

**STANDING COMMITTEE ON  
ESTIMATES AND FINANCIAL OPERATIONS**

**INQUIRY INTO THE REMOVAL OF SENIOR SCHOOL  
ALLOCATION FUNDING FOR YEAR 11 AND 12 COURSES  
AT DISTRICT HIGH SCHOOLS**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
MONDAY, 31 MAY 2010**

**Members**

**Hon Giz Watson (Chair)  
Hon Philip Gardiner (Deputy Chair)  
Hon Liz Behjat  
Hon Ken Travers  
Hon Ljiljanna Ravlich**

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**Hearing commenced at 12.53 pm**

**WALDOCK, MR REECE,**  
**Director General, Department of Transport,**  
**sworn and examined:**

**BAILLY, MR JOHN,**  
**Manager, School Bus Services, Public Transport Authority,**  
**sworn and examined:**

**BURGESS, MR MARK,**  
**Acting Managing Director, Public Transport Authority,**  
**sworn and examined:**

**The CHAIR:** On behalf of the committee, I would like to welcome you to the meeting this afternoon. Before we start I am required to ask you to take either an oath or affirmation.

[Witnesses took the oath or affirmation.]

**The CHAIR:** If you could now please state your full name, your contact address, and the capacity in which you appear before the committee.

**Mr Bailly:** My name is John Bailly; I am the manager of school buses services with the Public Transport Authority.

**The CHAIR:** Could you just give us the address?

**Mr Bailly:** The Public Transport Centre, West Parade, Perth.

**Mr Waldock:** Reece Waldock, Acting Chief Executive Officer of the Public Transport Authority; 441 Murray Street, Perth.

**Mr Burgess:** Mark Burgess, Acting Managing Director, Public Transport Authority, West Parade, East Perth.

**The CHAIR:** Thank you very much. You will have signed a document entitled "Information for Witnesses". Have you read and understood this document?

**The Witnesses:** Yes.

**The CHAIR:** These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, could you please quote the full title of any document you might refer to during the course of the meeting, and please be aware of the microphones and try to speak directly into them. I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that until such time as the transcript of your public evidence is finalised it should not be made public. This prohibition does not, however, prevent you from discussing your public evidence generally once you leave the hearing.

Gentlemen, unless you want to make an opening statement, I can go straight into some questions. I believe you received some written questions from the committee earlier, to give you some chance of being able to prepare. Would you like to make an opening statement?

**Mr Waldock:** Perhaps, yes. To make life easier for all of us, we have actually prepared a response to the written questions. Would you like us to hand those out? They might help guide the discussions.

**The CHAIR:** Thanks very much; yes. Mr Waldock, do you have any objections to that tabled information being made public?

**Mr Waldock:** No. I will firstly just indicate that, very much, school buses have, clearly, been there for many years. We are, in fact, responding to demands, and so very much the whole system of school buses is based on demand from various schools and various rural communities by and large. When we talk, today, about what we do, you will understand that it is always subject to students and parents coming forward and advising us of what they will need for subsequent school years or semesters. If you look at the handouts there, I think we pick it up pretty well in terms of the policy objectives. I will not go through the policy objectives, but if you just perhaps skim read that to understand that that is the business we are in and that is what we do. Very much our skill set in PTA—if we have a skill set, and I think we do—is very much about transport, particularly contract management. What we bring to the equation, I think, is to listen to what, I guess, the schools need, understand what they need, and be able to provide that through contractual arrangements. I think we do that pretty well; we have very good contracts in place and I think we are quite responsive to both the community but also responsive to our contractors from time to time when issues might arise.

I think, just having said that, I will not say too much more other than to refer you to attachments, which are, in fact, your questions, so back to you.

**Hon LJILJANNA RAVLICH:** Can I just ask an opening question—I know Hon Ken Travers wants to ask you some questions—in relation to the budget? Could you give us a bit of an overview? First of all, when you talk about rural schools bus transport, I assume you include regional in that as well.

**Mr Waldock:** Indeed, yes.

**Hon LJILJANNA RAVLICH:** No doubt that would be a line item within your budget, and I wonder whether it is possible for you to provide us the allocation for 2008–09, 2009–10, and 2010–11, and whether you might just give us a bit of an overview about how your budget fared this year compared with last year.

**Mr Waldock:** Yes.

**Mr Bailly:** Unfortunately, of all things, I did not bring the budget papers, but I can talk in general terms. I have an allocation of moneys—grants and subsidies—and they —

**The CHAIR:** Sorry, Mr Bailly, we might be able to get you a copy of the budget papers.

**Mr Burgess:** That is great, because it is a line item, so that would be very helpful.

**Hon KEN TRAVERS:** Budget paper No 2, volume 2.

**Mr Burgess:** Well done.

**Hon LJILJANNA RAVLICH:** He knows it off the top of his head.

**Mr Burgess:** On that, we might want to clarify what you mean by “regional services”. The school bus services that John is the manager of are basically all of the orange school bus services—not the ones that sit within a regional town.

**Hon LJILJANNA RAVLICH:** I am assuming that there are district high schools that may be in mining communities, so when we talk about —

**Hon KEN TRAVERS:** We are talking about orange buses.

**Mr Waldock:** Not the town services.

**Hon KEN TRAVERS:** The issues we will be dealing with today will all be about the orange buses.

[1.02 pm]

