trial of transport services in Barwon, none of the children changed their method of transport. All school children remained on the special school bus.
5. Children with a disability and their families have a lot at stake in any proposal to change a proven, cost-effective, safe, child-focused, and needs-based transport system.
- 6.1. In addition to being cost-effective, there is routine to a bus.
- 6.2. Research shows that routine is a key factor contributing to the well-being of many children with disabilities.
- 6.3. The children love the routine, because they get the same driver, the same supervisor and the same seat every day; they know what to expect. And the schools like it; it works.
- 6.4. The NDIA's demand-responsive model would not have this routine.
- 7.1. Community transport and carpooling would not operate rigorous, regulated, safety regimes which have clear chains of responsibility obligations in place.
- 7.2. This stands in stark contrast to the obligations imposed on bus operators, as demonstrated above.
8. An NDIA price-based race-to-the-bottom model would undermine the current emphasis on safety.
9. The Joint Standing Committee has observed that:
*'the litany of issues raised by participants, providers, families, and carers ... is evidence of a downwards trend ... evidence received during the committee's recent public hearings seems to be indicative of a culture developing in the NDIA that is not placing the participant, and those who support them, at the centre of the Scheme.'*²
- 10.1. Most children with disabilities participating in school transport programmes travel by bus.

1. Joint Standing Committee on the National Disability Insurance Scheme hearing, *Hansard*, 12th May, 2017, p.42

2. *Progress Report of the Joint Standing Committee on the National Disability Insurance Scheme*, September, 2017, p. 71

- 10.2. In Tasmania, 14 designated bus services, which are based on ten-year contracts, transport 205 children to and from one of Tasmania's three special schools for children with disabilities.
- 10.3. In Queensland of the 5,000 or so children with disabilities who participate in the school transport programme, the majority travel in designated buses.
- 10.4. Again, in Western Australia most of the 3,000 children who participate in the school transport programme travel by bus.
- 10.5. In New South Wales, about 10,500 children participate in the transport programme and there are 3,000 daily services, by cars and people movers.
- 11.1. The current bus-based systems nationally are flexible and demand responsive. Parents do not have to use special buses.
- 11.2. In Victoria, for example, of the 11750 children with disabilities attending special schools, approximately 9000 travel on dedicated special school buses; some travel on (school owned and operated) self-managed buses operated by 11 out of the 78 dedicated schools; about 130 children use taxis and some are taken to and collected from school by their parents.
- 12.1. Special buses are the most cost-effective way of transporting significant numbers of children on a per capita basis and ensuring that service, quality, and safety needs are met. For example, in Victoria the cost was \$20 per trip and in Tasmania it was \$18.
- 12.2. The annual national cost of transporting children with disabilities to and from their special schools in special buses is not much more than the \$180 million the NDIA spent on consultants between July 2016 and October 2017.³
13. 'Uberising' the transport of children with disabilities would destroy proven, well-established, cost-effective, safe services to the detriment of those children because bus operators need long-term contracts and minimum numbers to make the investments which need to be made to sustain their businesses.
14. Consequently, the former Chair of the Senate Community Affairs References Group, Senator Rachel Siewart, struggles to see how the current system *'is going to be viable in terms of the more demand-driven approach, or the so-called demand-driven approach'*.⁴
15. Such a possibility for children with a disability and their parents would shock and anger the community generally, and reinforce the perception that politicians are 'out-of-touch'.
16. Even the NDIA has admitted that:
*'that the pilot may or may not provide a practicable basis for a NDIS approach'*⁵ and the current bus fleets *'are big endeavours and they are often linked to state government transport systems, as well as education systems. When you think about converting that.....into an individual package, it's very tricky, because a provider has to have some guarantee of economy of scale to be able to make a future investment in a fleet. Yet there is no way any real guarantee can be given'*⁶.

