

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into the Use of School Buses in Rural and Regional Victoria

Melbourne—Friday, 17 September 2021

MEMBERS

Mr Enver Erdogan—Chair

Mr Bernie Finn—Deputy Chair

Mr Rodney Barton

Mr Mark Gepp

Mrs Bev McArthur

Mr Tim Quilty

Mr Lee Tarlamis

PARTICIPATING MEMBERS

Dr Matthew Bach

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Dr Catherine Cumming

Mr David Davis

Mr David Limbrick

Ms Wendy Lovell

Mr Andy Meddick

Mr Edward O'Donohue

Mr Craig Ondarchie

Mr Gordon Rich-Phillips

Ms Harriet Shing

Ms Kaushaliya Vaghela

Ms Sheena Watt

WITNESS (*via videoconference*)

Mr Tony Bates, Deputy Secretary, Financial Policy and Information Services, Department of Education and Training.

The CHAIR: I declare open the Economy and Infrastructure Committee's public hearing for the Inquiry into the Use of School Buses in Rural and Regional Victoria. Please ensure that mobile phones have been switched to silent and that any background noise is minimised.

I would like to acknowledge the traditional owners of the land, and I pay my respects to their elders past, present and emerging. I wish to welcome any members of the public that are watching via the live broadcast.

My name is Enver Erdogan, and I am the Chair of the committee. I would like to introduce my fellow committee members present here today: Mr Mark Gepp, Mr Andy Meddick and Mrs Beverley McArthur.

To witnesses giving evidence, all evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during the hearing is protected by law; however, any comment repeated outside the hearing may not be protected. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and put on the committee's website.

We welcome your opening comments but ask that they be kept to a maximum of 10 to 15 minutes to allow plenty of time for discussion and questions. Tony, can you please begin by stating your name for Hansard and then start your presentation. Over to you.

Mr BATES: Thanks, Chair. My name is Tony Bates. I am the Deputy Secretary for Financial Policy and Information Services at the Department of Education and Training. I will just start sharing the screen. Again, I would like to say thanks for the invitation and opportunity to present to the inquiry. I will just see if I can get this—

The CHAIR: Thank you. It is a pleasure to have you.

Visual presentation.

Mr BATES: Thank you. I just thought I would start off by talking about child safety, which is the very strong underpinning for the department's policy settings around the school bus program. The program is designed to ensure that children in regional and rural areas can safely and fairly access appropriate educational services, but a very major thread and underpinning of all of our policies is child safety, which is why we do tend to have a preference to try and keep the services tightly controlled very much in similar ways to what we have in a school setting. At school settings we require any visitors, any adults coming into schools, to sign in. People that are working with children, including people who are visiting, such as trades staff and others, need to have working with children checks. So we very much in doing our policy settings for the school bus program mirror the same settings that we have if students are at school, so a very strong focus on child safety and doing everything we can to protect children. That really is the thread that goes through a lot of the policy settings that we have and one of the things that I regularly talk to my colleagues about in the Department of Transport.

Chair, I thought it would be helpful to just give the committee sort of an overlap diagram between the parts of the system that DET is responsible for and my colleagues in Transport look after. So in the hierarchy that my team work with the first one on the side there is the Students with Disabilities Transport program. So that program is fully managed, contracted and administered by DET, and in that program we provide a range of services, both buses but also taxis and other things, to help children with disabilities who are enrolled in government special schools.

The next one we have is the Conveyance Allowance program, and it is sort of like a voucher. So that is a program again that DET administers, where we provide financial assistance to families to support them in getting children to school. I will just check my quick notes here for the committee's information. We paid about

\$27 million out to families in the 2020 school year to allow them to defray the cost of making private arrangements to get their children to school. So that can be things like reimbursement of the cost of parents or carers towards fuel and other things, or it can be them going into arrangements with other families or potentially using ridesharing or other things, if families choose to do that.

We then have the School Bus Program, which I know is a focus of the inquiry, where DET sets the policy but the Department of Transport do all the contracting and provision of the services. So that is really the joint one between the two departments. And then we move into much more the DET space, where they have the public transport concessions and travel passes. DOT also do run school bus specials; I know my colleague Nick Foa is speaking to the committee this morning as well. And then there are mainstream public transport services, where children going to school just jump on with general members of the public.

In terms of DET's managed or supported services we have just short of 9000 students who are using the Students with Disabilities Transport program. As I said, that is a combination of dedicated taxis and buses that DET contracts. All of those services are disability compliant, because we do have a number of students with severe disabilities, so they are all wheelchair friendly and accessible. As I mentioned, we have the Conveyance Allowance program, providing for about 37 000 students each year, and then the School Bus Program operating in rural and regional areas, as I am sure the committee is familiar with. It has this year about 58 000 students. The numbers on the system move up and down a bit from year to year. A few years back I think we were in the sort of mid-60 000s in the numbers of students on the system. As per the dot point there, it is 1461 services this year operating in 300 networks going into different towns or different schools across the state.

The School Bus Program has a long history, going back to the mid-1940s. Just a couple of the eligibility criteria there: so for students to be eligible to access the School Bus Program they need to reside at least 4.8 kilometres away from the school. The regulations and policy the department has do set out a priority order of students getting access to buses: so with government school students it is to transport them to their nearest government school, and for non-government school students it is for transport to the nearest, I will say, denominationally aligned school. Within that policy within the department we have the transport special case consideration panel. That is an appeal mechanism for families, carers and others who have made applications to their local bus service and have not been successful, so that does come into the DET central office. That panel meets pretty much monthly during term 1 of each year, when we tend to have a number of families asking for consideration, and then it meets once or twice a term for the rest of the year.

In terms of priority access, when there is capacity, we do try and offer support to preschoolers—so we do have a number of kindergarten children who do access the system to get to preschools. And then also we do try and prioritise students accessing TAFE, VCAL, VET and post-secondary education, teachers and then others. Then there is also a fare payment element in the school bus system. So, as I said, the priority access for free service is to the nearest appropriate school. There are circumstances where families wish to send their child to another school, and so they can seek to have access to the bus system for the payment of a nominal fee if they are not attending their nearest school.

I know the committee has been having a think about and asking some questions about the school bus management system. I am sure committee members might be familiar with some of the history, but it was developed in 2015 by the Department of Transport as a joint project with DET. In late 2020, early 2021, we transferred the system across to the department of education, because DET holds the policy and we have a network of bus coordinators—there are about 91 bus coordinators who are based in schools. And so in smaller towns and regional centres, where there is just one school supporting the bus network, the principal and the team at that school will manage the applications and the process. But when we get to more complex areas, we do fund time release for teachers in schools to help manage the bus network, and that will typically be when a system has six or more buses coming in and the administration does take a bit of time. So we do provide time release at those schools to have a teacher managing the system. So because of that really close interaction with schools in managing the bus program, we moved the school bus management system across to DET's systems in late 2020, early 2021, and that involved picking it up and transporting it onto our network and systems. We have got that working very smoothly, and you can just see there the current networks that are live on the school bus management system. It is one that we are looking to expand access to over the coming years.

Then just very quickly, Chair, I thought I would highlight a few of the opportunities that we see from the DET point of view. There are a number of things we think we could do over coming years in the technology space,

including enhancing the school bus management system. As the committee might already know, the school bus management system is not live at the moment, so it does not give us real-time tracking of buses or who is on or not on a bus. But we are thinking about potential upgrades to give some of that capacity, and we are doing a pilot of touch-on, touch-off technology on one of the networks at the moment. We think, working closely with our colleagues at Transport, there are potential benefits if we were to standardise and consolidate into more uniform ticketing options for students statewide. I know one of the items the committee is considering is the use of the school buses outside of the school run time. We are continuing to look at improving flexibility in the policy space, and as I mentioned, we already do have some students in post-secondary, in TAFE or VCAL, who access systems. But potentially expanding buses into that space could be of benefit.