**Hon LJILJANNA RAVLICH:** Okay, orange buses, then, irrespective of whether they are in regional or rural areas.

**Mr Burgess:** Can I just give you a bit of background on that, because it might help you to understand some of the context of what is in the written statements? It is almost like the PTA's business can be segmented into pieces. The first is the Transperth bus, train and ferry system in Perth. We run some school specials on the Transperth buses, but it is a reducing number—it has reduced over the last 15 years—because basically the network of bus services has become more substantial. We try and do sensible planning. Where it is possible, we try and hit all major destinations and attractions. So, a bus route that gets planned will try and pick up major shopping centres and major school sites. The quid pro quo is that, on the other side of that, we would hope that schools, be they public or private, would try and plan their school at a sensible location, not in the backblocks somewhere that is very hard to get to. So, on the Transperth system, there is the timetabled system, and some school specials, and children just pay the 50 cent fare. The reason I say that is that we have that very structured and very timetabled set of services. A mini-Transperth system exists in the regional towns—the Geraldton, Bunbury, Albany town services, for example. Again, we try, wherever we possibly can, to sensibly plan a timetabled route that picks up the major school sites and other major attractions, notwithstanding that there are some school specials that exist in those rural towns. But very much it is a fixed timetabled set of services. John's orange services are substantially different to that—that is the other line of business of the PTA—in that they sit around an entitlement. Transperth and the regional town bus services do not sit around an entitlement. They are a network of services where we try and maximise the benefits to the entire community. John's services—the orange ones—actually sit on an entitlement basis. There is a very simple range of criteria that have not basically changed since the early days in education—this is pre-1996. Basically, you have to be outside of a public transport area. You have to be more than that four and a half kilometres from your nearest appropriate school. There are some sub-conditions about when you will get a spur and when you will not get a spur. But on the basis that you meet those couple of criteria—you are outside of a public transport area, you are more than four and a half kilometres from your nearest appropriate school, and you are of school age—we have a requirement that we have to provide you with some service. That can be in the form of a conveyance allowance paid to the parents to drive the child to school if there is not a critical mass to justify a bus service. But fundamentally, if there is a critical mass, we put on a bus service. So, every year, there are ups and downs in the bus services that we have to provide against those entitlement criteria. Kids may drop off because they leave school, or a whole family may disappear because they move somewhere else, so a spur ceases to exist; or new bus services may come into being and others disappear. So, it is a fundamentally different set of criteria and range of services from the Transperth and regional town ones.

**Hon LJILJANNA RAVLICH:** Just to get it clear, what I am really interested in is the budget figures in Mr Bailly's area.

**Mr Waldock:** We are just looking at that now, and John will talk in detail about this, but certainly for 2007–08, as you asked about, it was \$84 million—that was actual; for 2008–09, it was \$97 million; and in 2009–10, it is \$98.963 million. So we see an increase in budget allowance. The majority of that, as you might expect, is just for contractor payments. Those contractor payments have got a financial model, and we seek budgetary funding adjustments every year for the particular model.

**Mr Bailly:** The budget paper has got one line item. But my budget essentially is made up of grants and subsidies, which is the contractor payments, and there is also an element in that for paying conveyance allowances. There is obviously the operating costs of having the staff to manage the delivery of student transport assistance. It also includes an element of money for seatbelts. As you

are aware, we are rolling out seatbelts in school buses over a 10-year period finishing in 2015. There is also a capital asset charge, which is part of the depreciation of some school buses, and also some depreciation of some IT for software that was developed for managing student transport assistance. In the new budget, there is an element of money for the rollout of air-conditioning —

**Mr Waldock:** That is 2009–10. If we had a copy of the 2010–11 budget —

**Hon KEN TRAVERS:** So that jump from \$84 million to \$97 million —

**Hon LJILJANNA RAVLICH:** Yes, that \$13 million —

**Hon KEN TRAVERS:** The \$84 million was the 2008–09 actual, and the \$97 million —

**Mr Waldock:** In this year's budget it has moved to \$109 million. That does reflect some new entitlements for air-conditioning and the like which have been put in this year's budget.

**Hon LJILJANNA RAVLICH:** In terms of real costs, though, given that out of your \$109 million it is not linked back to increases in demand for the service —

**Mr Waldock:** Yes.

**Hon LJILJANNA RAVLICH:** Would you agree?

**Mr Waldock:** There are two things. What we try and do is every year when we frame the budget, is look at government initiatives, including seatbelts and air-conditioning and automatic transmissions and the like. We also go through a process of trying to understand with the education department what are the major structural shifts, if any, for the following year. So, we incorporate that in the budget. Sometimes, if we do not get that right, we would adjust that in the midyear review. But we aim to try and pick up all those issues as part of the budget process.

**Hon LJILJANNA RAVLICH:** Were there any structural shifts for you in the 2010–11 budget that you gave consideration to?

[1.10 pm]

**Mr Bailly:** From a service delivery point of view, there was no structural shift in the budget; most of the structural shift is in the allocation for air conditioning and the rolling out of automatic transmissions for all new buses from 1 July of this year. Year to year, there are obviously shifts in the seatbelt program because, obviously, from year to year the number of buses that come out of life and have to be replaced varies.

**Hon LJILJANNA RAVLICH:** Okay. I am assuming that the student population that needs to be transported—well, from 2008–09, from 2009–10 and from 2010–11—has remained fairly constant. Can you comment on that?

**Mr Bailly:** Yes, it has. Since I have been the manager of school bus services I think that student numbers have been more or less within a range of about 23 000 to 25 000 students a year. In fact, if you look at it on a historical basis you will probably find that going back 10 or 15 years it is around that 23 000 student range. I think that that is because whilst the population is growing from a regional aspect, over time—particularly in a rural environment—families have moved off the land. As they are congregating in larger regional towns and also moving into metropolitan Perth, these student numbers are being picked up by, for instance in Perth, the Transperth network.

**Hon LJILJANNA RAVLICH:** Can you just make comment on the per-unit cost of transporting students? Has it remained constant or has it been increasing over time?

**Mr Bailly:** It is increasing over time, but that is basically due to the high cost of contractor payments.

**Hon LJILJANNA RAVLICH:** Okay, thank you.

**Mr Waldock:** And that is one of our KPI measures, too.

**Hon LJILJANNA RAVLICH:** Okay.

**The CHAIR:** I might go back to the questions that we provided and the answers that you have kindly now tabled. I might jump to number 8, which is, I guess, an overarching question about the consultation. I note that you say that the PTA was approached by the department to provide indicative cost data: when was that?

**Mr Bailly:** I am not exactly sure of when the date was, but certainly at the start of the year we were asked to provide some data on worst-case scenarios.

**Mr Waldock:** It was calendar year.

**Mr Bailly:** Calendar year.

**The CHAIR:** So in January or February or roughly some time like that?

**Mr Bailly:** Probably February, I would say.

**The CHAIR:** February, okay.

**Hon KEN TRAVERS:** I want to be very clear about this: are you saying that you were contacted before that and that you provided data in February or are you saying that you were contacted for the first time in February?

**Mr Bailly:** From my recollection it was probably around February.

**Hon KEN TRAVERS:** That was the first time that the education department contacted you?

**Mr Bailly:** In my mind, yes.

**Mr Waldock:** Yes; John, I think that we did talk about the general policy principles so —

**Mr Bailly:** Yes.

**Mr Waldock:** — you were aware of the policy before that were you not about some district high school arrangements?

**Mr Bailly:** Yes. The issue of —

**Mr Burgess:** I was just going to say one of the difficulties is that there is constant daily communication with education and a couple of John's staff. There are what-if exercises happening almost all the time, and that goes back to since we took this thing over from education 14 years ago. One of the difficulties is that questions may well have been asked officer to officer, and I do not actually know what the details of that are. So that is one of the difficulties.

