



School Bus Upgrade Scheme (SchoolBUS)

Capital-Based School Bus Services

Students with a disability

Information Statement No.16C/2014

Guidelines and Conditions

September 2014

Content

Introduction	3
Funding components	3
Capital component	3
Fixed component	3
Variable component	3
Details about funding	4
Capital funding for buses	4
Air-conditioning	5
Seatbelts	5
Wheelchair lift	5
Power-train retarder	5
Retrofitting of a wheelchair lift and/or power-train retarder	6
GST	6
Funding does not include	6
What size bus is eligible for funding?	6
When do contractors receive the funding?	6
Vehicles qualifying for replacement	7
Light Buses (GVM less than or equal to 5 tonnes)	7
Heavy Buses (GVM greater than 5 tonnes)	7
Replacement vehicles	7
Category sizes and payment rates	8
Allocated vehicle categories	8
Capital funding caps per category	8
Details about applying for SchoolBUS funding	8
When can contractors apply for funding?	8
Contractor obligations	9
Operating the replacement school bus	9
What happens if the service contract is to be sold?	9
What circumstances require repayment of the funding?	9
Institution of a new service contract	9
Additional services required under the service contract	9
Closure of services	9
How do contractors obtain further information?	10

Introduction

This document has been prepared by the Department of Transport and Main Roads to provide information to contractors about capital based school bus services for students with a disability.

The following payment system has been introduced for buses that provide students with a disability school bus services and which have been purchased after 1 July 2009.

Funding components

Funding for buses, which operate under the Capital-Based School Bus Service (students with a disability) system, is paid on the following basis:

Capital component

The contractor purchases a suitable bus to a value approved by the department. The approved capital amount is then paid to the contractor in a lump sum amount in each of the first two financial years and then by an annuity over the ensuing five or eight financial years, depending on the size of the bus.

The capital funding is determined by the cost of the bus and an applicable funding cap. A table of the new categories (NC1 to NC3) is provided on page 8 of this document. A list of the funding caps is also provided on page 8.

Buses for students with a disability school bus services are generally categories NC1 or NC2. For NC1 and NC2 buses, the lump sum rate is 20% of the approved cost of the bus, and the annuity period is five years.

In some cases, the department may consider the use of a larger NC3 category bus. However, this would involve a full assessment of the suitability of the larger bus and consultation with the Department of Education, Training and Employment having regard to the particular needs of students with a disability. If approved, the lump sum rate is 25% and the annuity period is eight years for an NC3 bus.

Example:

October 2014	October 2015	July 2016	August 2016 →
First 20% lump sum payment.	Second 20% lump sum payment.	First annuity payment (including interest). Payment for interest accrued prior to annuity payments.	Remaining annuity payments (including interest) commence.

Fixed component

This component meets the fixed costs (for example, registration, insurance, drivers' wages and administration) for a representative school bus service. It is indexed annually.

Variable component

This component meets the costs of tyres, fuel and oil and maintenance for a representative school bus service. It is indexed annually. The fuel component may be adjusted quarterly.

Details about funding

Capital funding for buses

Provided a contractor has a bus that qualifies to be replaced, the following funding is available to purchase a replacement upgraded school bus. Please note that the purchase price of the bus includes the full stamp duty that is paid on the purchase of the bus, subject to funding caps (see page 8).

New buses	Funding is calculated at 100% of the approved purchase cost of the bus, subject to funding cap limits.
Used buses less than five years of age	Funding is calculated by the department's depreciated value of an equivalent new bus that is the category size required by the department for the task of transporting students with a disability. The value is calculated by depreciating the cost of an equivalent new bus by 15% in the first year, and by 6% for each year, or part year, after that. Funding is based on the invoice cost or the depreciated value, whichever is the lower.

Note:

1. Buses which have attained the age of five years or greater at the date of purchase, will not attract any capital funding. Payment will be based on the fixed rate and variable rate only of the capital-based kilometric system, for the applicable payment category.
2. From 1 July 2012, only buses which are 15 years of age or less can be introduced into service.
3. Buses travelling on designated roads where the carriage of standing passengers is not permitted are also required to comply with Part 5 of the *Transport Operations (Passenger Transport) Standard 2010*, that is:
 - buses to be fitted with ADR68/00 compliant seats (mandatory for all students with a disability services)
 - an exhaust brake to be fitted to light buses carrying more than 16 passengers
 - a power-train retarder to be fitted to heavy buses.

It is a condition of the contractor's service contract that the bus be fitted with school bus warning lights and warning signs. These items, along with padding must be fitted in accordance with Parts 3 and 4 of Schedule 1 of the *Transport Operations (Passenger Transport) Standard 2010* (the Standard). Subject to the funding caps, the cost of these items is included in the purchase price of the bus. The stamp duty cost is included if these items are fitted to the bus prior to the bus being registered in the contractor's name. If fitting occurs after the bus is registered, no stamp duty is payable.