We are running a pilot at the moment of out-of-school-hours care. Most of the buses bring the children to school in the morning and then pretty much pick them up at home time after school, so we are running one pilot at the moment where we are providing the chance for children to attend after-school care and then the bus runs a couple of hours later to support working parents. So there are some opportunities, we think, in that area.

Then there are other things that we are thinking about, probably more in the medium term, around the potential addition of GPS tracking and further upgrades to the school bus management system. It is all desktop and laptop based at the moment, so we are thinking about: do we develop mobile phone apps to make it a lot easier for people to access? So there are a range of development options we are considering for the medium term.

Chair, I might finish there and go back to you.

The CHAIR: Thank you very much, Tony, for that very informative presentation. I must admit that many of the questions I had on my mind were answered in that slide show. So it was very, very informative. On that note, I might just pass around to committee members to ask some questions—make some inquiries. I might just go around according to my screen order. Mr Gepp, Mrs McArthur and then Mr Meddick. So, Mr Gepp, you are first on my screen.

Mr GEPP: Thanks, Chair, and thank you Mr Bates for joining us this morning—a very informative presentation. Mr Bates, can I just tease out a couple of things. I am interested in this after-care pilot that you are running. But I want to perhaps begin with rural and regional Victoria. There are a lot of assumptions that are often made by people that these townships are homogenous and, you know, they immediately gravitate to places like Bendigo, Ballarat, Geelong, Shepparton—the bigger centres. But, of course, what we know is that when you get outside of those centres, places can be very remote. Do you think there is any capacity in those sorts of environments to pilot some sort of scheme that may well provide some access to the asset or the facility simply because there are no other public transport options available?

Mr BATES: Mr Gepp, thanks for the question. We think that is entirely doable, particularly in those more remote locations. Again, my colleague Mr Foa from the Department of Transport can talk about it. As I understand things, when we run the services we contract the buses for basically a 2-hour block in the morning and a 2-hour block in the afternoon. So, depending on the loads, there would be, I would have thought, a very low marginal cost option to run some extra services within that already contracted time. But I think Mr Foa can probably talk about that in more detail. I know that for some of our schools within that 2-hour block some buses—particularly the ones that do not do, can I say, very long ones—will do a second run. So they will sort of do one run at 8 o'clock and then maybe go around again. So from a DET point of view we do not see any major problem with the use of the bus fleet in between morning and afternoon times if DOT thought that would be a useful thing to trial or test in various parts of the state.

Mr GEPP: Yes, I think that is promising, because I think what we have heard over a few hearings now is that those assets tend to sit idle throughout the day. We understand that their primary purpose has got to be to be available for some the school runs. We are also advised that the buses may not meet code when it comes to access for the disabled—you know, that the requirements on those buses are different to the other assets that the state might have or even private organisations who are contracted by the state. Is that correct?

Mr BATES: Yes, that is my understanding, that it is less than 5 per cent of the fleet that are disability compliant. As I said, we run that separate system for the students going to specialist schools, where 60% of the vehicles are compliant. But, again, I think Mr Foa is probably best placed to talk about that. I understand it is an issue—just with both the bus stop design and the quality of the shoulder and kerb on country roads that there

are technical difficulties in being able to run fully disability compliant buses everywhere. I have six nieces and nephews who have been users of the school bus system over the last 20 years, and I know from going to visit some of them in South Gippsland or outside Ballarat that the bus stop can be pretty—it is just a sort of gravel siding by the side of the road. So although we are supportive of trying to make the fleet more disability compliant, I think there really are issues around infrastructure quality, particularly for the pick-up and drop-off of children once they are out of town, if I can use that sort of wording.

Mr GEPP: Yes, it has certainly occurred to me throughout the inquiry that if we were to go down the path of expanding the school buses to enable public to access them—providing we are not, you know, impacting on the service for the kids and getting them to school on time—there is that issue about what we would have to spend, both in terms of the buses but also the bus stops, to make those compliant, to enable all users to have access.

Finally, Chair, if I might, just on the after-school care pilot. I know, and I am sure Mrs McArthur and Mr Meddick, both being from regional Victoria as well—we have all heard one of the thorny things from the school bus system is that for parents who need to have their kids go into after-school care there is an impost on them then having to go and get the kids, and by the time they do, you know, it can add a considerable period to their day. So that is really encouraging that that pilot is there, and more strength to your arm on that.

Mr BATES: Thank you.

Mr GEPP: Thank you, Chair.

The CHAIR: Thank you very much for that, Tony. And thank you, Mr Gepp, for those inquisitive questions. Mrs McArthur.

Mrs McARTHUR: Thank you, Chair, and thank you, Mr Bates. Yes, it was very informative. Now, just going back to one of your slides, I saw that we have free travel for teachers and interstate travellers. Can you just expand on why we have free travel for teachers and interstate travellers?

Mr BATES: Yes. Sorry, Mrs McArthur, interstate travellers are very much an issue along the border. I think one of the ones I mentioned was that this year we have added Delegate—you know, down north of Cann River. So we do have families on the Victorian side of the border who are crossing into New South Wales. So when I say interstate travellers, it is children travelling to interstate schools. And we do, along the New South Wales border, have kids basically going both ways. We will have some Victorian residents travelling to New South Wales public schools, and we do have some arrangements where there are some children—where the bus will basically swing across the Murray at various points and pick up children who reside in New South Wales but bring them to Victorian schools.

Mrs McARTHUR: And the free travel for teachers?

Mr BATES: Yes. So for teachers who choose to use the buses to get to school, they can, although I think the number is relatively small. I think in some of the larger regional centres, like your Ballarats and your Bendigos and your Bairnsdales, we do have some teachers who do use the system to get to school.

Mrs McARTHUR: Good, thank you. I thought we might be running a tourist operation for a minute there. But anyway, that is well explained.

So there are two departments administering this school bus system. Is that the most efficient way we could do it?

Mr BATES: I think it probably is at the moment, and it is because DOT have the broader mainstream public transport services and they have the deep experience doing the contractual arrangements with the bus industry. So they have the expertise to be up to date on the latest standards with buses, particularly as we are potentially moving to different fuel mixes in the future. So I think there is an efficiency in having DOT as the primary contract manager for buses.

And I will say our two teams—my team and Mr Foa's team—work very well together. We meet regularly. I talked about the special consideration panel, which is administered out of DET, but we have I think members from the Department of Transport providing advice to that panel. So I think it sort of goes a little bit to the

respective areas of policy expertise. Although with the specialist school system we do all of that contracting, I just think the ability to sort of have those higher level discussions with the bus sector and the bus associations works well with Transport leading those discussions.

Mrs McARTHUR: Okay. Now, I have had a constituent inquiry about a family needing to access your disability bus system, but they were stopped by the principal of the special school. So do principals have a say over who can get on the bus, or does your panel do that?

Mr BATES: The first pass, I would say, Mrs McArthur, is that a lot of it is run at the school. But as I said, there is an appeal mechanism. So if there is a family who are not satisfied with the advice they have got from the school, they can either go to the regional director or come to the special consideration panel and we will definitely look into issues and can provide arrangements. As I said, in the disability transport system we do have a number of arrangements, so it can be either the bus or we do have a lot of children where we have basically semi-permanent contracted taxi roles. So, you know, if there is a particular issue around distance or other things, we have a range of options in the special schools space that we can use to support families.

Mrs McARTHUR: Thank you. Well, that is most interesting. In other states the public can access these school buses even though they are not disability compliant. Why don't we sort of go down that path?

Mr BATES: Well, they can. I mean, there is a process where people can access buses—you know, make an application to the school or to the bus network coordinator, and they can access them—so it is not outside the policy possibilities. But probably going back, Mrs McArthur, to the points I made at the start, from a policy point of view we treat the bus as if it is like being on school grounds. So we are happy when there is capacity for members of the public to make applications and access the bus; it is just around us wanting to really make sure that they have the working with children check and that those standards are in place.