**The CHAIR:** I guess that what the committee is interested in is at what point the education department made it clear to you —

**Mr Waldock:** Formally—yes.

**Mr Burgess:** Formally, probably around that time.

**Mr Bailly:** Yes.

**The CHAIR:** — that there were going to be what could be substantial changes in terms of those numbers.

**Mr Bailly:** Yes.

**Mr Waldock:** That is it.

**The CHAIR:** So that is when we are talking about February?

**The Witnesses:** Yes.

**The CHAIR:** Okay; is that clear for you, Ken?

**Hon KEN TRAVERS:** It is, but I would still not mind you going back through your records to identify what conversations were had and when the Department of Education raised this matter with you.

**Mr Burgess:** Yes.

**Hon KEN TRAVERS:** Again, I can understand that maybe there was some general chitchat, but I would have thought that for a change of this nature there would have been some formal communication seeking your advice on the cost implications. I would be interested if you have records of informal chitchat as well, in terms of when it was first raised with you, but I want to know when it was raised with you in a formal sense—department to department; that is, this is an initiative that the department is considering and is now seeking advice from the PTA on the cost implications.

**Mr Burgess:** Yes.

**Hon KEN TRAVERS:** That is what I am looking for.

**Mr Burgess:** And just to set that apart—the Wyndham one is obviously quite different from the other ones. The Wyndham one goes back quite a few years, and that is answered on page 3 of those, quite separately.

**The CHAIR:** Thanks.

**Hon KEN TRAVERS:** And the first time you formally provided any written advice on what the cost implications would be was in February of this year—sorry, February of last year?

**Mr Bailly:** No, no, no.

**Mr Waldock:** The Wyndham one was earlier.

**Mr Bailly:** No; the Wyndham one was going back a fair while. Certainly, discussing it was in about February. I will have to check my records about when written advice was provided.

**Hon KEN TRAVERS:** Right.

**Mr Waldock:** When did we respond to it?

**Mr Bailly:** We officially responded in March.

*[Supplementary Information No A1.]*

**Hon KEN TRAVERS:** Can I just make sure that we are clear here. I accept your arguments that Wyndham is a slightly separate issue to the more generic issue of the removal of the senior college allowance with the intention of trying to encourage students doing years 11 and 12 to go to a senior college. If that was raised in different formats—that is, the Wyndham issue was raised and then the issue about the removal of the senior student allowance and the need for year 11 and 12 students to go to their nearest senior college—that is the other element that I wanted to be very clear about.

**Mr Waldock:** Yes.

**Hon KEN TRAVERS:** Was that February advice related to Wyndham or was that related to the senior college?

**Mr Bailly:** No, it would not have been Wyndham; it probably would have been the senior college.

**Hon KEN TRAVERS:** Yes.

**The CHAIR:** For clarification, we are talking about the senior school allowance.

**Hon KEN TRAVERS:** Senior school—yes, sorry. The senior school allowance.

**The CHAIR:** We need to get the terminology correct.

**Hon PHILIP GARDINER:** I am just wondering whether you would be happy to provide copies of that correspondence—the February and the March correspondence—to the committee?

**Mr Bailly:** Yes; from memory, I do not think that there was any written correspondence around February, but there certainly would have been in March.

**Hon PHILIP GARDINER:** Okay.

**The CHAIR:** Would it perhaps be easier to ask for you to provide us any correspondence that you have on this matter, whatever the date?

**The Witnesses:** Yes.

**Hon PHILIP GARDINER:** The relevance for me is that there should have been some assessment of what the costs were of some of the options, which might have been being considered, and once the options were decided upon then what the estimated cost would have been. That is what I am interested in.

**Mr Waldock:** We understand that.

**Hon PHILIP GARDINER:** Yes.

**Hon LJILJANNA RAVLICH:** Given that you found out about this policy decision of the education department in February of this year, has the additional cost to your agency been factored into the 2010–11 budget, and, if so, what was the impact of that?

**Mr Bailly:** Certainly, there has not been an impact on the budget. My understanding is that the funding for the first eight district high schools, which was removed for the year 2010—there has been no request from the Department of Education for us to put on any busses to take kids to a senior high school.

**Mr Waldock:** But more relevantly, there has not been any request from students or parents.

**Mr Bailly:** Correct.

**Mr Waldock:** That is the critical part. There has been no demand advised to us for these situations, which implies a number of things. But in terms of our business, it implies that we have not had to provide additional funds for additional services.

**The CHAIR:** Can I just be clear: would you expect to hear from individual parents or would you expect to hear from the school?

**Mr Burgess:** Usually individual parents; our normal process is that the parents apply. But having said that, most of those communities are fairly well rounded ones and the headmaster knows all about how to apply for school buses and quite often helps coordinate the school buses and so on. So they are usually fairly well positioned and well versed in telling the parents how to go about that. But usually the application process is through the parents. We have now moved to a fairly streamlined way of doing that. We actually have a website; you can apply online. You can still apply by a handwritten application if you want to, but most people apply through the website now for that sort of support.

[1.20 pm]

**The CHAIR:** Do you ever ask questions to check that everyone who needs it has the service? Is there a way of giving feedback?

**Mr Waldock:** I think we would know very early. We deal with these schools on a day-to-day basis. If there were any issues we would be the first to hear about them.

**Mr Bailly:** They will come to us. If they do not have any joy they will certainly lobby their local member and ask for some changes. For example, we provide transport assistance to the nearest appropriate school. That is the entitlement. From a curriculum point of view, some families like to go to a specific school because they have a drama program or something of that nature. Because they are not entitled, they can get on the bus as what we call a complimentary student, which means if there is capacity on the bus, we allow them to travel as long as it is at no cost to government. If



they were not getting what they wanted, using that example, they would certainly lobby the CEO or, in this case, the acting managing director, or go straight to the local member and say, “We’d like PTA to reconsider.”

**Mr Burgess:** Is it worth making the point that Wyndham was different from that, that education did pre-empt that and say it wanted a bus before that change was made, which was obviously some time back now. But, of course, that has gone through its own issues because the demand was not as originally predicted.

**Hon PHILIP GARDINER:** I am trying to assess what conditioning might have been in train in all this. We are talking about adding busses. That is where there might be a conditioning and people are used to what they have and always think, “I have to send my child away after year 10.” But there are a large number of students at year 10. I am trying to get an idea about the effect of this conditioning process when you need to decrease the bus service. Who tells you about that?

