

THE AUSTRALIAN BUS AND COACH INDUSTRY'S RESPONSE TO NDIA'S SUPPORTED SCHOOL TRANSPORT DISCUSSION PAPER.



Chris Lowe
Executive Director, BusVic
0420 372248
clowe@busvic.asn.au

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SECTION 1: EXECUTIVE SUMMARY

This paper responds to NDIA's *'Supported School Transport and the National Disability Insurance Scheme Discussion Paper' (the Discussion Paper)*.

Australia's established special school bus systems which convey children with a disability to and from their special school should not form part of the NDIS and should be left as is – funded and coordinated by State Government's.

The Discussion Paper does not address the observation of the Federal Parliamentary Joint Standing Committee ('the Committee') 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.'*¹

The 'transport broker' model as proposed by NDIA is flawed, untenable and leads to more questions than it does answers. The introduction of a 'transport broker' model would see seismic unintended consequences for families, students, governments and the private sector.

NDIA's model is at odds with the Federal Government's intention 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.'*²

The 'transport broker' model does not take account of the proposition 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'*³, a comment of the Chair of the Committee, Kevin Andrews.

The Discussion Paper has a significant number of 'gaps' that make considering the content of the paper extremely difficult.

One reason for this is that the Paper does not take account of:

- the National Disability Insurance Agency's admissions to the Committee that:
 - *'the pilot may or may not provide a practicable basis for a NDIS approach'*⁴; and
 - the current bus fleets *'are big endeavours and they are often linked to state government transport systems, as well as 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,*

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

2 Treasurer's Second Reading Speech, Medicare Levy Amendment Bill 2017, *ibid*

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

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

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 given⁵; or

- the concern the Chair of the Currimundi Special School Parents and Citizens Association expressed to 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 (disabled children and their parents) are left with a disparate group who may or may not be adequately equipped to deal with the task at hand'*.⁶

A mature regulated market for special school service exists in every State where choice for parents lay at the core of existing service provision based around agreed standards, accreditation requirements for providers and long term investment in training of staff, vehicles (fit for purpose) and community relationship with families and schools.

Australia's bus industry sees no upside in the NDIA attempting to create a new market, based around transport brokers for getting children with a disability to and from their special school.

5. 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

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

SECTION 2: RESPONSES TO CONSULTATION QUESTIONS

1. What works well with the current supported school transport service?

The current special school bus system has been in operation for over 50 years, providing an efficient, safe and reliable access to students with a disability to their nearest school. The bus service meets the needs of the student, their parents and carers, as well as the schools.

It provides routine and a dedicated carer/supervisor for the children, which in turn offers security and comfort to the children travelling to and from school.

Research shows that 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 special school bus system also is flexible in that it allows for students who cannot for one reason or other take the bus, to access other forms of travel more appropriate to their circumstances.

Further, it allows for route changes to accommodate the needs of existing students as well as new students, and changes in pick up/drop off location to reflect individual circumstances.

The special school bus system has also enabled a trans-generational relationship to develop between students, parents, school and operator. The operators not only deliver an efficient and cost effective service for all stakeholders, they also provide a highly personalised and engaged relationship with the students and their families to ensure their needs are considered and addressed on a daily basis. This personalised aspect of the special school bus service will be forgone if the government adopts a transport broker model.

2. What could be improved?

The special school bus service can benefit from the adoption of new on board technologies to better meet the individual needs of each student, improve the safety and efficiency of the service, and provide for a more efficient upgrade of some of the existing fleet.

Such technology improvements could include the implementation of electronic student manifests. These would allow for the monitoring of student journeys, as well as providing schools and parents with a real time tool to monitor and manage student transport to and from school.

A further technological improvement could provide for expediting the replacement of some school buses. This would improve the efficiency, effectiveness and safety of services, as well as reducing the operational cost to government. It is recommended that States have a fully funded and consistent school bus replacement program in place to ensure that buses have an agreed maximum age limit.

3. *Should current arrangements remain?*

The national bus and coach industry are of the firm view that the existing special school bus system should remain, albeit enhanced in areas identified in this submission.

In addition to being efficient, safe and meeting the needs of children and parents, it is cost-effective.

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 2017.⁷

'Uberising' the transport of children with disabilities would destroy proven and well-established services to the detriment of children with disabilities.

It would remove from the system designated buses, which underpin the system for transporting children with disabilities to and from specialised schools, because operators need long-term contracts and minimum numbers to make the investments which need to be made.

To quote, the Chair of the Senate Community Affairs References Group, Senator Rachel Siewart, it is difficult *'to see how (the current system) is going to operate with the approach that (NDIA have) got going down the line of how it is going to be viable in terms of the more demand-driven approach, or the so-called demand-driven approach'*.⁸

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

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

4. *What elements of choice and control are most valuable to families in accessing supported school transport?*

Based on the bus industry's knowledge and direct engagement with students, their families and schools, the key elements of choice and control are:

- Convenience and routine;
- Safety (both in terms of vehicle as well as the journey via the support of a carer/supervisor); and
- Reliability of existing service providers.