Mrs McARTHUR: Mr Bates, children access public transport in metropolitan areas, and I do not think everybody boarding the tram or the train has got a working with children compliant certificate. Why are we more special in the country?

Mr BATES: Look, it is a good question. I think it is partly around the composition of the children on the bus. I will just look at my notes here. So of the 300 bus networks, 141 of them—so it is about 47 per cent—have only got primary-aged schoolchildren on them, so grade 6 and down. And I think that is where it is different to, can I say, mainstream public transport—that typically in urban areas on public transport they will be secondary-age students, who, I will just say, are a bit bigger and more robust and can look after themselves. But, you know, we have got about 47 per cent of the services where there are basically no students over the age of about 12 or 13 and we have got a whole lot of, you know, preppies and others like that. So, again, it is that very risk-averse child-safety frame, where, as I said, nearly half of the services only have primary school-aged children on them, which is why we are so keen to make sure that when members of the public are accessing services we know who they are and they do have working with children checks and those other mitigations that we think are important for child safety.

Mrs McARTHUR: Yes. Basically it is a risk-averse problem, because I guess we would accept that most of the issues with child abuse do not occur outside the home usually. It is usually a result of somebody known to the child, so they might actually be safer on the bus with somebody than at home in some situations. But anyway, you take the risk-averse approach—that is absolutely fair enough—but you would think there would be some way around it with our new acceptance of QR codes and apps and all sorts of things that we seem to have these days. I am not sure they are working too well in contact tracing, but nevertheless, if it is the only way for some people to be able to access getting from one isolated place to another—I mean, I especially think with elderly people, who maybe no longer can drive a car and there is no way of getting to the nearest town to do some very basic activities—perhaps we might be able to overcome the risk-averse situation, which I totally accept, and you have to go down that path, absolutely. None of us would be suggesting we would want to impinge on the safety of children, but if there is some way it may even be a good thing for especially some of the younger children on the bus. We might actually find some quantitative benefits.

Mr BATES: Yes. I mean, we have all watched some of those really interesting shows of children interacting with senior citizens. So again, the policy is there, and for the networks that are on the school bus management system there is an ability for members of the public to do an online application process to access the buses, and

as we further roll out the school bus management system we hope that that will make that access easier for people to tap into. But I think, again, our policy setting is very much about a high emphasis on child safety, and as long as people are happy to fill out the applications process and have the working with children check, then the policy does allow for people to access spare capacity on the buses if there is capacity.

Mrs McARTHUR: Okay. Excellent. I do not think we are suggesting that there should be a free service. So would you envisage, if it was possible and all the safety problems could be overcome, that it could be a sort of Myki system of payment?

Mr BATES: At the moment the policy is, I think, we have a flat fee of \$120 a term for people accessing the bus. So again that is one that we are talking to Transport about. So basically we do not have Myki readers on the school buses at the moment, although again one of the medium-term things that we are interested in working with Transport on is putting them on. Again I think I did mention we do have one pilot going of a tap-on, tap-off so that we can actually get, can I say, real-time data about loading on the buses. So if we did move to a sort of rollout of tap-on, tap-off technology, then yes, I think that is something where we could work with Transport to see if we could transition that to the Myki system.

Mrs McARTHUR: That is all my questions. Thank you, Chair.

The CHAIR: Thank you, Mrs McArthur. They were quite interesting. And thank you, Mr Bates, for answering those, because I think we are all much better informed out of those. Mr Meddick.

Mr MEDDICK: Thank you, Chair. And you are right—a lot of what I had in questions was pretty much answered in the presentation and to you and also Mr Gepp and Mrs McArthur. So I have just got a few questions, and some that you may have covered, Mr Bates, so I hope you will forgive me for covering old ground. But have you spoken to the rural or regional communities themselves individually, outside of the larger rural communities such as Geelong and Ballarat et cetera, or even conducted any surveys? We see Engage Victoria are a really good resource for doing these sorts of things online now and reducing the cost of conducting these surveys about not just the need but also if there is an appetite for the expansion of services to be dual use, because sometimes we can all be guilty of looking for a solution to a problem that we do not necessarily have to solve. So I am just wondering if there has been any work in that area from you.

Mr BATES: Not, Mr Meddick, with the general public, although we do talk to school leaders and principals around their views on the transport system. As I said, the feedback that I am getting from within the education system is around trying to support particularly senior secondary students doing different pathways—so particularly allowing students who need to access, can I say, other campuses or trade training centres or things like that. But no, we have not actually done sort of broadscale public surveying. And again, Mr Foa might be better placed to be able to answer those sorts of questions.

Mr MEDDICK: Great. Fantastic. I think this is probably one of the areas that you did cover off, but I heard pilot programs being mentioned before. If they are up and running, when and where are they underway?

Mr BATES: Sorry, I just lost you then for a second, Mr Meddick.

Mr MEDDICK: Sorry. I heard you mention pilot programs.

Mr BATES: Yes.

Mr MEDDICK: So if they are underway, where are they underway and how long have they been underway for and what sort of results are we seeing back from them? And if not, when can we expect some to be started to run and where would they be?

Mr BATES: I might just look in my notes on where I have got some of those pilots going if you would just bear with me for a second.

Mr MEDDICK: Sure.

The CHAIR: Andy, that is also a good question for the next witness, because I know the Department of Transport did a pilot project in Gippsland.

Mr MEDDICK: Okay, great.

The CHAIR: That is probably for the next one, but I will see if the department of education—Tony—have got any others.

Mr MEDDICK: Just one last question then if that is what is going to occur—that might be easier, Mr Bates, then if that is referred to the next presenter. It just comes out of the question that Mrs McArthur asked. Bearing in mind that some of the people that might be wanting to access these services would be elderly, on pensions et cetera, the frequency of service in these areas is also bound to be something of contention. Will there need to be a subsidy arrangement made with the contractors, the providers, or is there a need for cost sharing between themselves and government or even the Department of Education and Training or the Department of Transport? Is there going to need to be some complex economic arrangement to make these services viable?

Mr BATES: At the moment, Mr Meddick, all of the funding for the system sits with the Department of Transport. I have the funding for the disability specialist services, but all of the funding for the networks and the 1460 program sits with the Department of Transport. If there was to be an expansion of services to the general public, I think that probably is a discussion for Mr Foa. As I said, we set access policy, but transport do all of the contracting and payments. As I mentioned earlier, we do contract every service for two hours in the morning and two hours in the afternoon. I think from our data there would be a number of locations where it would be possible to run something extra within those two hours, to repeat myself, at very low marginal cost, but then if you started to go into extra time, then that would probably be one where there might be additional funding. And, sorry, just trying to be electronic I have lost exactly where the touch-on touch-off pilot is, but Chair, I might provide that information to the secretariat after the hearing if that would be okay.

The CHAIR: Thank you.

Mr MEDDICK: That would be great. Thank you so much.

The CHAIR: Mr Meddick, do you have any more questions?

Mr MEDDICK: No, that is it, other than a statement. I am thinking, again from what Mrs McArthur was saying before, about repetition of the two different departments running here. I suspect the separation is because the Department of Education and Training is in a better position to understand the nuances that surround speciality services. So I presume that this is part of that separation or the duplication if you like.

Mr BATES: Yes.

Mr MEDDICK: Yes. Thanks. Thank you, Chair.

The CHAIR: Thank you very much. All the questions and the answers provided have really covered a lot of the topics I was going to touch on about the disability services, and Mr Bates, you kind of explained that you are in charge of that and you are running those services specifically. I also wish to announce that Mr Lee Tarlamis has joined the committee meeting. I welcome him.

One question we did have was about an issue we had from one of our earlier witnesses about the labour demands if we were to run these services during, I guess, the gap between the beginning and the end of the day. I notice you did kind of answer part of what I was going to ask—about the fact that the Department of Education and Training provides time release for staff, especially for schools where there are multiple buses that they need to coordinate because it is obviously time consuming. Would it mean that maybe the department would need to give more time release if those bus services were to run and, I guess, the schools in some local areas had to coordinate those services?

