

School Bus Upgrade Scheme (SchoolBUS)

Fares-Based School Bus Services

Guidelines and Conditions

Information Statement No.16B/2023



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1. Introduction

This document has been prepared by the Department of Transport and Main Roads (TMR) to provide information to contracted school bus service providers about fares-based school bus services.

The Queensland Government is currently considering changes to the School Bus Upgrade Scheme (SchoolBUS). Once the details for 2024-25 are finalised, TMR will advise service providers and publish updated SchoolBUS Guidelines and Conditions.

2. Applying for SchoolBUS funding

2.1 When can service providers apply for funding?

TMR will write to service providers each school year and call 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.

Service providers may submit multiple applications for funding.

Service providers are required to submit a completed SchoolBUS application, along with the required documents that are listed in the application. Failure to do so may delay the progress of applications.

If at any time between a service provider receiving funding approval and taking delivery of the bus, the specification of the bus or the price of the bus changes, the approved service provider must contact the Fleet Management Unit to discuss the issue. Failure to do so may affect the final grant amount paid to the service provider.

2.2 Which buses qualify for funding?

Fares-based school bus services are those services which after 1 July 2009 replace older buses that meet certain criteria. Unless otherwise approved by TMR, to qualify for funding the bus must:

1. Become the qualifying age or older within the 2024-25 financial year –
 - a. 16 years (**buses with 20 – 29 passenger seats**); or
 - b. 20 years (**buses with 30+ passenger seats**)

2. be used on a service contracted to TMR that principally carries eligible students who are assisted under the School Transport Assistance Scheme (STAS)
3. be registered in the name of the service provider who holds a service contract with TMR to provide the service on which the bus operates.
4. have not reached the maximum age limit under the Transport Operations (Passenger Transport) Standard 2010.

Note:

- Buses with a seating capacity between 20 – 29 are classified as a light bus, and buses with a seating capacity of 30+ are classified a heavy bus for STAS purposes, irrespective of the buses GVM.
- Early replacements for growth, problematic or uneconomical to repair buses will be considered on a case-by-case basis. For further information, please contact the Fleet Management Team.

2.3 Funded bus specifications

The Queensland Government is currently considering changes to SchoolBUS. Once confirmed, details of funded bus specifications for 2024-25 will be published as soon as possible.

Service providers are advised to not obtain a quote or purchase a bus until the vehicle specifications are published and the outcome of their SchoolBUS application is notified by TMR.

3. Funding details

3.1 Funding payment

The capital funding is determined by the cost of the bus and an applicable funding cap. In general, funding for fares-based services is provided on the basis that large capacity buses are required. If buses of a smaller capacity are required, funding will be negotiated with the delivery partner on a case-by-case basis.

The funding schedule for the purchase of new buses for 2024-25 will be published as soon as possible once finalised.

3.2 Funding amount

Provided a service provider has a bus that qualifies to be replaced, the following funding is available to purchase a school bus.

New buses	Funding is calculated at 50% 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 TMR's depreciated value of an equivalent new bus that is the required size for the task of transporting eligible students. 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 lower.

Note: Buses that have attained the age of five years or greater at the date of purchase will not attract any capital funding.

3.3 Funding caps

Capital funding caps for FY 2024-25 will be published as soon as possible following government consideration of changes to SchoolBUS.

3.4 GST

Funding is based on GST exclusive pricing. TMR pays GST on the final approved funding amount if the service provider is GST registered.

Funding does NOT include:

- on-road costs (registration and insurance)
- Any amount above the relevant funding cap, unless indicated otherwise in the bus specifications.

3.5 Vehicle funding category

Details of vehicle funding categories will be published as soon as possible, following government consideration of changes to SchoolBUS.

3.6 When will service providers receive payment?

Funding is only paid after the service provider purchases the school bus. Service providers must therefore 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. It is confirmed that the bus complies with the required specifications.
2. the following documentation has been provided to TMR's Fleet Management Unit:
 - proof of purchase (for example, receipt, supplier's tax invoice or finance agreement)
 - proof of current comprehensive insurance cover
 - copies of certificates of modification (if applicable)
 - signed SchoolBUS Agreement.

After satisfying the above requirements, the first funding payment will be made within 20 working days by EFT to the service provider's STAS payments account. If the above requirements are not satisfied, no SchoolBUS funding can be paid.

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

3.7 Contract service payments

Service providers will receive contract service payments as detailed in their applicable service contract.

4. Service provider obligations

4.1 SchoolBUS Agreement

Obligations regarding the funding under SchoolBUS will be set out in the SchoolBUS Agreement.

4.2 Operating the school bus

A funded school bus must be introduced into service as soon as practical after delivery and be used to deliver the school service on the nominated route for its economic life. For large capacity buses, the 'economic life' is 15 years.

This means the funded school bus must always be used to provide the school service and can only be used for other purposes during times that are outside of the school service timetable.

The service provider shall not sell the funded school bus or transfer the funded school bus to another service during its economic life without the prior approval of TMR.

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

4.3 What happens if the service contract is to be sold?

Unless otherwise approved by TMR:

1. the sale of a service contract must include the sale of the funded school bus to the new service provider
2. the new service provider must agree to use the funded school bus on the route approved for the operation of the funded school bus for the balance of its economic life.

4.4 What circumstances require repayment of the funding?

If the service provider does not use, or ceases using, the funded school bus on the relevant services under the contract without prior approval from TMR, the service provider will be required to repay TMR, within 10 working days after such an event, capital funding paid to date as per the repayment schedule listed in the SchoolBUS Agreement.

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

4.5 Closure of services

In the event that a fares-based school bus service is closed due to insufficient eligible students to maintain the service as a result of opening or closure of schools or for other reasons, TMR and the service provider will negotiate any requirement for repayment of funding on a case-by-case basis.

5. Further information

For more information, please contact Leila Maish on (07) 5452 1815 or Peter Garland on (07) 3066 0250, within the Translink Division of TMR, or email SchoolBUS_Fleet_Management@translink.com.au.