Further, the fact that a bus trip to school is 7 times safer than a car⁹ is forefront in the minds of many parents, regulators/contractors and other stakeholders in the chain of responsibility.

5. *What are the benefits to families/carers of directly organising supported school transport? What are the challenges? What are the risks?*

Through the bus industry's engagement with families and schools, as well as our direct experience in the provision of school transport services, there would not be any benefits to families in directly organising school transport services.

Such a system would compromise the rigorous safety standards in place under current regimes, the availability of specially-trained to transport children to and from school and the routine which essential for many children with disabilities (e.g. children with some form of Asperger's syndrome) to remain calm and unflustered, an important consideration for educational as well as personal reasons.

Parents already have indicated their response to NDIA's proposal to uberise the transporting of children with disabilities to and from specialised schools.

In 2016 NDIA conducted a trial at a school in the Geelong area which does not promote itself as a specialised school and the disabilities of the students of which are not as profound as those of children attending other specialised schools. At the end of trial not one parent chose to change the method of transporting their children to and from the school. All the children who travelled on designated buses continued to travel on the buses.

In June this year NDIA conducted a forum on the transporting of children with disabilities to and from specialised schools in Melbourne. About half the attendees represented schools and the other transport providers, including taxis. The chair of NDIA was present. There was little, if any

⁹ Inquiry into National Road Safety. Submission by BIC to House of Representatives Standing Committee on transport and regional services into national road safety. 2003.

support for NDIA's proposal and overwhelming support for the current providers, especially from the attendees representing schools.

At the end of the session the NDIA Chair conducted a straw poll and there was overwhelming support for retaining the current system.

The proposal by the NDIA would add further complications to already stressed households with many parents ill equipped (and time poor) to enter into negotiations and contractual arrangements with third parties to provide transport services. The State rightfully assumes this task pursuant to State based legislation. Transferring this burden to parents will reduce their productivity, increase their administration burden and increase their personal stress.

6. For providers (or potential providers), what are the opportunities in having families/carers directly organise supported school transport? What new costs might be involved in the potential model? What are the risks for providers?

There would not be any benefits to be gained from requiring families and carers to directly organise transport for their children. The introduction of a transport broker and the costs associated with this model, and the new and unmeasured State and Federal government administration costs associated with supporting this proposal, including increased supervision costs for schools when children arrive at and depart from schools, would severely limit the funding available to students to access school, and would add a new cost layer to the NDIA.

Further, the most effective form of land transport for transporting substantial numbers of people to specific destinations is bus. Removing buses from the system would lead to a significant increase in costs and increase safety risks for both schools and children, a risk which could have financial implications.

7. *What level of flexibility would families be looking for in their supported school transport arrangements?*

The existing level of flexibility provided by the special school bus systems to support the travel needs of students with a disability, are adequate.

8. How could a transport broker help you manage supported school transport?

A transport broker would be unable to add any value to the provision of supported school transport, they will merely represent an additional layer of engagement and cost to the process. One that is new, untried, and will need to be subject to some level of regulation itself, the extent of which is unknown. (What requirements will a broker have to meet? Will they need to be formally accredited in order to be properly managed? If existing operators can perform the role, how are conflicts of interest managed?)

9. What are the benefits for families/carers of using a transport broker? What are the risks?

There are no benefits associated with a transport broker to the families and carers of students. However there are a number of risks associated with the introduction of such an intermediary. Notwithstanding the opportunity for discussions between a broker and parents about criteria for selecting a transport provider and the priority to be accorded to different criterion (e.g. price, safety, training and competence of staff, reliability), a risk is that brokers will focus on price (which is the experience when other forms of public transport have been tendered) or some selection criteria will not be recognised or be under-valued (e.g. personalities of staff and the degree to which routine and sameness of travelling experience matters) until an experience detrimental to the interests of a child or parents occurs..

10. If you are an NDIS provider (or potential provider), what opportunities are there in this potential new service type? What are the risks? How would potential conflicts of interest be mitigated? What costs need to be factored in?

The transport broker model does not provide new opportunities for NDIS providers in the provision of supported transport services to students. As discussed above, it adds new complexities, costs, and risks to both the student, their families and carers. As has been demonstrated in the introduction of other broker roles in the NDIS, there is significant opportunity for conflict of interest to influence the decision making process of families/students and result in suboptimal outcomes for them in terms of cost, service offerings, safety, and care and comfort.

There are a number of costs associated with the transport broker model proposed by the NDIS that we have identified above that should form part of the Discussion Paper so that a full and proper assessment can be undertaken by stakeholders (including students, families and schools) to understand the short and long term impacts of the proposed model, but they haven't been included.

11. Should there be any restrictions over which services can be provided by the transport broker role?

The bus industry does not hold the view that a transport broker role has any utility in the provision of supported school transport services.

12. What are the options if no transport broker exists?

The current system should remain in place with the minor enhancements noted above.

