

School Bus Service Network Reviews

The Queensland Government funds a significant number of school bus services under the School Transport Assistance Scheme (STAS) to assist students who do not have a school in their local area. These services are generally outside the highly populated centres and require dedicated buses for the task.

As these services are taxpayer funded there needs to be a series of checks and balances to ensure they are efficient and effective over time and only use the optimal number of buses for the travel required in each area.

A major element in managing these services is the school bus network review. The reviews are designed to consider changes to demography, education delivery and whether the current network responds appropriately to the task.

In conducting a review of school bus networks, the following processes are used by the department:

1. A field evaluation of the services in an area will be undertaken which will include travel by TransLink officers on bus services and initial consultation with bus operators, conveyance committees (if any) and schools.
2. The following will be considered as part of the review:
 - Current school transport service arrangements (including routes and timetables)
 - Bus operators will be requested to complete a travel survey of students actually travelling on each journey (generally over a 2 week period)
 - Recent and projected future student numbers.
 - Background (history) of the current service arrangements
 - Bus size, age and current funding arrangements
 - Capacity and efficiency of all services in the area
 - Impact of amalgamating services on fleet size or allocation
 - Impact of any timetable changes on students, operators and schools
3. After the initial evaluation has been completed, and if possible, network improvements have been identified, the department will develop a proposed preferred network for the area, cognisant of the potential impact on each of the services reviewed.
4. Bus operators, conveyance committees/parents and schools will be provided information on any proposed changes to the school bus network and given the opportunity to provide feedback.
5. The department will develop a preferred network for the area with the assistance of the local bus operator/s.
6. Where the School Bus Service Network Review has identified a service or contract for optimisation and certain criteria are met, the operator can apply for a payment under the Voluntary Optimisation Scheme (VOS).
7. In cases where the department has identified that a school service is excess to requirements, and the operator is unwilling to consider applying for a VOS payment, the department may proceed with the termination of the contract as per the terms of the contract. Options include:
 - a. termination of the contract without compensation;
 - b. non-renewal of the contract;
 - c. conditional approval of any future transfer of the contract; or
 - d. non-approval of new bus purchase.
8. Approval of new School Bus Service network arrangements and VOS payment where applicable.
9. Communication of approved network arrangements to bus operators, conveyance committees/parents and schools.

Voluntary Optimisation Scheme (VOS)

Within the school bus network review process the department has what is known as a Voluntary Optimisation Scheme. This is an opportunity whereby operators can access a payment where a service has been identified for termination as the result of a review. This payment is subject to a range of specific criteria because it is outside of the contract regime.

The local knowledge and expertise of the operators is vital for the best review outcomes. The VOS payment is provided as an incentive for an operator to support and participate in the review process.

To date many operators have taken advantage of the scheme. These operators have used the scheme to consolidate services and, in some cases to leave the industry.

Because circumstances can vary so much, it is not possible to define all possible scenarios for the availability of an optimisation payment for the voluntary surrender of an operator's service contract.

The core principles however are:

- Bus operators may request at any time (in writing) for a service or contract to be considered for voluntary optimisation.
- The bus operator actively supports the review process and implementation of the changes.
- Payments under the scheme are not available for a service that has fewer than 6 distance eligible students (in the foreseeable future) or for a service that would close because a new school is opening in the area.
- If there is an opportunity for an optimisation payment for the surrender or transition of a contract identified through the review process, the department will send correspondence to the bus operator to advise that it is eligible to apply for a VOS payment (all applications are subject to final approval).
- Kilometre-based operators will be paid a maximum of one year's income - based on the daily payment rate as at date of application by the operator for a VOS payment multiplied by 200 days.
- VOS payments for fares-based operators will be determined using an annual payment difference formula, calculated by subtracting the annual operator specific network investment post the optimisation process from the operator specific network investment pre-optimisation. In calculating this difference, the department can take into

consideration individual bus payment rates, the age of the fleet and the individual circumstances of the optimisation, including the impact on other school transport services the operator delivers. Where there is no annual payment decrease, no VOS payment will be warranted.

- The timing of when the operator applies for a VOS payment will impact the amount of payment due:
 - Kilometre-based contract holders with less than 12 months remaining on the term of the contract on the day the operator submits a VOS payment request or application will be paid at a reduced rate. The payment will be based on the number of school days remaining on the contract on the day of request or application by the operator for a VOS payment (max of 200 days) multiplied by the daily payment rate at time of application for VOS payment.
 - Fares-based contract holders with less than 6 months remaining on the term of their contract on the day the operator submits a VOS payment request or application will be paid at a reduced rate. The payment will be a pro-rata application of the annual payment difference, calculated by dividing the annual payment difference by 100 and then multiplying by the number of school days remaining on the contract on the day of request or application by the operator for a VOS payment (max of 100 days). The 6-month term threshold is reflective of the fact that many fares-based operators have been placed on short-term contracts/extensions by the department.
- There is a net reduction to the number of buses in a given area.
- Students are still able to be carried on other buses at a reasonable time, taking local circumstances into account.
- Where an operator is required to purchase a new or less than five years old bus, payment for the service will change to the capital-based kilometric system when the vehicle is introduced on to the service.
- Where an operator is required to deliver kilometre-based services using buses funded under the fares-based model, the department will investigate paying capital-based kilometric payment rates, but this will depend on the individual nature of the fares-based optimisation. The department will discuss the applicability of these arrangements when determining the preferred network.

It should be noted that prescribed school service contracts contain provisions that allow the department to terminate or vary a contract should a process of optimisation of school services be undertaken in the geographical region.

Under these provisions, the Chief Executive may optimise services by reducing the number of contracted services required in a given area without compensation.

Under the contract termination process, if a decision is made to terminate a contract through the optimisation process and the operator disputes this decision the operator can make written representations about the proposed action (termination).

Any submissions made by the operator will be fully considered by a senior departmental officer who has not been involved in the review process before the process proceeds. If agreed to by the operator, discussion can be facilitated with a relevant industry association.

A further offer of an optimisation payment may still be made to the operator if the operator is prepared to surrender the contract within 30 days of the issue of the notice of termination of contract.

Further information

Should you require more detailed information, you can contact your local department office or the school transport optimisation project team via email to STASNetworkPlanning@translink.com.au.