Mr BATES: The time release is very much around the application process, which typically happens in term 4, so it is very much around looking at which students are coming on the buses next year, who is graduating, is anyone moving. So there is a lot of what I will call timetabling type of work, which is what we do the time release for. In the larger regional centres, members of the committee might be familiar with places like Ballarat, Bendigo and Warrnambool where buses will come in from lots of places and there will often be an interchange. Interchanges will either be at a school or sometimes at another nearby location. So where we have interchanges with lots of buses coming in, children jumping off them and then getting onto this bus going to

that secondary school and this one going to that primary, we do have teachers supervising those interchanges, and so that is part of what we provide the time release to teachers for. If the buses were to be switched into, can I say, 'public transport mode', without children being on them, then I do not think there would be any need for further support from the coordinators to supervise them, so it would probably just be a question of sorting out what the routes would be that they would be doing. But I think again that is more a DOT issue, if they were doing runs in between morning and afternoon trips.

The CHAIR: That is right. And I think the cohorts, which again were touched on by Mrs McArthur and others before, it seems to be—and my initial impression is—that people like the service; it is a popular service. Obviously you gave us the figures—over 50 000 students are using the school bus program. In addition, the disability service has over 8000 et cetera, so I think it is quite a popular program.

If changes were to be made, there seem to be two groups in particular which there seems to be quite a bit of community sympathy or support for. I guess maybe this small bit is yours, but probably more for the Department of Transport: training—so, people going to TAFEs and higher education. That seems to have the most sympathetic response in terms of altering possible policy around this area. The other cohort was, as Mrs McArthur suggested, the elderly, who may have mobility issues and may not be as independent, but that is probably for the Department of Transport, as I see it, rather than your Department of Education and Training.

What are the current services? You did state that some TAFE students do get access, so do you want to expand on that a little bit?

Mr BATES: Yes, so if there is capacity in the system, school-aged children have the first allocations, as I said, in line with going to the nearest appropriate school. Then if we do have capacity, we do take applications from children needing to get to kindergarten or from other children, particularly once they have reached the post-secondary stage, for attending TAFE or further training. But yes, Chair, the one that we would be very supportive of—the model is very radial, so it sort of picks children up and brings them in to school. We would be very supportive of a model where we might have stuff during the day where you could pick up children, particularly those that are doing VET and VCAL subjects where they will be doing some of their studies at their home secondary school and then they might be going somewhere else for particular subjects. So we would be very supportive of that sort of access.

The CHAIR: Excellent. I think it was definitely an issue that parents and everyone could sympathise with. I do not have any additional questions. I might go around the committee to see if committee members would like to ask a couple more questions, as we have got another 10 minutes. Mr Gepp?

Mr GEPP: Thanks, Chair. Mr Bates, just a quick one on the 'nearest appropriate school' policy. If you could just take me through that again. It makes sense to me being a regional member when we are talking about the bigger centres. I think in the smaller towns there is probably only one primary school and one high school, you know, so they probably do not have much of a choice anyway. But how likely is it that the nearest primary school, you know, is here, but they send their child to a different primary school? I am assuming that the policy of the department of education is that they have actually got to go to that first primary school anyway. So can you just walk me through that?

Mr BATES: Yes, Mr Gepp. So over recent years the department has actually published on findmyschool.vic.gov.au. So we have actually got enrolment zones for all government schools, so people can just type in their address and it tells them which school they are zoned to. Basically the school bus program follows the enrolment zones. So effectively first access for free service is to go to the school where you live in that enrolment zone.

We do find a few of them particularly, I will say, in semi-urban locations, where people will sometimes be sort of almost halfway in between schools—it is where they are close to the edge of the enrolment zones—and for whatever reason, if it is that family or friends or others are going to the other school, parents will often choose to enrol that way. So if that happens, again its first access is to the children who are living within the enrolment zone, and then if you do not want to go to the one in your enrolment zone, if there is capacity then we do make access available. We are not wanting to extend the bus runs a long way into the other zone, but if children can get to the stop and there is capacity, then we will give access to go in that alternative direction.

Mr GEPP: I am imagining that if you take Shepparton, for example, as you come into Shepparton, you know, there is a particular roundabout. If you turn left, you go to Ardmona. If you go right, it is Tatura. If you go straight ahead, it is Mooropna, you know, and there are properties there where people can go any which way. You know, Ardmona might be in their zone, but they choose to go to Tatura. Did I hear you correctly say that if they choose to go to Tatura but Ardmona is closer, there is a financial impost on them for selecting Tatura? And that is, if they can get the access to the bus.

Mr BATES: Yes. So if they choose not to go to their local school or to their designated enrolment zone school and there is a place on the bus, they can access the bus, but then they pay the fee, which I think is about \$120 a term.

Mr GEPP: Right. Okay—even if the other school is a government-run school?

Mr BATES: Yes.

Mr GEPP: Okay, thank you.

Mr BATES: And the places where we do seem to see a bit of this are, you know—I think of places like Sunbury, Gisborne, Kilmore, where there are quite a few hamlets, can I say, that are sort of almost in the middle. That is where you do see a little bit of that. But most, the vast majority of children, are going to their designated enrolment school. Yes, so it is not a huge number of children that are sort of going off to a different one and being asked to pay the fee.

Mr GEPP: Do you have any numbers on that? I mean, how many people? Because I would imagine it is rather small. I mean, I would think that most people would go to their zoned school.

Mr BATES: I do not have it at hand, but again that is one of the ones I could provide to the secretariat.

Mr GEPP: That would be great. Thank you very much; I appreciate it. Thank you, Chair.

The CHAIR: I might go to Mrs McArthur, and I might ask my last question also. Mrs McArthur?

Mrs McARTHUR: Thank you, Chair. Just following on from that, why should there even be a zone that you have to comply with? Why can't you go to the government school that you think is the best suited to your child? Why do we discriminate on the basis of geography? If a school some distance on the bus route is more suitable to your child, why shouldn't you be able to use it? Why don't we do away with this zoning altogether? It only distorts the housing market in urban areas as well.

Mr BATES: I think that is an interesting and much longer discussion, Mrs McArthur. In terms of the school bus system, we basically do not have a lot of overlap, so the bus runs are pretty much structured to take students to their zoned school. There would be a risk of inefficiency if we had buses basically going past each other into other zones to pick children up. Just back to the broader question of zoning, it is around making sure that people have the opportunity to go to their nearest government school. It is not mandatory for students to go to the school in their designated zone, but in terms of enrolment policy we do give families in the zone first priority. So it is around making sure that everyone can get to their closest school. If there is capacity, then principals are able to take enrolments from outside their zone, but really it is a prioritisation—

Mrs McARTHUR: But you would have to admit it is completely distorting the housing market. I mean, the housing market in the areas where there is a good government school—even good private schools, but particularly government schools—is exponentially increased because of that zoning policy. If we did away with it and everybody could go to the school of their choice, or the best school, we would go back to a much more realistic situation, I would have thought.

Mr BATES: We try and make every school the best possible school.

Mrs McARTHUR: A bit of competition would be good.

Mr GEPP: Chair, can I? I think there are issues there. I mean, in metropolitan Melbourne you could not have a free-for-all. If we suddenly just said to people, 'Well, go off and choose the government school of your

choice', we would end up with some places that have tumbleweed spewing through the schoolyard and at others they would be hanging off the rafters—and that would distort the housing market, let me assure you.

Mrs McARTHUR: Mr Gepp—

Mr GEPP: That would distort it.

The CHAIR: I think there is a broader policy debate here, but I think, Bev—

Mrs McARTHUR: We could have a whole inquiry on this.

Mr GEPP: I think we should.

The CHAIR: That is right. I think school zones definitely in my electorate of Southern Metropolitan do affect property values, but I think it is a broad discussion about capacity and all the other policies. I agree with Mr Bates: we are trying our best to make every school a great school. I think that is what we are working on.