**Mr Bailly:** If it is something like a school closure; if the education department is closing country schools —

**Hon PHILIP GARDINER:** That would be understandable.

**Mr Bailly:** That is pretty understandable. From our point of view, basically, student numbers over time dictate whether a service comes off. That is because you will see that rural communities try to hang on to their schools for as long as they can. We might have a Toyota coaster size bus, which carries up to 20 adult passengers. Over a period, if we find that the number is diminishing and there is no justification for it, if some student numbers are there, we might downgrade the bus to a Toyota commuter. Also, we can go from a very large bus, such as a 57-seater to a 20-adult passenger vehicle. We see the trends. When we notice there is a trend, we go to the local primary school and say, “We’re thinking of downsizing this vehicle; give us an idea of whether you think your projected student numbers for the next five years will stabilise or decrease.” On that basis we adjust the capacity of the vehicle.

**Hon KEN TRAVERS:** How do you adjust the capacity of the vehicle when they are privately owned by the contractors?

**Mr Bailly:** The contractor who has the long-term contract downsizes the vehicle. We then make adjustments to the contractor payments.

**Mr Burgess:** It is by negotiation. They sell off that vehicle.

**Hon KEN TRAVERS:** You negotiate with the contractor the cost of downsizing it, so the contractor sells the old one and buys a new one and you factor in the total cost of that exchange into its new payments.

**Mr Bailly:** Yes. There is also a loss on sale clause.

**Mr Waldock:** Nobody is worse off.

**Hon KEN TRAVERS:** That is what I thought. You do not have the capacity to move that 57-seater over there and move the 20-seater from there over to there; you have to do it through the contractor.

**Mr Waldock:** Unlike, Transperth, they are not our buses.

**Mr Bailly:** The only time we do that is if a large operator has a number of school bus contracts.

**Hon KEN TRAVERS:** You can then internally get that contractor to make the change.

**Mr Bailly:** Yes, but, generally, we have to downsize. Again, because it is a cost to the contractor to buy a new vehicle, these decisions are not made lightly.

**Hon KEN TRAVERS:** If they have only a year or two to go, it is probably cheaper to keep running the 57-seater than to get a new 20-seater.

**Mr Bailly:** That is exactly right. When the school tells us that there will be a bit of a dip for a year or two, we tend to keep the vehicle because we know siblings will be coming through and it will increase the numbers.

**The CHAIR:** You said that the contract is to take the children to the nearest school where they have an entitlement. I realise it is not your decision. Does the department make that decision about where a student is entitled to go?

**Mr Burgess:** When a family chooses a government school, it is the nearest government school that serves the age group.

**Mr Waldock:** It is geographically. It is a fairly objective measure.

**Mr Bailly:** It is not curriculum based.

**Mr Burgess:** It is an issue of conflict sometimes, because someone might have a specialist soccer or music program. We say, "Sorry; the way the policy works for the student transport assistance program is the nearest government school. It does not matter what programs it runs." With the religious kids it is to the nearest school of that denomination. That again causes some anxiety in the community.

**Mr Waldock:** It is a program that is often under tension. It is a difficult program to manage but I think we do a pretty good job in a difficult environment.

**Hon KEN TRAVERS:** Does that include children attending training at TAFE-run courses as opposed to education department?

**Mr Burgess:** If their primary course is still at high school and they do some VET, we will still carry them. At the moment, if they are TAFE students, we do not carry them because they are not in the program.

**Hon KEN TRAVERS:** What do you mean by primary course?

**Mr Burgess:** Some kids are at high school and are doing some TAFE classes as well.

**Hon KEN TRAVERS:** Do you take them to the TAFE or the high school?

**Mr Burgess:** We take them to the high school. Often they are co-located, which is fortunate. Again, it is a source of some friction occasionally.

**Hon KEN TRAVERS:** A little bit!

**Hon LJILJANNA RAVLICH:** When you talk about the impact of perhaps more students travelling to a school closer to them, is that because the bus that is currently travelling to those places has excess capacity or is it for some other reason?

**Mr Burgess:** Do you mean why do we take them to the nearest appropriate school rather than school of choice?

**Hon LJILJANNA RAVLICH:** We have a situation where there is an announcement —

**Mr Waldock:** That is because we have not had the requests. In other words, they have made different decisions. This is an education issue. The students have obviously made decisions to stay in their local district and either do a SIDE or alternatively —

**Mr Burgess:** I think they are offered VET-type stuff.

**Mr Waldock:** I guess we are seeing that a number of students who have been affected by this would prefer to stay where they are and do SIDE or a VET course.

**Hon LJILJANNA RAVLICH:** What about the flow through of this policy decision for next year in education and its consequential impact on the PTA and its resources?

**Mr Waldock:** So far, out of 21 schools, eight schools have gone across in total. As I understand it, out of the rest, they have gone across to half, in terms of the first year. I would have thought that if

we were going to see a big increase in demand, we would have been seeing signs already and we have not. I guess to answer your question on how we have looked at the budgeting of this, we have flexibility in the budgeting. In fact we are slightly under this year's budget by \$200 000. Indeed, we would argue that we have gone in with a budget that we think we can live by next year. If indeed there was a substantial and unexpected increase in demand through this, we would go through the midyear review and seek an adjustment.

**Hon LJILJANNA RAVLICH:** Are you in regular contact? I assume there is some monitoring of this by the education department. Are the education department and you in consultation with each other on this matter?

**Mr Bailly:** This specific matter?

**Hon LJILJANNA RAVLICH:** Yes.

**Mr Bailly:** Certainly at my level there have not been any weekly phone calls to say how it is going. But we do have a strategic policy officer within the branch that has constant consultation with her counterparts in education that deals with all matters of school closures and having to shift people from one place to another.

[1.30 pm]

**Mr Burgess:** As I am saying, it is sometimes a bit difficult because the office has lots of communication on a daily basis with Education, and it could well be various phone calls that appear all the time about these things.

**Hon LJILJANNA RAVLICH:** Certainly from my point of view, there is concern that there is a very hands-off approach to this. There has been a policy decision made. It is very casual in terms of advising your department. The fallout has not really been looked at or calculated. The principal has to make the approach in relation to accessing your services if they do not currently access them and so on and so forth. It just seems to me that this is something that has been dropped on local communities and basically, at the end of the day, no-one is really putting their hand up and saying, "Hey, look, I am responsible for making sure that there is a good and proper transition in respect of this." I notice you shaking your head.