3. 'NDIS executives splash out \$180 million on "strategic advice"', *The Australian*, 22nd November, 2017

4. Senate Community Affairs References Committee hearing, *Hansard*, 6th July, 2017, p.11

5. *Progress Report of the Joint Standing Committee*, p. 70

6. Vicki Rundle, Acting Deputy Chief Executive Officer – Markets and Support, NDIA, Joint Standing Committee on the National Disability Insurance Scheme, *Hansard*, 28th July, 2017, p.18

17. The Department of Social Services undertook an extensive consultation with all stakeholders. That consultation demonstrated the widespread support for a child and parent-focused transport service and for the status quo.
18. Since then the focus seems to have transferred from ideology and the interests of the child to funding and the financial interests of various parties. Those divisions are just as detrimental to the interests of children as ideological debates.

CURRENT SITUATION

19. Responsibility for the transporting of schoolchildren with a disability to and from school is, and always has been, the legal responsibility of state governments.
20. Specially equipped and staffed buses play a central role in discharging this responsibility.
21. In Victoria, for example, around 400 designated bus services transported 9,000 of the 11,750 children attending 78 specialist schools.
22. In Tasmania, 14 designated bus services, which are based on ten-year contracts, transport 205 children to and from Tasmania's three specialist schools.
23. In Queensland, of the 5,000 or so children with disabilities who participate in the school transport programme, the majority travel in designated buses and most of the 3000 Western Australian children participating in the equivalent programme do likewise.
24. In New South Wales however, most of the 10,500 children participating in the school transport programme travel in cars and people movers. Some of these services have a supervisor (or a chaperone) but they are only funded to supervise one child. So if there are two children in the car, the supervisor is not permitted to attend to the needs of the other child.
25. In Victoria, 11 of the 78 special schools operate 21 self-managed buses; approximately 130 children used about 30 taxi services; and other children were taken to and collected from school by their parents.
26. The fact that most parents of children with disabilities attending special schools choose to send their children to and from school on special buses demonstrates that buses best meet the needs of children and parents in a safe and cost-effective way.
27. Most special school buses are fitted with additional special equipment to what is in a bus or coach used to transport children without disabilities.
28. On just about all special school bus services there is a supervisor or chaperone on board to take care of the children while the driver drives.
29. The cost of the current national systems totals about \$200 million annually.
30. The current system is cost-effective and efficient. Observations about the limitations of the current system such as travelling time on buses raise funding questions (e.g., the cost of more buses).

NEEDS

Children with a Disability

31. In the Treasurer's second reading speech he said that:
*'by funding the NDIA, we are working to lighten their load, to ease their burden and provide a quality of care that they deserve; to give Australians living with a disability the absolute certainty that high-quality care will be provided for them.'*⁷
32. An uberised model would a price race to the bottom at the expense of quality, safety standards and needs in the process.
33. Children whose disability creates individual, medical or behavioural issues often need trained adult supervision while travelling.
34. Consequently, the transport requirements of families with children with disabilities to access special education are logistically complex to deliver.
35. Distances travelled to specialist schools may be long in terms of either kilometres, especially for children living in outer metropolitan, regional and rural areas, or time, particularly for children living in inner suburban, metropolitan areas where negotiating peak-hour traffic is challenging. However, this a matter which reflects the number of buses available to provide the service.
36. Most specialist school bus services in Victoria have a journey time of between one and two hours and Queensland has a maximum travel time of 1 hour and 20 minutes.
37. Flexibility to take children to different destinations after school is a matter for negotiation between the schools which have legal obligations to children, parents and the bus operator.
38. The current system, based on the interaction of parents, bus operators and schools, focuses on the best outcome for, and meeting the individual needs of, children with disabilities including mild to profound physical and intellectual disabilities and autism.
39. It allows designated pick up/drop off times and points; specified seating arrangements on a bus; medical and behaviour management plans whilst travelling; and the consistency of driver and supervisor.
40. Buses also have the advantage of enabling children, for many of whom, inter-acting with other people is challenging, to socialise with other children rather than being isolated as individuals.
41. Children and their parents appreciate the bus as they know what to expect. There is routine to the bus which is important. The children love the routine because they get the same driver, the same supervisor, and the same seat every day.
42. Children on the autism spectrum ('ASD') need to avoid surprises. Routine, predictability, order and certainty, down to the smallest detail, is what they require. They have difficulty with social interaction and communication and may be abnormally sensitive to sounds, tastes, touch and light.
43. The unsettling effect of a change in daily routine can have educational and health consequences for a child.