I do have one final question, which again is a curve ball, but I think it should be asked because it was brought up by a couple of witnesses before. We heard that in a few areas there have been localised solutions where students from non-government schools have access—so the Catholic education system et cetera. First of all, how widespread is that? Is the department across that? Should this service be available to all students? I guess you have kind of said the answer to that already in saying that the priorities are local so that the service does not crisscross. But could you comment on that at all, Tony?

Mr BATES: Yes. We have an equivalent policy for non-government students to go to their nearest appropriate school, and that is often based on religious denominations. It is effectively the same policy, but with non-government schools the zones are not identical to the government schools. Chair, I am just not sure if I have got your question correctly there, but basically there is equivalent access. A very large majority of our services, particularly in regional areas, will have students from both the government and non-government system on the one bus, and it is, I think, good for children to be mixing and broadening their friendship circles by spending some of that time on the bus together.

Mrs McARTHUR: And Mr Bates, they do pay?

Mr BATES: Non-government students going to the closest denominational school also get free access, as do government school students. And it is a similar thing—if the non-government student is not going to their closest one, then just like government ones, they would be asked to pay a contribution. So the policy is basically the same for both cohorts.

The CHAIR: Thank you very much for that, Mr Bates. It has been a very informative and engaging discussion. I know the committee members, especially our regional MPs, Mrs McArthur, Mr Gepp and Mr Meddick, really enjoyed it—I can tell from their faces. So thank you. You have been really helpful for the committee and its work. If we have any additional questions that come out of today, are you happy for us to reach out to you and send them your way?

Mr BATES: Yes indeed.

The CHAIR: Thank you very much for that. On that note, committee members, the committee will now take a short break before our next witness.

Witness withdrew.

WITNESS (*via videoconference*)

Mr Nick Foa, Head, Transport Services, Department of Transport.

The CHAIR: The Economy and Infrastructure Committee's public hearing for the Inquiry into the Use of School Buses in Rural and Regional Victoria continues. Please ensure that mobile phones are switched to silent and that any background noise is minimised.

I wish to acknowledge the traditional owners of the land, and I pay my respects to their elders past, present and emerging. I wish to welcome any members of the public that are watching via the live broadcast.

My name is Enver Erdogan, and I am Chair of the committee. I would like to introduce my fellow committee members: Mr Mark Gepp, Mr Lee Tarlamis, Mrs Beverley McArthur and Mr Andy Meddick.

To the witness giving evidence, all evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during the hearing is protected by law; however, any comment repeated outside the hearing may not be protected. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. Ultimately transcripts will be made public and put on the committee's website.

We welcome any opening comments, but I ask that they be kept to a maximum of 10 to 15 minutes to allow plenty of time for discussion and questions. Could you please begin by stating your name for the benefit of our Hansard team and then start your presentation. Over to you, Nick.

Mr FOA: Thank you very much, Mr Chairman. It is a pleasure to be here with you this morning on a really important matter for Victoria. My name is Nick Foa, and I am the Head of Transport Services for the Department of Transport. I do not have a prepared PowerPoint, unlike my colleague Mr Bates from education. We gave some content for his presentation around the structure of how the contracts and the procurement of various school bus programs work. But what I would like to do is just draw out some elements of bus planning at a statewide level and then dig down to the school bus programs as well.

As Mr Bates went through with you, it is a shared responsibility between the departments of education and transport. But we do work very, very closely together in our teams, and that can be evidenced by our development of the software management system that has now transferred across to DET to be incorporated into their systems. We note that DET also administers the students with disability program and the conveyancing program, and our role is really in that procurement space of the School Bus Program and the school bus specials and how we then integrate those and get some synergies between our other route bus contracted services and our school bus services. So we plan and manage the school bus services program and often incorporate those contracts into other timetabled transport contracts where possible. This is becoming even more important on the fringes of Melbourne, for instance, and our teams are collectively working around the elements of the entire bus ecosystem around those new and emerging communities.

I note that we have sent some detailed answers in to questions, so I do not necessarily want to go and just read back through that. But I thought I would just make some brief comments around *Victoria's Bus Plan*, which was recently released to the public by Minister Carroll, and that really sets out how we start to deliver a modern, productive, environmentally sustainable bus network through reforming the network. We know how important bus is even in times like today. I dragged the figures earlier today. Public transport during COVID right now is down to 13 per cent of baseline levels. Bus is still at 25 per cent in metro and 30 per cent in regional. We know that it is really, really important for lower socio-economic groups in our community or communities where there is just no other option, and so it is an incredibly important service. Yesterday's stats show that there was an equal number of people being moved by bus in the state of Victoria as there was by rail, and that is quite an unusual statistic to see. Normally it is three times rail to the bus network, so it is really important that we have done this broader plan that sets out the role that bus plays in our community going forward.

One of the pillars of that plan is around school routes and having buses to meet demand spikes from students travelling to and from school on routes, and we also in the last budget announced that we are adding some growing services in those growing communities that I mentioned—The Lakes in South Morang, St Helena in Eltham, Officer Secondary College, Elevation college in Craigieburn, Alamanda in Point Cook, Oberon in Armstrong Creek—and also planning for the new combined high school in Shepparton, which is a really, really important part of that network.

So the five key reforms there in the bus plan are: make the network simpler, faster and more reliable; introduce a cleaner, smarter fleet, the right buses for the right routes—and we can get into a little bit of that later, particularly in relation to accessibility and different types of buses for different jobs; better performing buses—all-door boarding, rapid running, integrated interchanges with the train et cetera is a really important thing; better customer experience; and, lastly, a big area I think for improvement into the future around systems management, data and how we might use technology for growing our bus knowledge and making them more adaptable to different needs within society, underpinned of course by better value for money and being able to partner with the industry.

Just on industry, bus employs over 8000 people in Victoria, and it is a really important part of what we have. We have over 1900 metro routes, 613 buses on regional routes—1456 apply to schools and 427 to the DET special schools, so it is a really significant part of what we do. And, as I say, it moves many, many people around Victoria on a daily basis.

Some of the signature policy commitments within the bus plan: you will have heard of the commitment that all buses post 2025 will be zero-emission purchases, so we are transforming any new purchase of the fleet from 2025 to zero emission, and that will be a mixture of responses from the market, depending on the job that the bus is being asked to do. We do go through a large amount of recontracting, so that 1456 school bus service contracts in 2019 were renegotiated in 2020, and we are starting our regional bus contract renegotiations at the moment.

So, Mr Chairman, I am more than happy to have a broad-ranging discussion about how we provide the infrastructure to give rise to the policy objectives of the Department of Education and Training where, I think, Mr Bates ably set out the child safety principles and about universal access to education being the key policy driver here. But obviously the committee, by way of questioning, has sought to work out how we can sweat those assets perhaps and have them do more in the community. So I am happy to participate in a conversation with you about that.

The CHAIR: Thank you, Nick, for sharing that with us. I was very excited by the government bus plan also. But before going into questions, I might just give committee members an opportunity to continue the discussion, and I might start with the regional MPs first, because the school bus program is predominantly in the regions and rural Victoria. I am just looking at Mr Meddick, then Mr Gepp, then Mrs McArthur, then Mr Tarlamis, in that order, so we will go with the regional MPs first.

Mr MEDDICK: Thank you, Chair. And thank you, Nick, for your presentation. I take it from what your comment was just before you were listening quite intently to your colleague Tony Bates.

Mr FOA: I was in and out of it a bit. I had to do some media about certain public transport matters in the centre of Melbourne tomorrow.

Mr MEDDICK: Yes, yes. That is another topic, isn't it? There were a couple of things that I asked Mr Bates that he was deferring off to you, one of which was that if we move into a situation in rural and regional Victoria, we obviously have far less population; if we are making these buses available at different times outside the 2 hours allocated in the morning and the 2 in the afternoon for other services, bearing in mind the lower population rates and some of these people, Mrs McArthur raised quite rightly, might be elderly people on a pension, are we in a situation where those services have to be subsidised, or do we need to go into a cost-sharing arrangement? Because we do not want to obviously foist the entire financial burden on the contracting bus company, for instance.