**Mr Waldock:** No, I understand what you are saying. I am not going to talk here about the level of communication, but I guess all we can say is that in terms of the community fallout, that has not been manifested to us—the community fallout.

**Hon LJILJANNA RAVLICH:** Are you disappointed with the level of communication from Education in respect of this matter?

**Mr Waldock:** I am not close enough to it, other than to say that I think we can always do better. Indeed, I have reaffirmed that in recent times, that we need to continually—at high levels; not just office level—just make sure that we are totally engaged. But, having said that, I do not see this in terms of whether we are not able to respond to it being an issue, because we can respond.

**Hon LJILJANNA RAVLICH:** But you would need to have a clear understanding about what you are responding to, I would have thought. Now, what you are saying is that communications do not happen at your level. Mr Bailly is saying that the communications do not happen at his level. They happen somewhere at a probable level 6 or level 7, and what is sort of surprising me a little bit is that it does not seem to be filtering upwards. Irrespective of what it is, the bottom line is —

**Mr Waldock:** The governing structure is there, though. There is a committee that John sits on. It is primarily for these purposes. If John wants to expand on that, please do so.

**Mr Bailly:** I do have communications as appropriate, but from my experience what I find is that if the Department of Education puts out curriculum initiatives that allow parents choice—or in this particular case that is trying to have children go to a particular high school—the best planning in the world will not necessarily give you the outcome you want, because you can choose to say, "Right,

we need to put a transport solution because the school is closing” or whatever, but if the parents decide that they do not like it, they will do another thing. So you might find that you might put a service on and then 12 months later you think, “It is not really carrying the kids that we anticipated that we were going to carry, so we might have to terminate the contract.”

**Mr Burgess:** Wyndham is a case in point.

**Mr Bailly:** Yes, Wyndham is a case in point in the sense that the education department wanted to make some significant changes in the delivery of education outcomes. Their view was that if we had the resources factored at Kununurra, they would be able to offer the children more choice. So we planned to put in a reasonably large bus so that we could carry the anticipated children, but the reality was that the children numbers were far less. So if you stepped back and said if you based it on parents applying for transport assistance, then the actual service level provided may have been totally different to what was actually forecast and put into place in the first instance.

**Mr Burgess:** There are some very detailed notes about Wyndham at the back of those sheets, and so we have scaled down twice the size of that bus to get it to a more sensible level, and even now it is obviously over catering in terms of how many students are really doing that travel.

**Mr Waldock:** I do not think we are saying that we should not plan. It is just that when we do plan we need to factor in some experience as well, not just school discussions.

**Mr Burgess:** It is fair to say also that when needs emerge we are able to fill them very quickly, so once the need arises, if parents apply, we do not leave them waiting very long.

**The CHAIR:** You are assured that parents would know that they can request?

**Mr Burgess:** I do not think there is any doubt. I think that the rural community is well versed on the school bus services.

**The CHAIR:** If we look at question 9, about the modelling, I know that you say that modelling was undertaken.

**Mr Bailly:** Yes.

**The CHAIR:** Does that take the form of a report or some sort of material you could provide to us there?

**Mr Bailly:** I can certainly submit a better spreadsheet than this. I have scribbled all over it. But what normally happens is that we get the potential loadings of years coming through. So for the next four or five years we have been given the number of students for 2010, and then when you look at the numbers that are in this instance doing years 11 and 12—very light on—you know that you have got cohorts coming through that are a lot larger. But the reality is that because you are talking about something that will happen in three or four years’ time, we always work on worst-case scenario; in other words, if we had to carry all these kids, then obviously we would need to put on a bus of a particular size. But when you get closer to reality you find that those numbers will probably drop off, so those that are really wanting to go to a senior high school to do years 11 and 12 are the core group that you will be carrying. Those others want to do a different outcome as far as education is concerned. That is the juggling act that we have. We can do all the planning, but the actual implementation is where you are really working on implementing a school bus contract, say, no earlier than maybe 6 to 12 months before the service is applied. Certainly if you are putting on a large bus that has to be built, you want to put a tender out that goes at least 12 months in advance. If it is a small bus, which is basically imported from Japan, then you could basically put a tender out.

**Mr Waldock:** We can put together short-term contracts.

**Mr Bailly:** We can also put together short-term contracts, and sometimes we do that because you are not sure. We might put in a 12-month contract to get a feel for student numbers, and if we think that the community will support it, then we will turn it into a long-term, life-of-bus contract. So it is a juggling act for us, because the best planning in the world does not necessarily give you the

outcomes. At the end of the day it is up to the parents to say, “What do I want for my children?” What you think they will do does not necessarily correlate to that.

**The CHAIR:** Are the large buses manufactured here?

**Mr Bailly:** The large buses are manufactured in Australia, although now we are seeing —

**Mr Burgess:** Usually on an imported chassis but the body built here.

**Hon KEN TRAVERS:** Isn't the number getting imported building up from China as well?

**Mr Burgess:** We only have a few of these in our fleet.

**Hon KEN TRAVERS:** Isn't your cost structure based on a fully imported Chinese buses contract?

**Mr Waldock:** No, they are a separate structure.

**Mr Burgess:** Our temporary model is based on what the average cost of a particular service is, and that is sort of the benchmark that we use when we go out to tender. So we do not assume that everyone is going to buy a cheap Chinese bus.

**Mr Waldock:** To answer your question, we will make that modelling information available to you.

**The CHAIR:** Thank you.

**Mr Burgess:** Just to reaffirm, it is in a spreadsheet but John has scribbled all over it. It just shows, as he said, the worst case if all the cohorts carried through what size bus would have been required for each one.

*[Supplementary Information No A2.]*

**Hon KEN TRAVERS:** I appreciate you sending us through the spreadsheet at a later stage, but can you give us what the total annual costs would be?

**Mr Bailly:** Based on this modelling—this was to take into account the fact that we had all the services, which has not really come out to reality—we had \$1.3 million.

**Mr Waldock:** That was the worst-case scenario.

**Mr Bailly:** The worst case.

**Hon KEN TRAVERS:** Per annum?

**Mr Waldock:** Per annum.

**Mr Burgess:** But so far eight out of 21 have not needed anything.

**Mr Waldock:** No.

**Hon KEN TRAVERS:** Just approximately how many of those are about buses and how many because you would pay the parents an allowance?

**Mr Waldock:** All those are buses.

**Mr Bailly:** Yes, the worst-case scenario is all to do with buses.

**Hon KEN TRAVERS:** I noticed that in some of the information you have provided you say that because the numbers are so low you would actually pay, so is the allowance then on top of that?