⁷ Second Reading Speech, Medicare Levy Amendment Bill 2017, *ibid*

44. Establishing a per person price per seat would not take into account the variety of types of seats needed. Such a model would lead to some sort of generic, homogenous system that does not actually meet the needs of the various disabilities that are applicable to the children.
45. Specialist school buses are contracted by state governments at an annual fixed (and indexed) price that covers off both fixed and variable costs of delivering a safe service pursuant to the route path (origin, stops and destination) and the specifications of the bus, twice a day on 195 school days a year: the capital cost of the bus, depreciated and amortised over more than 10 years to reflect the vehicles contracted useful working life, wages of the driver and the supervisor, fuel, maintenance and overheads. If the funding were changed so the recipient of NDIS funds provided a set fee to the bus company each day, not only would the price be prohibitive, but administering the revenue for each seat would be a nightmare, and the sustainability of the service would be put at risk.
46. Further, the Commonwealth Government has no budget or capacity to accept a \$200m cost shift from the States for these services.

Parents and Families

47. Parents appreciate the existing special school bus services. They enjoy respite when the bus collects their child and have the peace of mind that their child is receiving high levels of care, pursuant to their individual needs.
48. It is common for parents to contact a bus operator and request that their child be delivered later in the run for this reason. A fee-driven service would not provide this flexibility.
49. It is common for parents to advise the school and the operator/driver of a different pick up or drop off point for a child on a certain day, to accommodate before and after school arrangements (like music lessons) and the fact that some students are cared for in more than one household. A fee-driven service would not provide this flexibility.
50. In 2017, NDIS endeavoured to conduct a 'pilot Smart Market' trial of demand responsive transport options at a Victorian school which does not have a typical cohort of children with profound disabilities, which should have maximised its prospects of success. The trial was deferred indefinitely.
51. At the 2016 Barwon trial, none of the children changed their method of transport. All remained on the special bus.
52. For families in which there is a child with a disability, the times before and after school often are the most stressful periods of the day. The transporting of their child should ameliorate, or at least not add to, this stress level.

Specialised Schools

53. Special schools are designed and built for buses, not cars.
54. Moving to a car or people-mover-based system rather than a bus-based system would dramatically increase the number of cars delivering and collecting children required, and causing cars to queue well beyond the school, slowing the productivity of local surrounding roads.

55. It seems that the school in Geelong at which the NDIA conducted its trial is a case in point.
56. In addition, assisting children with a disability to board and de-board vehicles is a complex, logistical exercise because of both physical and safety reasons. Increasing the number of vehicles delivering and collecting children would introduce a new risk to safety for individual schools and have resource and staffing implications.
57. These are major reasons for the principals of specialist schools being opposed to changing the current system. Moving from a bus-based system to a car or people-mover based system would require more school staff resources at both drop off and pick up time – resources the specialist schools don't have.

SAFETY

58. 'Uber' drivers, community transport and carpooling would operate without rigorous, regulated safety regimes which have clear chains of responsibility and accountability for the welfare of the children in place.
59. This stands in stark contrast to the accreditation obligations imposed on bus operators nationally.
60. In December 2016 in Victoria, for example, a bus operator lost four contracts to transport children to a school because of a breach of safety requirements.
61. In most states, to be accredited, operators must undertake a diploma level, university course and, then have the safety regulator into the workplace to ensure that all the safety information systems and safety management systems are in place.
62. Transporting children with a disability is a specialised skill set. There is nothing general about it and the resources required to train drivers and supervisors are significant. All drivers and supervisors have to have a working with children's check, police check, and driver's certificate. They must also have their first aid certificate. They are then trained by their employer on how to manage student safety on and off the bus using manual and technological methods such as student manifest systems, hoists, manual handling processes, safe driving practices, emergency procedures, communication techniques.
63. In addition, in most cases, specialist school buses have a supervisor on-board who is qualified in attending to the needs of children whilst in transit.
64. Providers of alternative forms of transport are not required to have these skills and competencies, which is a diminution of safety standards.
65. In Victoria and most other states, special school buses are not used for any other purpose, like charter, route, or mainstream school bus work. They are exclusively used to deliver children with special needs to and from their school each school day and the buses sit idle for the 160 non-school days.