Mr FOA: Yes, indeed. It is fair to say, Mr Meddick, that most of our routes—I think all of our routes—are subsidised, that the cost recovery or the fare pricing does not recover all the costs of the fleet. It would be fair to

say that, whilst I think Mr Bates said it may be marginal because you have already got the driver, you have already got the bus and you will be doing more kilometres, I anticipate there would still be a subsidy required.

Mr MEDDICK: Right. So are we basically then talking about a scenario where there is a cost involved that is not necessarily recoverable, but we are looking at it from a point of view philosophically, I suppose, that this is actually an essential service that we are looking to provide so therefore, you know, the balance on a social scale outweighs the physical cost?

Mr FOA: Indeed, and that is certainly how the writing of the business case would need to take that policy proposal forward for funding if it was to be considered. You would be considering a fee for service that would lessen the subsidy required from government, but you would then be weighing up its contribution to the overall public transport effort in terms of accessibility, noting the points you make about those people needing to access those services maybe coming from low socio-economic communities or indeed non-transport-rich environments.

Mr MEDDICK: Fantastic. One of the other ones was just really around that DET had not themselves used, for instance, Engage Victoria to conduct any community surveys on the appetite, if you like, for these types of services. Have DOT done anything of the same, or have you got any plans to?

Mr FOA: Look, I do not believe that we have done any forecast plans around that. We do respond to a range of correspondence that might come in to the minister around people advocating for various bus route upgrades et cetera. We are constantly recording our network data analysis around optimising routes. I would say the most recent timetable change—a greenfield timetable change, the most significant one we have done for many years—came into force this year, which was an extra 450-odd services on the metro train system, but what people did not quite understand is just the significant amount of bus re-timetabling we did to meet all those trains right throughout regional Victoria. That was all informed by our data and network planning crew that really get underneath the demand numbers all the time. They are taking data points from the Victorian Planning Authority about new subdivisions coming on in regional areas, for instance, and taking data points from traffic monitoring and also where new schools are going. So there are multiple different data points coming into then planning what is an appropriate response. And as I mentioned earlier, part of what we are thinking through now is those newer and emerging communities at the interface between regional and metro. Having to stay in the front of those fast-growing communities is quite a challenge.

Mr MEDDICK: Thank you so much for that, because you have actually covered off something else that I was going to ask, and that was about, you know, that we are seeing a lot of tree changers, for want of a better word, these days, where a lot of people from metro Melbourne are seeing the benefits of moving out into more regional and rural communities. While some of them have over the past 50-odd years gone into somewhat of a decline, we are actually seeing now a resurgence in those communities. It is certainly true that some of these people will still be working in metro Melbourne in a post-COVID environment, so connecting transport services, for me, is going to be a very important factor. For some of them that do not necessarily have a rail line, having a bus service that takes them to a rail line will be very important, so it is nice to hear that this is on your radar. I am just keen to perhaps hear about whether local councils have anything like a direct line to you to be able to say, 'Hey, you know, we're going to put a new housing estate in. We anticipate having another 450 people moving into that area', for instance. What sort of services? Do we do any forecast planning around that as to when you are going to need them? Is there a service available now with a contractor that they could just expand? Does all of that come across your desk?

Mr FOA: Yes, it does indeed. So to go back to your first point, the kind of renaissance of regional Victoria is right across the state, because people have worked out that they can live and work in a different format, so we are definitely seeing that. Hence the kind of growth that we have just put on—I think it is 125 extra services into Ballarat—and a significant reconstituting of the regional bus services around the Ballarat community to meet those trains coming in. It is a really good opportunity for us to continue to review the regional Victoria routes, and we will do that as part of the bus plan.

In terms of how we work with local communities, yes, we do have a dedicated bus planning team, but we also have throughout regional Victoria in each of our regions a go-to person around public transport in each of the regional structures. So that local intel is really, really important in then feeding back into our central bus planning team, and they are in conversation every single day.

You are right, where we have got new and emerging, fast-growing communities sometimes we will augment routes, and we have just done one in Donnybrook—I think was the last one I signed off on. They come across my desk in terms of proposals around how we might change within our overall bus envelope—can we tweak and change that to maximise the benefit of that? Similarly where we see communities no longer require a bus and we are running a bus for a couple of people or it is empty we will seek to terminate that contract but perhaps redirect that funding back into a service elsewhere in the system. So we are monitoring that all the time.

Mr MEDDICK: Great. Thanks so much. Thank you, Chair.

The CHAIR: Thank you. Mr Gepp.

Mr GEPP: Thanks, Mr Foa, for being with us today, and good luck tomorrow. Just in terms of that last issue that you and Mr Meddick were discussing, the local aspect, if you like, of the service and indeed the considerations that go into it, I am particularly interested in this form and function concept, because we as regional MPs often hear of models and systems that are developed around some of the bigger centres—you know, your Bendigos, your Ballarats, your Geelong and the like. But those systems, those models, have no relevance, for example, to some of the smaller communities out in the Mallee, who are in the middle of nowhere. So I am just wondering how you factor in the bespoke elements of the services for some of those sorts of communities.

Mr FOA: Yes. Thank you. In the school bus sense we are absolutely driven by the process that Mr Bates outlined about how they go through their assessments, and then I think by December each year they give us a forecast of what is likely to be required in the following year. Then we adjust our contracting models according to that. In the regional context again we look at kilometres travelled, use and overall government subsidy per passenger. They are some things that we monitor. So the fewer people on the bus the higher the subsidy. I think diesel is the same—the cost of the driver, the diesel and the bus is pretty similar. So we monitor all of those elements.

But it is reasonably impressive when you look at the route map where we cover in regional Victoria. There is a pretty impressive web that comes across regional communities. I think frequency is the main feedback we get from regional Victoria. It might be a couple of hours rather than the frequency that Melbourne is slowly getting to, where bus becomes a really viable replacement for heavy rail or indeed the private car, as we are seeing on the Doncaster corridor, for instance. That is all a driver of frequency, and people in regional Victoria have a high reliability score, but it is a low frequency number. So those are the sorts of things that we would factor in, but particularly in the case of where we are getting down to very low numbers of patronage in the school environment we will talk to the education department about the access to the other subsidy programs that they have, and potentially that is a better response than running an empty bus for a couple of people.

Mr GEPP: Who makes that decision? I am interested in that because, I mean, I can absolutely see in regional Victoria places where that would work, but I am thinking in a place like Mildura, for example, where we have got school bus services where people are living outside of the Mildura city limits and they are out in the farms. What you do not tend to get as the population shift—Mr Meddick talked about, you know, people moving into regional—is you do not tend to get the explosion of population in those places as you might in other centres. Now, as costs go up, obviously subsidy costs would also increase because you are not increasing patronage. So in that environment who is making the decision about the continuation of that service or some sort of alternate model?

Mr FOA: The Department of Transport would be modelling and making decisions around broad access bus services, route services in those regional areas. We would be working with our department of education colleagues around the school bus service in that area, and essentially the demand requirements for us to provide buses is provided by DET, so they give us a forecast in December about what they think they are going to need the next year. But sometimes during the middle of the year people's circumstances change—the one family that was using it has moved away or changed address or otherwise—and we tweak that as we go along through the year. But it is a bit of an iterative process in the schools space. We work off the forecast demand, then we validate that with the actuals on the ground as it is moving forward. We would not yet act unilaterally to remove a school bus route, even with one or two kids on it, without our conversations going back and forth between us and the department.

Mr GEPP: So we know that in some of those places the cost of running that service is going to be, on a per-head basis, a lot higher than in other parts. And just finally—thank you—in terms of accessibility, so where we do expand the service and we do allow access from the public, is that dependent on the asset having the capability to meet the accessibility standards?