**Mr Burgess:** What we are saying is that we do not know the numbers because no numbers have emerged yet, but if the numbers were low, and it was not too far—that is the other issue—there is no policy position on it, but our sense is that you would not be asking a parent to drive more than about 50 kays. Effectively, that means they have got to drive the kid 50 kays to school, 50 kays home again, and then 50 kays in the afternoon and 50 kays home again, and we think that is probably the threshold where it becomes somewhat unreasonable.

[1.40 pm]

**Hon KEN TRAVERS:** Not to mention the time as well.

**Mr Burgess:** Absolutely. It all comes down to numbers and whether you can get a critical mass to justify a contract service. It totally depends on how many numbers emerge.

**The CHAIR:** What would be a critical mass—half a dozen?

**Mr Burgess:** Four is typically enough for it to justify a minor service, yes.

**Hon KEN TRAVERS:** If there are not four students at one of these colleges and it is more than 50 kilometres, what is the option for the parents?

**Mr Waldock:** Then we have got a problem!

**Mr Burgess:** Again, it depends a bit on the situation. We would talk to the parent and see if they wanted to drive. But, first, what we would do is probably check what other services exist in the area; can you actually reorganise an existing bus route? You would look at all the options, basically, and try to work out which one makes the most sense.

**Hon KEN TRAVERS:** In the documentation you have provided us today, you give us some costs. Are they based on the worst-case scenario modelling you have given?

**Mr Bailly:** Yes.

**Hon KEN TRAVERS:** One of the things I note in there is that you, for instance, give us the answer to the question about the Jurien Bay to Moora high school. You are suggesting that the students could be paid a conveyance allowance if the very small existing Moora north west service could be extended by 62 kilometres. My understanding is that between years 11 and 12 at Jurien, I think it was somewhere in the order of about 40-odd students. Would there be the capacity on that existing Moora north west service to carry an additional 40-odd students?

**Mr Bailly:** Based on the current numbers for years 11 and 12 for 2010, they are talking about 15 in year 12 and 12 in year 11. Our service had 16 seats, so, again, it would be predicated on whether or not you needed more than 16 seats. If that was the case, and there were more students that required them, we would probably have to look at putting on another service like a commuter-size bus. But, again, until those numbers are realised, we are not sure.

**Hon KEN TRAVERS:** The interesting issue here is that the education department basically, although they are giving students the opportunity to stay at the district high school, if you read their letter, are saying that you are a bad parent if you leave your kids there because they will get a better education outcome at the nearest school that offers a senior college. I would have thought that we, as a community, need to be providing the capacity for every one of those students to go across to —

**Mr Waldock:** And we would.

**Hon KEN TRAVERS:** If that was the case, though, I do not know where the numbers are 42, because that is certainly what we were advised the other day. I think it was of that magnitude.

**Mr Bailly:** The cohort says that in 2012 the total student numbers they are talking about are 50. I suppose it is the old chicken and the egg. You have got certain numbers that are high in junior high school and then when you get to the senior high school, they drop off. The question becomes: if the service was available, would you have more children getting on that bus to complete matriculation? If those kids have no interest in getting a matriculation—they are more vocational types—obviously those numbers at junior school do drop off significantly.

**Hon KEN TRAVERS:** Although they would have to be going somewhere because, by law, they are required to be in education or training or in a job. I would have thought at that age most of them would be in education or training.

**Mr Waldock:** Yes. The little bit of feedback we get is that a number of the students—and you may be far closer to it than we are—have got other things to do around maybe the farms, and so they

prefer the SIDE programs or the VET programs, where they can still do other things as well as school.

**Hon KEN TRAVERS:** But what that is saying is that if they do not get the option of going and getting a program at their district high school, they actually drop out of the education system rather than staying in and getting the benefits.

**Mr Burgess:** I guess all we can say is if they wanted to go to the senior high school, we would take them.

**Hon KEN TRAVERS:** That is where I am interested in the costs. That \$1.3 million you quoted earlier would not include, for instance, a new bus service between Jurien and Moora and the 50 students you are talking about. For a new bus service of that length to carry 50-odd students, what sort of costs would we be looking at?

**Mr Bailly:** A class C bus would cost in the vicinity of \$140 000 to about \$170 000.

**Hon KEN TRAVERS:** Per annum?

**Mr Bailly:** Yes. It will just depend on the kilometres. Obviously, if the kilometres are less, it would be on the lower side—closer to \$140 000 per annum.

**Mr Waldock:** I think what you are suggesting is you do not think necessarily our worst-case scenario is our worst-case scenario.

**Hon KEN TRAVERS:** Yes. Particularly on that area—I do not know about the others because we have been given information about the Jurien high school—it strikes me, and even on your own figures of 50, that does not fit with what you have written here as your worst-case scenario. I understand the points you are making, but if all those 50 students took it up, that to me is the worst-case scenario. I do not disrespect your knowledge of what might be the likely take up, as opposed to what would be the take up.

**Mr Burgess:** I am not sure we are pretending to actually be able to guess the outcomes of this, either. All we can base it on is what we have experienced so far, and maybe they have applied it to the schools where they thought the issue was not as bad; I am not sure. But Jurien might be a worse one.

**Hon KEN TRAVERS:** The issue that is happening certainly at Gingin when we went up there was that the students are not moving to the district high school. In fact, I might just move quickly to Gingin. I note here in your worst-case scenario you talk about the kids going to Ellenbrook senior college, not to Clarkson or Mindarie. My understanding is that Gingin is currently a feeder school to Clarkson.

**Mr Bailly:** We do not have any buses going from Gingin to Clarkson. But, certainly, from the nearest appropriate school from a distance point of view, Ellenbrook is the nearest school by about eight kilometres, from memory.

**Hon KEN TRAVERS:** Right; which is interesting because the education department advice is that it is Clarkson. In fact, the parents would prefer to go to Mindarie, which is the nearest senior college in that area.

**Mr Burgess:** To some extent on that, if the demand arose, we would be largely guided by Education. If Education said, “Send them to this campus because it’s the one with the most capacity”, we would listen to what they have to say.

**Mr Bailly:** If they do say that, we would have to talk to them.

**Hon KEN TRAVERS:** Also in the information you gave us here, where you talk about Gingin to Clarkson, you say “service not on original 21 list”.

**Mr Bailly:** That is because when the questions were asked, it was just Mindarie. Certainly, the costings referred only to Gingin to Mindarie.