COST EFFECTIVENESS

66. There is more to measuring cost than price. In 2009 *The Economist* published an article about John Elkington's idea that companies should be preparing for three different bottom lines — the profit and loss account, the people account and the planet account.
67. The model for the transport of disabled schoolchildren being endorsed by the Federal Government would fail this test because, to quote the article, '*what you measure is what you get, because what you measure is what you are likely to pay attention to*'.⁸
68. The annual national cost of transporting children with disabilities to and from their special schools in special buses currently is comparable to the \$180 million the NDIA spent on consultants between July 2016 and October 2017.⁹
69. In Victoria the cost of transporting a disabled child on a special bus is \$20 per trip. In Tasmania, the cost is \$18 per trip. The costs in the other states are comparable.
70. Buses can move 20 or 30 passengers. Uber can move only one; community transport could move from two to five; and carpooling cannot even do that.
71. The average duration of most trips is between one and two hours. A demand responsive transport system based on a cost-per-seat would not be able to meet the needs of the children within the same cost framework, and, in some cases would be unlikely to meet the needs at all because of the time and distance costs.
72. All of the NDIA's alternative modeling to date is flawed.
73. The level of safety, quality and focus on the needs of the children would inevitably be reduced as the logic of a race-to-the-bottom price model took effect.
74. The Joint Standing Committee is concerned that: '*quality and individualisation of plans may be compromised. In conjunction with a reduction in satisfaction ratings, the litany of issues raised by participants, providers, families, and carers with respect to how the planning process is being experienced by those the Scheme is supposed to help, is evidence of a downwards trend.....evidence received during the committee's recent public hearings seems to be indicative of a culture developing in the NDIA that is not placing the participant, and those who support them, at the centre of the Scheme.*'¹⁰
75. The needs of schoolchildren with a disability cannot be homogenized.
76. The NDIA's assumption that the customer in this market is the child is also flawed. As the Hon. Kevin Andrews MP, the former Chair of the Joint Standing Committee, put it: '*I do not wish to be your advocate, but it seems to me that the best case, from your perspective, is that there is an existing market. The difference from the market that exists now is that it is one that has a collection of clients, if I can put it that way, on the basis of a school rather than on individuals.*'¹¹

8. 'Triple bottom line', *The Economist*, 17th November, 2009

9. See note 3

10. *Progress Report of the Joint Standing Committee*, p.71

11. Joint Standing Committee hearing, *Hansard*, 12th May, 2017, p.41

NDIA

Trial

77. NDIA chose to trial its theory at Nelson Park School in Geelong.
78. Since it is not a typical special school, its selection should have maximized the prospect of the success of the trial.
79. From the Principal down, the school likes it to be known that it does not consider itself as a special school. It runs as a mainstream school and has a low proportion of children who have profound disabilities compared with other special schools in the state.
80. Most children who attend the school take mainstream school buses and a very low proportion of special buses which service the school are fitted with all the special equipment and requirements to accommodate the profoundly disabled.
81. The Principals' Association of Specialist Schools has confirmed that this is an atypical special school.
82. Despite this culture and demographic, the trial has been deferred indefinitely.
83. During the Barwon trial, not one child adopted a different mode of transport. All stayed on the buses.

