

PRIVATE MEMBERS MOTION

House of Assembly - Wednesday, 29 September 2010, Page 1379

SCHOOL BUS SERVICES

Mr BROCK (Frome) (11:02): I move:

That this house establish a select committee to investigate and report on the effectiveness and cost of the Department of Education and Children's Services (DECS) school bus service, and in particular :

- (a) the cost and community effect of DECS running its own school bus service;
- (b) the cost and community effect of DECS contracting to local private school bus services ;
- (c) the effectiveness of school bus services and contracts in South Australia compared to other states;
- (d) the management of the bus service tendering process by DECS;
- (e) the management of existing school bus service contracts by DECS; and
- (f) any other related matter.

I understand that the Education Act of 1972 has the provision in which the minister may, in such manner and to such extent as he or she thinks fit, provide or arrange for the transportation of children to and from any school, and may pay the whole or any portion of the cost of transporting these schoolchildren to and from any school.

With this in mind, I wish to investigate whether this prescribed method of transporting children is still relevant in 2010, some 38 years after the Education Act was brought into force. I bring to this house a request to form a select committee to explore other methods of transporting our students to and from school. In particular, I wish to explore the current transporting arrangements of regional and remote students.

I appreciate that the situation in metropolitan Adelaide is vastly different to that in regional areas. The current regional operation is a joint operation, that is, some 509 free buses are transporting some 16,000 students; 226 of these buses are DECS operated and owned and the others are run by private contractors.

Following the morning runs, the DECS buses are parked at the relevant schools during the school periods, then again utilised at the end of the school day to transport these schoolchildren home. The amortisation of the cost of these units is on a daily basis and, if we look at the cost per actual hours of operation, this could be extremely high given that we would allow for, in most cases, the units sitting idle for six or seven hours per day. These six or seven hours, coupled with the actual running time of the bus, together with the labour component and materials, means that the total cost could be calculated over nine or 10 hours per day.

If the private contractor was operating this facility and only charged for the time these units were being utilised, this could be approximately three or four hours per day, which could be a better utilisation and less costly than the DECS bus operation that is currently used. The private operator would be able to utilise these units during the school periods in his own business and only charge for the time that is contracted to the DECS organisation.

In a letter from the Minister for Education to me dated 13 September 2010, it was stated that the department will spend \$114 million over the next four years to improve school bus services across South Australia. This was made up of upgrading the departmental bus fleet with new seatbelts and air conditioning, totalling \$23.8 million (which included an additional funding of \$19.2 million), plus, over the next four years, there will be \$90.7 million for private operators to provide new buses and further improve safety standards.

The department has commenced its procurement process and, whilst this has commenced, I believe the tendering process could be included in the work of the select committee to analyse and ensure that the most equitable system is undertaken. I ask that this house explores the best practice of other states and use the knowledge that we have in our own state and department to ensure that our system is cost-effective, sustainable and safe.

I understand that the industry meetings being held in the regions presently will gather information from current and prospective contractors regarding their experience, concerns and thoughts on the current seven-plus-four-plus-four year contracts being offered.

I feel that a select committee could also explore the issues around viability of private and DECS-funded school buses in our state. I would also like to scrutinise the current arrangements of school bus services being held within the DECS organisation as the client department. I question: is this department best serviced to administer and supervise school buses, or could the department of transport (DTEI) manage this service more effectively? I understand that the DECS-owned fleet does not have a depot to house its vehicles, nor does it require proper accredited EPA washdown facilities, as do private operators.

In 2007, a government study was undertaken to look at the feasibility of transferring the operation of these buses from DECS to DTEI. This report (a cabinet submission only) concluded that DECS school bus services were grossly underfunded and would require substantial funding injection to bring them up to achieve viability.

We also should look at the social and economic effects that these services could have on regional locations. I request that the government permit the formation of this select committee to enable a detailed investigation and subsequent recommendations to be presented to this house. This request is made purely on the grounds of my wanting taxpayers and the government to get the best value for money, and parents and care givers getting peace of mind in that children are transported safely to and from their schools.

Yesterday, the Minister for Education provided me with a report on school bus contracts which was undertaken by the Economic and Finance Committee in June 2004. However, this was only for the 'terms of contract and the tendering process for private bus contractors'. This request was as a result of communication from a private school bus contractor asserting that the value of individual bus contracts had been eroded over the years due to an inadequate index system and also the fact that DECS officials showed no inclination to resolve or respond to any such contractor complaints about the index system.

My notice this morning goes into far more depth than this report. I am looking at not only the contracting process but also at an overall review of the whole system to ascertain if our current system is the best available for both value for money and also for the people for whom we are supposed to provide the service, that is, schoolchildren and particularly regional and remote students. If my request is looked upon favourably, I seek that the composition of the committee be two government members and two opposition members plus two independent members and that it be permitted to report back for further consideration by this house.