The following additional requirements and information applies to contractors when purchasing a bus:

Passenger seating capacity	Unless otherwise approved by the department, new buses fitted with a wheelchair lift must have ADR68/00 compliant seating with quick release functionality. Unless otherwise required for students travelling in wheelchairs, funding is available only where the maximum number of seats is fitted.
Passenger seats	Reclining seats are not permitted.
Ventilation (Windows)	Air conditioned buses require a minimum of two hopper/slider windows on each side of the bus.
Surveillance cameras/CCTV	Optional – funding available under SchoolBUS within the funding caps.
Luggage Racks & Bins	

Air-conditioning

Air-conditioning is a mandatory condition of service contracts for students with a disability school bus services. Funding is calculated at 100% of the purchase cost or depreciated value of the air-conditioning up to a maximum of \$5,000 for NCI vehicles and \$15,000 for NC2 vehicles. This funding is calculated separately and is additional to the funding provided for the purchase of a bus. It is added to the capital cost of the bus and included in the capital component payments.

Contractors will be required to submit full details of the air-conditioning unit and relevant pricing. Where air-conditioning is a standard feature on a new bus, a price for the air-conditioning obtained direct from the manufacturer by the department will be used.

Funding will not be provided to replace an air-conditioning unit or to retrofit air-conditioning to the bus.

Seatbelts

Seatbelts are a mandatory condition of service contracts for students with a disability school bus services. From 1 July 2009, if a replacement bus being introduced into service is not manufactured with ADR68/00 seats (lap/sash seatbelts) the contractor must retrofit ADR68/00 seats (lap/sash seatbelts) to the bus.

For a new or less than five year old bus, funding is calculated at 100% of the purchase cost of the ADR68/00 seats if already fitted to the bus at the time of purchase or 100% of the cost of retrofitting ADR68/00 seats. Where ADR68/00 seats (lap/sash seatbelts) are retrofitted, the cost of the modification plate and Certificate of Modification is included. A copy of the certificate of modification must be provided to the department.

This funding is calculated separately and is additional to the funding provided for the purchase of a bus. It is added to the capital cost of the bus and included in the capital component payments.

The stamp duty cost is included if the ADR68/00 seats (lap/sash seatbelts) are in the bus prior to the bus being registered in the contractors name. If retrofitting occurs after the bus is registered no stamp duty is payable.

The contractor must include details of ADR68/00 seats (lap/sash seatbelts) in the space provided on the funding application form.

Wheelchair lift

The department may require a bus be modified to carry students with a disability who travel in a wheelchair and be fitted with a wheelchair lift. Funding is calculated at 100% of this modification cost. The cost of the modification plate and Certificate of Modification is included. A copy of the Certificate of Modification must be provided to the department.

This funding is calculated separately and is additional to the funding provided for the purchase of a bus. It is added to the capital cost of the bus and included in the capital component payments.

The stamp duty cost is included if the modification to the bus is done prior to the bus being registered in the contractor's name. If the modification occurs after the bus is registered, no stamp duty is payable.

The contractor must include details of the wheelchair lift modification on the funding application form.

Power-train retarder

It is a condition of a contractor's service contract that if the bus providing the school service is a heavy bus, it must be fitted with a power-train retarder. If it is introduced into service to operate on a road notified by a gazette notice, the bus must not carry standing passengers under Part 5 of Schedule 1 of the Standard.

Details of the no-standing passenger roads can be found under 'map publications' at www.tmr.qld.gov.au/schoolbus or by contacting your local departmental office.

Funding is calculated at 100% of this modification cost. The cost of the modification plate and Certificate of Modification is included. A copy of the Certificate of Modification must be provided to the department.

This funding is calculated separately and is additional to the funding provided for the purchase of a bus. It is added to the capital cost of the bus and included in the capital component payments.

The stamp duty cost is included if the modification to the bus is done prior to the bus being registered in the contractors name. If the modification occurs after the bus is registered, no stamp duty is payable.

The contractor must include details of the power-train retarder in the space provided on the funding application form.

Retrofitting of a wheelchair lift and/or power-train retarder

The demographics and transport arrangements for students with a disability changes regularly over time. In some instances, additional students who are required to be transported in their wheelchairs may move into an area and this will require an existing standard bus to be retrofitted with a wheelchair lift so that these students can be transported.

Similarly, the department may require a contractor to extend a service into an area where the bus will be required to travel on a road notified under the Standard as a road on which a bus must not carry standing passengers. This may mean the bus must be retrofitted with a power-train retarder.

Contractors who are eligible for funding to retrofit a wheelchair lift or a power-train retarder to existing rollover compliant buses can apply to the department for funding. Contractors should complete the form *Seatbelt/Retarder/Wheelchair Lift Application*, available online at www.tmr.qld.gov.au/schoolbus or from your local departmental office.