Mr FOA: Yes, it is a tricky one. So under the DSAPT requirements, the disability requirements federally, there is a specific carve-out for school buses, and where we buy new buses for route buses, we go for high-volume, low-floor, which gives us the accessibility on that route bus. The difficulty comes where those low-floor buses have a much longer overhang at the front and back, and so it is more difficult for them to move around an environment that has not been catered for them. So if you look at all the new growth area communities where we have got low-floor accessible buses and accessible stops, you will also see that they have got rollover kerbing on the roundabouts and on the kerbs on the corners. That is primarily to stop the nose and the tail scrapes that can occur, particularly if they are accessing a driveway arrangement or something. So it is more than that. It is more than the accessibility of the bus, it is more than the accessibility of the stop; it is also that the built environment that they are operating in becomes challenging. We do have, I think it is, about 20-odd—that figure might be a bit low—routes that I am aware of where we are doing exactly as you say, taking other passengers on board. But they are not on full disability-accredited buses.

Mr GEPP: I would think, in terms of any considerations for the committee, one of the factors that we would have to contemplate is that in regional and rural Victoria often the school bus stop is a piece of gravel in a bit of a tin shed that protects the kids from the weather, and to make the infrastructure compliant would be astronomical, I would imagine.

Mr FOA: Yes. I do not have a broad number on me but, you know, it would be well in excess of what we put in as an annual subsidy into overall buses per annum. So the capital costs alone would be huge, yes.

Mr GEPP: Yes. Thank you. Thanks, Mr Foa.

The CHAIR: Thank you. Mrs McArthur.

Mrs McARTHUR: Thank you, Chair. And thank you, Mr Foa. I hope your media went well, and we are pleased that that took priority over the inquiry; it is most important. But anyway, I was interested in a couple of things: the fact that you said there are—did you say—three times more people using buses than trains. Did I get that—

Mr FOA: No. In normal times there are three times more people using trains than buses.

Mrs McARTHUR: Yes.

Mr FOA: What I commented on was that at the moment buses are actually at the same level as trains, as of yesterday's numbers. We had the same amount of people running around in trains as we did buses yesterday, which is quite an unusual number to see.

Mrs McARTHUR: Does that say something about your train service?

Mr FOA: What it says is that during the current period we are in the people using buses generally have less choices and are often coming from a lower socio-economic background or from an area that is not transport rich. They cannot just walk out their front door and jump on a train or a tram, and bus is their option. So it shows the really important role that buses play in communities that have less choices.

Mrs McARTHUR: You are going to have to sing this from the rooftops, aren't you, because there are some in our world who think we ought to get all sorts of public transport off the roads and onto trains, but you will be able to demonstrate that that is just not possible. Anyway, moving on. How much does the school bus system cost the taxpayers of Victoria?

Mr FOA: For the transport costs it is around about \$230 million—and this is just operating—and on top of that you have got the DET numbers for the disability transport system. I do not have that number to hand, and that is perhaps something you would need to follow up with DET. But from a transport perspective our subsidy is about \$230 million.

Mrs McARTHUR: I did ask your colleague in education: is this the most efficient way to run the school bus system, with two departments, or could we streamline you into one operation?

Mr FOA: Look, it is really important that where your policy driver is coming from and the transport response to that policy driver is made is the people that own the service. So what is the service for? It is about access to universal education, and that is the policy driver for this service response. Once the service response is decided, yes, we are going to make sure people get to school, and we are going to do that via a cash subsidy if they cannot make it in one way or we are going to provide a service that is a transportation service. That is when the Department of Transport, which has expertise in procuring and contracting buses, comes in and we work hand in glove. But we make sure that we do not creep into the policy space about who can and cannot get on, and they rely on our expertise around procuring of those services.

It is really important to note too—and I touched on the amount of workers employed in bus—we also have industry policy to consider with our bus manufacturers in the state of Victoria. We try and get as much local product as we possibly can, but if you go out to Dandenong, to Volgren and others, and see new buses being built here in Victoria coming off the production line, it is another really important part of what we do. So making sure we have got a viable supply chain and future purchases lined up to drive a local industry I think is probably best done by Transport. We can do that, and we can use the bus demand to help that local content be as maximised as possible. That is just one example about why it is pretty good to have the current separation.

Mrs McARTHUR: So what you are assuring me is that it is a very efficient operation to have two departments involved in delivering the one service, and we could not make it any better. Both of you have managed to argue the point that you are both essential to delivering the best, most efficient, most cost-effective way of providing bus transport to school users. I would expect you to do that because we do not want to cut one of you out of a job, by any means. But, anyway, that is good. You are both singing from the same hymnbook. This is all good.

Now, did I also understand that we are providing school bus transport for newer peri-urban or urban areas or are schoolchildren getting on the normal bus network to go to school? Because we assume this school bus program is just for rural and regional students, but I may have misheard you. Can you just clarify if there is not a school bus system for peri-urban and urban areas and they are using just normal transport.

Mr FOA: Thank you, Mrs McArthur. It is a really good call-out, because sometimes we do not have a school bus in play and sometimes on the fringes you might have a group not very far away that is getting a subsidised service and access for free and another group having to pay. So it is a constant resetting on the fringe as Melbourne has expanded into those newer communities.

To show you that we are joined at the hip with Education, we actually have a joint planning group that works through those issues, so it does not happen where we open through open the doors for school on day one, and we have not done any planning for it. Shepparton is a great example where there is a consolidation of three schools onto one campus. The bus planning that has gone into that between us and Education has been really, really intense, because we have had to restructure a whole range of routes to ensure that that is the case. But it is the case that we have to plan ahead and try to minimise those issues where you have got a group of students getting a subsidy greater than another group of students who are using a route bus instead of a school bus, and we work through those issues as they arise.

Mrs McARTHUR: But it does beg the question that if it is working safely and feasibly for students to get onto a normal public transport bus to get to their school why all buses could not be used for the public, which is what our inquiry is about. So you are basically assuring us that in these newer areas children are using your very efficient, super public transport system of buses, without incident, I am assuming, and we are wondering why the general public cannot use school buses when it seems to be working well in other areas.

Mr FOA: Chair, I have just turned my camera off for a moment, because I lost a bit of that last question. I hope that you can hear me okay.

The CHAIR: It might assist with connectivity.

Mr FOA: Can you hear me okay, Chair?

The CHAIR: Yes, we can.

Mr FOA: Thank you. Look, we use the school service in metro areas where there is a PT gap that needs to be filled, but not in a fully subsidised sense. We are doing some work around the feasibility of converting some of those metro fringe school bus programs into route-type school specials, as you have seen in other parts of the state. We have done it in about 20 other parts of the state. The primary need of the school specials is, of course, the universal access to education, and we want to make sure that we will have enough capacity for those school buses to do that—and many of them are at capacity. Where we have had people take up the opportunity in regional areas of applying to the school principal for use, it is often in those trade school or VET-type programs. But it is not hugely popular. You know, I think school buses can be reasonably noisy environments as young children go about their day, so it is not necessarily suitable for everybody to want to get on that. But we have seen some use of it for trade and VET students.

Mrs McARTHUR: My question is more to the fact that in these newer areas where you are having to put on new bus services, clearly children will be accessing them to go to schools. Is that without incident?

Mr FOA: So, yes, in newer areas we have been using a mixture of school buses, specials and indeed route buses for people to access school, and that has created circumstances where one group of students is getting a higher level of subsidy than another, and that is something that we do work through in the fringes there.

Mrs McARTHUR: But there are no safety issues?

Mr FOA: Not that have been reported to me. But I would suggest to you that the difference in the outer areas is there would be less primary school travel, and I think in the regional areas there are children as young as six getting on the buses, so I think the risk profile is somewhat different.

Mrs McARTHUR: Okay. I will leave it there. Thank you, Chair.

The CHAIR: Thank you, and I think Mr Foa has elaborated on, from what we have heard, different areas of expertise between education and transport here, Mrs McArthur. I know you want to rationalise some of the government departments, but I do not think these are the two you want to touch.