13. What systems need to be in place to make sure that children are safe when travelling to and from school?

The current system should remain in place to offer students, their parents and carers, as well as the schools, a safe, flexible, reliable, efficient and effective system that meets the needs of students.

Critical elements of this system are appropriate staff and guaranteed levels of skill and competence of staff and genuine accountability for failure to meet standards, especially safety standards. For example, In Victoria in 2017 a child went to sleep on a journey to school, slipped down between the seats and was not noticed when the children on the bus disembarked at their school.

The child was not detected until that afternoon when the bus began its journey to take the children home. The bus owner immediately lost all its contracts delivering children to that school.

14. What responsibilities should transport brokers and transport providers have to keep children safe? What should be the responsibilities of parents and schools?

Transport brokers would have to meet the same standards as are currently met by the bus industry and those standards would have to be as rigorously monitored and enforced as they are currently. The best way to maintain and enforce the current standards is by maintaining the existing system which provides the highest level of child safety during transport to and from school. Transport providers already have accreditation systems to ensure they have an adequate level of competence to provide such services, and they do so with the assistance of a carer/supervisor. That should remain.

Schools and parents would have to have the same level of responsibility as currently exists under the present system.

15. What other mechanisms are needed to keep children safe?

There is not a need for other mechanisms. The current school bus system provides the highest level of child safety during transport to and from school. As noted in the response to question 2, the introduction of an electronic school bus manifest, as currently being implemented in Victoria, would further support the continued high level of safety for students.

16. What factors will the NDIA need to consider in understanding the costs of the potential model?

The NDIA has had 4 years to learn that cost per seat, disruptive economic model cannot accommodate the use of specialised buses with appropriately-trained and qualified staff, a fact it has admitted to the Committee.

It also has had time to learn that either its model would not guarantee the required level of safety or training, or that its model would not guarantee enforcement of those standards, or that, if its model achieved those outcomes, it would be even more expensive than the \$180 million it costs nationally to fund the current model.

The bus industry thinks that it is not possible to estimate a cost to charge parents on a per seat basis for a bus service due to the numerous layers of variables associated with the service delivery.

Based on the extensive experience within the industry in the provision of school transport services to children with a disability, it is the view of the industry that the costs associated with the proposed model will substantially exceed the costs of the existing system.

17. What information do providers need to be able to understand the operating costs of the potential model?

Operators would need the same level knowledge as the participants in the current system and the various state governments which administer those systems have.

18. What are the benefits to families of managing provider payments themselves? What support would be helpful in managing this?

There would not be any benefits for families and carers to manage payments to transport providers. The most cost effective form of land transport to transport significant numbers of people to specific destinations is bus. An alternative door-to-door service which maintained the same standards would be more expensive to operate.

What the NDIA's proposed model would do it to add new stresses and costs to families already experiencing trying to manage an already tight budget in supporting their children.

19. For current providers (and potential providers), what changes would providers need to make to move from block funding to individual funding? What are the costs involved? What are the opportunities? What are the risks?

The NDIA already has admitted that there would not be a role for a buses under its model.¹⁰ Investment in buses is a long-term investment. Under the proposed model, banks would stop lending money for the procurement of buses or other similar multi passenger vehicles due to the revenue uncertainty associated with the individual funding and procurement model.

20. What would the impact be on schools, local community or local governments regarding the logistics and management of potential increased traffic during busy times?

There would be a significant impact to schools, the surrounding local community and local government in moving to an individual transport based model:

- Schools are not designed to handle multiple cars arriving and unloading students at the same time.
- The local road networks typically do not have the storage or appropriate loading/unloading platforms to support student movements using these vehicles.
- The schools currently have specific roles for staff to assist students from the school bus to the class room. The introduction of multiple vehicles and students accessing the site from different directions and at different times would severely impact the ability of schools to safely transfer students to class rooms (and back to vehicles).The schools will need to understand the potential resourcing cost of this, the impact of this on productivity and the capital costs required to upgrade pick up/drop off areas to meet operational and DDA requirements (if actually practical).

21. How does the potential model improve on the current arrangements for supported school transport?

The proposed model would not improve on the current arrangements for supported school transport. It would be more expensive, increase the level of risk for children who require specialised attention, potentially have a negative impact on children's learning capacity from time to time and increase the level of legal risk for schools.

22. Do you have any other feedback about the potential model for supported school transport in the NDIS?

No.

¹⁰ See note 5

23. What other options could be explored?

None.

SECTION 3: FACTS

Most children with disabilities participating in school transport programmes travel by bus.

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.

In Queensland of the 5,000 or so children with disabilities who participate in the school transport programme, the majority travel in designated buses.

The same applies in New South Wales where about 10,500 children participate in the transport programme and there are 3,000 daily services.

In Western Australia most of the 3,000 children who participate in the school transport programme travel by bus.

In Victoria, of the 11750 children with disabilities attending special schools, approximately 9000 travel on dedicated 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.

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 is \$20 per trip and in Tasmania it is \$18.

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.