Risk

84. The consequences of adopting the uber network theory are likely to be substantial and detrimental to the interests of children with a disability.
85. The operators of specialised buses with trained staff to transport disabled schoolchildren are required to make substantial investments in their businesses. They need the certainty provided by long term contracts and a minimum number of customers.
86. The NDIA admits its model is intended not to provide this certainty.¹²
87. The Chair of the Currimundi Special School Parents and Citizens Association in Queensland told Andrew Wallace MP, the Member for Fisher, that:

'if the market is opened up to taxis, Uber, you name it, we run the risk of parents having a disparate model from which to choose. (Bus owners) lose their market, go broke, and then what is likely to be the largest player is out of the scene and (children with a disability and their parents) are left with a disparate group who may or may not be adequately equipped to deal with the task at hand'.¹³
88. The Chair of the Joint Standing Committee has said:

'If we're talking about an instance of a mature market which has developed over a very long period of time and, because of some purist pursuit of an ideal which is only one part of the system, we undermine that market to the point where it doesn't exist and there'll be longer-term detriments for individuals, then we are — to use the old expression — cutting our nose off to spite our face. That is the concern that has been raised with us. I'm not

12. See note 6

13. Joint Standing Committee hearing, *Hansard*, 12th May, 2017, p.42

necessarily speaking on behalf of the whole committee but it's certainly a concern I have about the direction we're going in'.¹⁴

89. The long-term consequences of adopting an uberised fee for service model would be the destruction of the foundations on which the current safe and efficient market is based. This would be to the detriment of children with a profound disability in particular.

14. Joint Standing Committee hearing, *Hansard*, 28th July, 2017, p.19

CONCLUSION

90. The current state-based, bus-based systems of transporting schoolchildren with a disability is of the highest safety standards, cost-efficient, and effective in focusing on and meeting the needs of children, their parents, and their schools.
91. The system is not broken and does not require fixing.

'(Former WA premier Colin) Barnett said federal attempts to encroach on state - responsibilities were leading to a "complete merger and confusion of responsibilities".'
*'Premiers urged by Colin Barnett to take back control', Andrew Burrell, *The Australian*, 26th
 January, 2018*

92. Even NDIA admitted that:
 - applying its fee-for-service model would be challenging,
 - *'the pilot may or may not provide a practicable basis for a NDIS approach',¹⁵* and
 - the current bus fleets:

'are big endeavours and they are often linked to state government transport systems, as well is education systems and so on. When you think about converting that, as you've rightly pointed out, into an individual package, it's very tricky, because a provider has to have some guarantee of economy of scale to be able to make a future investment in a fleet. Yet there is no way any real guarantee can be given'.¹⁶
93. The outcome of federal government intervention would be no overall improvement to the current system. Rather it would be a price-driven race to the bottom, ignoring the triple bottom line foci (people, planet, profit) of state government procurement regimes, and undermining and ultimately destroying the current system to the detriment of schoolchildren with a disability and their parents.
94. This matter has been drawn out over 8 years so far and caused an inordinate degree of anxiety to specialist school transport operators, students and their families. The severity and urgency of the situation is heightened right now for several reasons.
95. Departments of Education are directing their contracted operators to replace buses with new buses (because the existing bus has reached the end of its useful working life), but they can't, as the operators' financiers are denying the operator the loan as they only have a service contract with the State to the end of 2024 to repay the loan on the new bus. Operators need a term of 10-15 to pay down debt associated with a new special school bus.
96. Worse, some students with special needs are unable to access special school buses as the buses are at capacity. Some State Governments are not sanctioning the deployment of more buses because of the uncertainty associated with who will be administering and funding these networks.

15. See note 5

16. See note 6

97. Numerous consultancies have been engaged over the years to provide advice to NDIA on alternative models. Nothing has been proffered. Due to these operational matters being most pressing, the Review should give this situation early consideration and finalise a way forward by mid-2023 to give certainty to all parties.
98. The Federal Government or the NDIS should not accept responsibility for the transporting of schoolchildren with a disability to and from their specialist school each school day and the status quo should prevail for state-based, bus-based specialist school transport systems.