The department may determine, in view of the age of a bus, that it may not be an economical longer term option to retrofit a bus during the later years of its economic life. Should this occur, the department will only provide funding for these items to be fitted to a new or less than five year old bus.

GST

Funding is based on GST exclusive pricing. The department pays GST on the final approved funding amount if the contractor is GST registered.

Funding does not include

- On-road costs (registration and insurance)
- Items not required on a basic school bus, such as DVD/TV, bull bars, alloy wheels, tow bars, and so on. All costs for these extras included at the time of purchase and repairs and maintenance after taking delivery are at the contractor's expense
- Any costs associated with transporting the replacement upgraded school bus from the supplier.

Unless approved by the department, funding is not available to replace an upgraded school bus before the conclusion of its economic life.

What size bus is eligible for funding?

Funding is calculated on the cost of the bus category size required by the department for the task of transporting students with a disability. The department will consider what the most suitable vehicle category size is and any need for wheelchair requirements. Because of the complexities associated with the transport of students with a disability it is essential that bus fleets providing these services in contract areas have the greatest flexibility to meet the changing circumstances over the longer term.

When do contractors receive the funding?

Funding is paid only after the operator purchases the replacement school bus. Contractors must take this into consideration when structuring finance arrangements.

To ensure the required accountability and audit processes for the expenditure of public monies are met, funding will only be paid after:

1. the department, or its agent, checks the replacement school bus to confirm that the bus complies with the required specifications
2. documentation including proof of purchase (for example, receipt or finance agreement), supplier's tax invoice, signed funding agreement and proof of current comprehensive insurance cover and, where applicable, copies of certificates of modification, has been provided to the Fleet Management Unit of the department.

After satisfying the above requirements, the funding is paid within 20 working days by EFT to the contractor's STAS payments account.

Note: Funding will only be paid after the commencement of the financial year for which funding has been approved.

Vehicles qualifying for replacement

Capital based school bus services students with a disability are those services which, after 1 July 2009, replace older vehicles which meet certain criteria. Unless otherwise approved by the department, to qualify for replacement, the bus must:

Light Buses (GVM less than or equal to 5 tonnes)

1. (i) be aged 16 years or older as at 1 July 2015
(ii) be a bus that the department has, in the case of a contractor who has a large fleet, identified and negotiated a structured forward replacement program with the contractor.
2. be used on a dedicated school service that is contracted to the department for the transport of students with a disability
3. be registered in the name of the contractor who holds a service contract with the department to provide the service on which the bus operates
4. have not previously been replaced with capital funding provided by the department (either by the current or any previous registered owner)
5. have not reached the maximum age prescribed by Schedules 1 and 2 of the *Transport Operations (Passenger Transport) Standard 2010*.

Heavy Buses (GVM greater than 5 tonnes)

1. be aged 20 years or older as at 1 July 2015
2. be used on a dedicated school service that is contracted to the department for the transport of students with a disability
3. be registered in the name of the operator who holds a service contract with the department to provide the service on which the bus operates
4. have not previously been replaced with capital funding provided by the department (either by the current or any previous registered owner)
5. have not reached the maximum age limit under the *Transport Operations (Passenger Transport) Standard 2010*.

Replacement vehicles

To be eligible, the replacement bus must:

1. be a new bus (has not previously been registered anywhere) or is a used bus less than five years of age
2. not have provided STAS funded school services in Queensland
3. comply with the mandatory specifications detailed in this information statement
4. be purchased outright (with or without finance) by the contractor who holds the service contract with the department and be registered in the contractor's name
5. be of a size required by the department that will provide the most suitable transport for students with a disability.

Note: Replacement buses have an 'economic life' of 12 years in new categories 1 and 2 or 15 years in new category 3 from the date of first registration occurring after the bus was newly manufactured, unless otherwise approved by the department. For used buses under five years of age, the department may require the contractor to provide evidence of the date of first registration.

Category sizes and payment rates

Students with a disability school bus services are paid under various payment methods:

- Kilometre-aligned rates
- Standard payment rates (excess distance)
- Per vehicle payment.

The fixed and variable components for the various capital-based school bus services (students with a disability) payment methods are modelled and calculated from the rates used for the Capital-Based Kilometric system.

The table below lists the category sizes for the capital-based kilometric system.

Category	Indicator	Example	Minimum Adult Passenger Seating (calculated in unmodified format)
NC1	Bus type	Toyota Commuter	13
NC2	Bus type	Toyota Coaster Fuso Rosa	20 24
NC3	Body length	< 9m	30

Conditions

Both the body length and the minimum number of seats must comply with the requirements identified in this table. Non-compliance will result in default to the next lower category.