Mrs McARTHUR: They are putting up a very good case to stay big.

The CHAIR: I might move over to Mr Tarlamis to ask the next question. Thank you. Mr Tarlamis.

Mr TARLAMIS: Thank you, Chair. Thank you, Mr Foa, for your answers today and also for the answers you provided in advance to the questions that we supplied to you. There has been a lot of questioning today, and a lot of those have gone to the areas that I wanted to explore. But I did want to come back to one of the elements that you mentioned in your opening comments around the government's recent commitment that from 2025 all new buses in Victoria will be zero emissions and just seek some information about how this commitment will be met in relation to the regional school buses.

Mr FOA: Yes. Thank you for your question, Mr Tarlamis. It is early days for that commitment, obviously. Our teams have been engaging with the market and we have run a trial in route buses already where we have had really good responses, and that was a mixture of everything from hybrid to full electric. We have had lots of people talk to us about hydrogen, different fuel types being used in different settings and what fuel types and fuel mixes and power trains are better for longer haul or coaches and potentially some of the rural settings versus those that might have more access to recharging stations and the like.

Certainly it will be challenging for depots to refit. It is also challenging for the workforce who move from being diesel mechanics to electrical engineers in some cases, and hydrogen is an entirely new supply chain and skill set that does not yet exist. You know, it is a significant reform in that whole sector going forward. Notably New South Wales also have firm commitments in this space, so the supply chains will react accordingly, and we have had lots of high-level conversations with local manufacturers and international suppliers. Often these days they have a consortia approach, so you might get a drive train out of Europe and a bus build locally, and so those drive trains and power packs are likely to be imported in those senses. We are really looking forward to the responses we get from the market going forward, but it is a little early to say all regional school buses will be power pack X or Y, but I think it will need to be a more nuanced approach.

Mr TARLAMIS: Thank you. You also mentioned in your opening statement around regional bus contracts, the start of the renewal process commencing, I think, if I heard you correctly. Will part of that include things like renewal of the fleet?

Mr FOA: Yes, absolutely. Each time we work into the regional bus contracts we do a fleet assessment around age appropriateness and capability of the fleet, and that forms part of the tenderer's response. Conceivably it is part of the evaluation criteria where one tenderer might come in with some enhancements around accessibility, for instance, and that would have a positive effect on their school.

Mr TARLAMIS: Yes. And how long do the contracts normally run, in terms of the contract period?

Mr FOA: It is not uniform across the state. What we did in 2018 to get better investment from the industry was we sought to renegotiate contracts up to 10 years, and that gives better certainty of the route and better certainty to the provider that they could make some longer term investments.

Mr TARLAMIS: Yes. Just going back to the renewal of the fleet aspect, notwithstanding the issues that were raised earlier around the issues with low-floor buses that can be encountered in rural environments that are not fit for purpose in terms of height, roads and things like that—and other infrastructure—are there opportunities to look at some additional disability-access vehicles within the fleet, expanding that so that as you are replacing the fleet you would look at getting as many disability-compliant buses on board, notwithstanding the fact that you would need to accommodate areas that could not actually facilitate those buses entering?

Mr FOA: Yes, it is a good point. The metro fleet buses also include automated anti-rollaway systems, two-way communication devices, driver screens, two doors for effective boarding and alighting, as well as the low floor, including the boarding ramps and allocated wheelchair spaces. In fact I think it was Ventura that recently showed us some innovations around better securing devices for wheelchairs. So the industry is really responding well to that, and it is something that we want to keep moving the dial on. The current specifications in regard to school buses include seatbelts, additional handholds, high-mounted flashing lights, appropriate warning signs et cetera—you know, the school bus designation. There is an opportunity for us to come up the disability ladder with more improvements, but it goes to the application for the route. If it is a long-haul route, then you are probably going to have a more coach-style bus and therefore you are going to have underfloor storage, which makes it a higher floor with one-door boarding and access and egress. So it depends on the route. If it is for shorter routes that are able to be put together, then potentially it gives you more optionality around what bus you might be able to apply to it.

Mr TARLAMIS: Thank you. In terms of those additional features, is CCTV capability something that could be, or is, part of the consideration as well so that way, if it was required, it would have that capacity built in already rather than retrofitting it?

Mr FOA: The broad issue of rolling stock technology is something that we look at across all modes at all times. In fact you can go onto your Google app and search up your transport journey and it will have information from our RideSpace feed, where we can show you the real-time location and real-time loading of passengers on metropolitan trains. It will show your where trams are in real time on the PTV app, where buses are in real time on the PTV app. So onboard communications, whether it be CCTV, whether it be bluetooth sensors or whether it be passenger load counters, that is something that as a department we are doing a lot of work on. It fits in with our Smarter Roads initiative, whereby that technology is feeding into our traffic light sequencing, for instance, so we can give buses greater priority at traffic lights. So the technology is increasing all the time. In terms of would CCTV in and of itself adjust the risk profile for the bus, I would have to say we have it in trams and trains, but it is a hindsight use. So it allows you to go back and investigate and look in the rear-view mirror; it does not necessarily increase or decrease the risk profile for what is happening for the bus driver in the bus at the time. That is why, you know, our driver protection screens are really, really important, and bus drivers themselves, particularly through this period of time with COVID—and my thanks go out to them as a community—get exposed to some pretty poor behaviour, and they do an amazing job.

Mr TARLAMIS: Thank you. That is all of the questions I have.

The CHAIR: Thank you, Nick, for touching on that. My thoughts are also with all the bus drivers. I was at Ventura many years ago, and obviously their employee representatives, the Transport Workers Union and others, have done a great job as essential workers throughout this pandemic—it goes without saying.

I do have one question, which you have kind of probably already semi answered—Mr Meddick raised it with the previous witness, but I thought it might be better directed towards you—about the pilot in Gippsland where you facilitated public access on the school bus. Do you want to just share or expand on that a little bit—the outcomes, the learnings, how that worked and what happened—a bit more, if that is possible?

Mr FOA: Sure, yes. The really important thing the pilot did was, you know: where are the best opportunities? Is it dead running? Is it live running? Or is it downtime? They are the three modes that the bus is in at any time. So it tested those three different stages: dead running, meaning from the depot to the first school; live running with students; and then downtime between the 2 hours in the morning and the 2 hours in the afternoon.

It really did allow some consolidation of policy documentation, instructions to peer principals, signal documents around that—opened a lot of discussions between Bus Victoria and the operators as well as the school communities—and lots of really good eligibility guidelines, flowcharts and standardised application forms, which I think you know, and I think Mr Bates commented, is one area that we can improve upon in terms of the accessibility to these services. It did implement some of their risk management practices to minimise risks to children, enabled a local community centre to be involved to liaise with principals et cetera. So it provided people access to services at a marginal cost during downtime.

That particular trial was really well supported at a leadership level through a local community, through local schools and through leadership within the departments, both Education and us. It really relied on people promoting that there is spare capacity, having sort of a real-time understanding of what that spare capacity was. I talked a bit about our RideSpace app; in that sense we can use technology and leverage data a little better into the future.

Look, I think because of the leadership at a local community level, it went some way to alleviating parents' concerns because it provided a really good sort of risk management approach to parents. But it did require a fair bit of local leadership, and for that to be rolled out at scale there would need to be a larger rollout of the school bus management system, for instance. So you may have some questions around that.

The CHAIR: No. Thank you, Nick. I do not have any additional questions, and I notice that we have filled up the time in terms of the full hour. If any members have maybe one last small question, I will allow it. Otherwise we might maybe keep those questions on notice, Nick, and if we have got any, are you happy for us to just reach out to you?

Mr FOA: Of course.

The CHAIR: Thank you. On that note, committee members, secretariat, that concludes today's hearing. Thank you to everyone for joining. By the way, Nick, I really enjoyed your presentation, and it was a very productive discussion. Thank you again.

Mr FOA: Thank you, Chair. I appreciate it. Thanks, everybody.

Committee adjourned.