**Hon KEN TRAVERS:** That is very odd, because apparently you get into Mindarie only on the choice of the principal. You have got to get permission to go there. That school of right for students in Gingin is actually Clarkson. The department advised you it was Mindarie?

**Mr Burgess:** That was just in their hypothetical. The questions asked for the spreadsheet to be filled out. The cost would be the same, basically.

**Mr Bailly:** It would not be much more, because, essentially, it is the distance between Clarkson and Mindarie.

**Hon KEN TRAVERS:** While we are on this, the other question that that then raises, which has been raised with us by the parents, is that Mindarie Senior College, for instance, operates a four-day school week, so they start earlier and finish later. That then does not fit in with the timing of the school bus. Those areas that are further north of Clarkson—the places around Woodridge estate, Guilderton and those sorts of places—feed across to Gingin. But there is a bus that currently operates from those areas that goes down to the private schools and is running at full capacity at the moment, as I understand it. That service cannot be utilised because the timing of the schools is different.

[1.50 pm]

**Mr Bailly:** One of the problems we have with schools is that, at the end of the day, it is the individual principal's prerogative when a school starts and finishes, but a contracted school bus essentially does one morning run and takes the kids to school and an afternoon run and brings them home at the end of the day. We say that schools basically have to try to start and close at roughly similar times. I am not saying identical times, but if a bus has to go from one school to another, ideally, we have to pick up the kids as we go along. If a school closes early, it is up to the school to ensure that the children are looked after until the bus comes to pick them up. Where it becomes problematic—not just for public schools but also private schools—is where they decide they will close school at 2 o'clock in the afternoon one day a week because teachers have a personal development session for an hour or so, or if they want to close for a full day. We are not geared to that. We run five days a week during school term. The bus starts at a certain time in the morning and it gets to school 10 minutes before school starts, and the same in the afternoon. Where we have these sorts of issues, we put it all on the school, and we say that it is the school's responsibility. We run on a certain timetable and if they want to shut early they are responsible to ensure that there is pastoral care for those children until such time as the bus is there.

**Mr Waldock:** This is a more complex issue when we do four days a week.

**Mr Bailly:** Four days a week is very difficult.

**Hon KEN TRAVERS:** What modelling did you use to arrive at your worst-case scenario figures? I assume in some cases you would get the surrounding buses to bring the children into a central point and then pick up from the central point and take them from there. Did your modelling make sure the connections were there to get the students to the senior college at the appropriate time for the senior college and not the appropriate time for the other schools that might be fed by that bus network?

**Mr Bailly:** The modelling would not have gone into that level of detail. Again, the devil is in the detail, which is driven by specific student numbers at the time we get the enrolments to say those services are required. We would have gone for the worst-case scenario and would say, if we get those students, we are looking at providing a service and in some instances for some of these services that have high kilometres, we are saying that is essentially an express service but it does not take into consideration that existing buses in some country towns have to bring the kids into a central transfer point to get the express service to go from one regional town to another. As an



example, Lake Grace to Narrogin is 156 kilometres. The reality of that, even though we have put in for a service for that, is that they are really doing it tough.

**Hon KEN TRAVERS:** In terms of meeting the mandated 90 minutes?

**Mr Bailly:** Yes.

**Hon KEN TRAVERS:** Basically, that is just from the high school, and not if a student lives another 20 minutes outside of the town?

**Mr Bailly:** Correct; you have to factor that in. That sort of detailed planning would occur once we know specifically where the child's residence is.

**Hon KEN TRAVERS:** That detail was not taken into consideration by the Department of Education when it made their decision?

**Mr Bailly:** I do not know.

**Hon KEN TRAVERS:** The information you provided to them—in that example—was based on purely the Lake Grace to Narrogin time, not the additional distance. Did you make that clear to the education department when you provided that modelling to them?

**Mr Bailly:** Yes. It is really looking at just that service. It is a service designed to connect point A to point B, not further.

**Mr Burgess:** I think the point John is making though is that it is hard to deal in hypotheticals, not knowing where these kids are and where they are going to emerge in the future.

**Hon KEN TRAVERS:** Yes, but I guess you need to deal in hypotheticals with your parameters.

**Mr Burgess:** Yes. When I say that it is hard to deal in hypotheticals, having said that, we do this every year. These things happen literally every year, and we have always managed to get through them and make them work.

**Mr Bailly:** Exactly. It is the same with student enrolments. We get the number of student enrolments at the end of the year, and then at the start of the school year, because parents make that last minute choice about where their children are going. We will get an influx of applications. In some instances, those numbers that are historically constant might get a spike all of a sudden, and that is when we look at putting on additional services to meet the needs of the families.

**Hon KEN TRAVERS:** My final question is on that modelling and based on what you have told us. If you had full take-up and there was not a need to shift services to meet the needs of different schools, that could add to the \$1.3 million that you talked about earlier—if you needed to change services around to meet the individual start and finish times of schools.

**Mr Bailly:** Like the spokes on a wagon wheel, all the services will meet into a central point, and nine times out of ten they will feed into a town and then there will be a shuttle to take them all out. Depending on where the rural property is located, if you have an existing service, rather than have the child go to that town and get the shuttle, it might be better to get the other bus that is further out to spur up, grab the child and take him or her directly there. That is part of the modelling.

**Mr Burgess:** Alternatively, in the past a lot of those solutions have been met because parents are often agreeable to be paid a conveyance allowance for a short distance. Obviously, if they take their child to a bus stop, it is much quicker for almost an express route. Those things have been done in the past.

**Hon KEN TRAVERS:** If you had complete take-up that could add on to the cost that you have given to us already?

**Mr Waldoock:** Maybe. I guess we are discussing the worst-case scenarios. It may not be the worst worst-case scenario, and as you say there may be other pressures, but the worst-case scenario does envisage many new services; it certainly reflects extra buses and brand new services.

**Hon KEN TRAVERS:** There are also a number of services for which there is no demand, and you do not expect it?

**Mr Waldock:** We did not actually do that in the worst-case scenario model. In fact, everything in this model, as you will see, is either a new service or picking up within a link. None of those was based on what we have said; it was based on experience.

**Hon PHILIP GARDINER:** For clarification, that worst-case scenario is how you got that \$1.3 million?

**Mr Waldock:** Yes.

**Mr Bailly:** For instance, because there has been no take-up at this point in time in the first eight services, the \$1.3 million is considerably less.

**Hon KEN TRAVERS:** We have just been talking about the worst-case scenario modelling. When did you provide that to the education department?