Note: Payment categories are determined on a case-by-case basis, based on factors such as the seating capacity and wheelchair requirements required for students with a disability, additional capacity and future demand or changing circumstances.

Allocated vehicle categories

The replacement school bus is given an approved 'allocated vehicle category' by the department. This is based on the bus category size that the department determines is required for the task of transporting students with a disability.

Capital funding caps per category

Listed below are the capital funding caps for the purchase of the bus for each new category. These limits will be in place until the end of the 2013–14 financial year, at which time they will be reviewed.

NC1	\$55 000
NC2	\$110 000
NC3	\$180 000

Note: These limits apply to the purchase of the base model bus. Additional funding for air-conditioning, seatbelts, and where applicable, a wheelchair lift or power-train retarder is available, as described in pages 5 and 6 of this document.

Details about applying for SchoolBUS funding

When can contractors apply for funding?

The department will write to contractors in each school year calling for applications to be submitted for funding towards the purchase of a new bus in the coming financial year. The closing date for receipt of applications is nominated in that letter.

Contractors may submit multiple applications for buses.

Contractor obligations

Operating the replacement school bus

A replacement school bus must be introduced into service as soon as practical after delivery and be used for its economic life to deliver students with a disability school bus services in the service contract area.

This means the replacement school bus must always be used to provide the school service and can only be used for other purposes outside of the school service timetable.

The contractor shall not sell the replacement upgraded school bus or, if the contractor is the holder of another service contract, transfer the upgraded school bus to another service contract during its 'economic life' without prior approval of the department.

A failure to meet these requirements constitutes a breach of the contractor's funding agreement and key performance indicators under the service contract. Such breaches may lead to the cancellation of the contractor's service contract.

What happens if the service contract is to be sold?

Unless otherwise approved by the department, during the 'economic life' of a replacement upgraded school bus:

- the sale of a service contract must include the sale of the replacement upgraded school bus to the new contractor
- the new contractor must agree to use the replacement upgraded school bus for its economic life on the relevant students with a disability school bus services to be provided under the service contract.

What circumstances require repayment of the funding?

If the contractor does not use or ceases using the replacement upgraded school bus on the relevant services under the service contract, the contractor shall repay the department within ten working days after such an event, the capital funding specified in the following table:

1. Within the first 2 financial years.	100% of lump sum payments made.
2. Within financial years 3 to 7 (NC1 and NC2 vehicles) or financial years 3 to 10 (NC3 vehicles).	100% of lump sum repayments made plus 50% of annuity payments made.
3. After the completion of periods 1 and 2 above, and before the end of the economic life of the bus.	100% of lump sum payments made.

Note: These periods are calculated from the first date of registration of the bus in the contractor's name.

In the event of unforeseen circumstances relating to the contractor's obligations to use the bus, the department will negotiate any requirement for repayment of funding with contractors on a case-by-case basis.

Institution of a new service contract

If a new service contract is instituted for the transport of students with a disability by bus, the successful contractor must provide new or used vehicles less than five years of age, of the appropriate capacity, for services to be provided under the service contract. Capital funding may be available from the department. Operators should complete and submit a SchoolBUS application, quote and vehicle specifications.

Additional services required under the service contract

If the department approves an additional service to be provided under the service contract, the contractor must introduce to that new service a new or less than five year old bus, unless otherwise approved by the department. Capital funding may be available from the department. Operators should complete and submit a SchoolBUS application, quote and vehicle specifications.

Closure of services

In the event that a students with a disability school bus service is closed due to insufficient students, opening or closure of schools or for other reasons, the department and the contractor will negotiate any requirement for repayment of funding on a case-by-case basis.

How do contractors obtain further information?

For more information please contact your local TransLink Division office of the Department of Transport and Main Roads.

TransLink SEQ South

Southport

Southport Transit Centre
34-36 Railway St, Floor 1
PO Box 10420
Southport BC Qld 4215
Phone: 5630 8857
Fax: 5630 8858

Ipswich

2 Colvin St

North Ipswich

PO Box 631
Ipswich Qld 4305
Phone: 3813 8613
Fax: 3813 8605

TransLink SEQ North

Zillmere

69 Pineapple St
PO Box 156
Zillmere Qld 4034
Phone: 3863 9849
Fax: 3263 6188

Mooloolaba

1 Parkyn Parade, Old Pilot Station
PO Box 111
Mooloolaba Qld 4557
Phone: 5452 1800
Fax: 5452 1818

TransLink Southern

Toowoomba (Darling Downs)

Cnr Clopton and Phillip Sts
PO Box 629
Toowoomba Qld 4350
Phone: 4639 0727
Fax: 4639 0719

Roma (South West)

56-58 Gregory St
PO Box 126
Roma Qld 4455
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Fax: 4622 9533

Maryborough (Wide Bay Burnett)

Bright St
PO Box 371
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