**Mr Bailly:** In March.

**Hon LJILJANNA RAVLICH:** I want to drill down in relation to the time travelled—the 90-minute limit and so on and so forth. The first question I put to you is that you have made a statement that only one per cent or less of students travel for more than 90 minutes on a one-way journey. Can you give me the actual figures?

**Mr Bailly:** It is a bit difficult to calculate because the modelling that we did was on the basis of using the average contractor speed for a type of bus. For instance, a class-A bus, which is the Toyota Coaster, on average travels 60 kilometres an hour. That is the modelling that we have used. When we say 10 per cent of our services travel over 90 minutes that is using that average. The reality is that those buses probably travel faster than 60 kilometres an hour, so the one per cent would be, in extreme cases, the terminus. In other words, it would be the first child to get on. We are using the one per cent on the basis that if there were 70 buses—I am sure the figure is less than that because the average speed would be a lot faster for the very long services because there tends to be fewer pick ups but more distance to cover—it would be the child on the terminus. It will either be a single child or a family with maybe one, two or three children. That figure of one per cent is on the basis of looking at the number of students that we carry, which is 25 000, and it would probably be less than one per cent of those children.

**Hon LJILJANNA RAVLICH:** How many would that be?

**Mr Bailly:** About 250.

**Hon LJILJANNA RAVLICH:** I think that all of this is rough anyway.

**Mr Bailly:** Yes.

**Hon LJILJANNA RAVLICH:** I think this is as rough as it gets. I think what you have got is a mandated requirement or limit in relation to that 90 minutes, and from my reading it really depends on a number of variables, including the speed, drop-offs and perhaps even other criteria, which would mean that whilst there is this mandated limit, the way that the data is collected makes it almost impossible to calculate within any great degree of certainty how many kids sit on school buses for longer than that mandated 90-minute, one-way requirement.

[2.00 pm]

**Mr Burgess:** Other than to say, safely, that the majority of them sit on a school bus on a one-way journey for less than an hour. That is the majority.

**Hon LJILJANNA RAVLICH:** That is the majority.

**Mr Burgess:** You are right that there are so many variables involved. I think you were talking to the contractor today, John, with the guy who does the longest run. To try to put this in perspective,

John actually called him this morning. He does 156 kilometres with seven kids on board. They are all picked up at the one stop, so he does not stop along the way. That is the longest run by far in the system. He says, “Sometimes I can get there in 90 minutes; it depends on how many caravans are on the road and other things.” He says that the worst case is 100 minutes.

**Hon KEN TRAVERS:** One-hundred and fifty six kilometres, doing 100 kilometres an hour in a bus, and he can do it in 90 minutes?

**Hon LJILJANNA RAVLICH:** I can’t do it in a car at that speed.

**Mr Burgess:** He has a straight run, so it just depends on what is on the road.

**Hon KEN TRAVERS:** I am just saying that 156 kilometres should be just over 90 minutes if he is doing 100 kilometres an hour.

**Mr Burgess:** It is worth noting that his is the longest run by a long shot. It totally depends—exactly what you are saying—on how many kids there are, do they all get picked up at one stop, are there lots of stops along the way, and how much traffic is there on that road? There are a few variables that are in the mix.

**Hon LJILJANNA RAVLICH:** This 90-minute guidance, how was that determined, do you know?

**Mr Bailly:** It has been around for a long time. We have documentation that dates back to the Department of Education back to 1976. Certainly, when school buses were transferred over to the Department of Transport, essentially, we have not changed that. We have applied the consistency of that guidance ever since.

**Hon LJILJANNA RAVLICH:** And how often do you undertake a review to have a look at —

**Mr Bailly:** We look at that all the time. For instance, when we do route reviews of various towns where we have to look at whether we need to realign the buses to make them more efficient—in other words, to speed them up—we look at that all the time because that is where we take into consideration things like having to pay families a conveyance allowance to meet the bus en route. In that way, the bus is not holding up other families and keeping the time taken to get to school greater than 90 minutes. We do reviews all the time. Admittedly, with our staff we cannot review every service every year, but every time we do a review, the 90-minute rule is always taken into consideration. Certainly, when we have requests for transport assistance and the parents want the terminus increased or they want spurs, the 90-minute rule is always taken into consideration.

**Hon LJILJANNA RAVLICH:** How many complaints would you get in relation to the 90-minute rule being —

**Mr Burgess:** It is not commonly heard. It is usually the family with the longest journey who would be complaining.

**Hon LJILJANNA RAVLICH:** I am just saying, would you receive formal complaints with respect to this matter?

**Mr Bailly:** I would not know the number, but we do get complaints from time to time about the 90-minute rule.

**Mr Burgess:** It is certainly not a daily or even a weekly event.

**Hon LJILJANNA RAVLICH:** Can you provide the committee with the complaints that you have received so far this year in relation to that particular matter?

*[Supplementary Information No A3.]*

**Hon PHILIP GARDINER:** Can I come to some of the drivers of these buses because there are some conflicts. The best thing to think of is the three per cent contraction in the last budget. If the education department has difficulty meeting that objective, which means that more costs are transferred to you, how do you deal with that three per cent?

**Mr Waldock:** In terms of the three per cent, I was leading that with the PTA, we certainly did not ever consider any services; all our three per cent was internal. We looked at lots of issues, and those issues—sorry, given that I have Mr Travers here, I had better be careful. Can I have one more go at this? We did, in fact, adjust the Whitfords shuttle service and trains on the weekends. For both of those, we thought there would not be any significant diminution of service. In terms of the external savings, they were the two. The Whitfords shuttle, where we did away with that, changed the times from a five-minute service to a 10-minute service, off-peak. At the same time, we also looked at weekend trains and made them three-car sets instead of six-car sets, but the vast majority of savings was, again, in corporate services, motor vehicles, computer systems and the like, and looking at the whole issue of staffing. That did not affect us. If you had asked me, though, whether there had been a significant effect from this, how would I have handled the fact that it is a pass-on—somebody saves but we pick up the collateral damage—the fact that it did not happen, I guess, and at that time I did those three per cent dividends I was not mindful of this, so, I must say, it never became an issue for me. As it turns out, it has not become an issue anyway, but certainly if it had been, I would have raised that both in the budget discussions, certainly with Treasury, and the midyear review. If it had been an issue, I would have been the first to say, “This is not right. This is not the way good business, good public process and certainly good public policy is done.” I would have raised it, but it never became an issue.

**Hon PHILIP GARDINER:** Even with the 90-minute policy that you have—that is not necessarily that of the education department—if there was a school restructuring of some kind, which lead to breaches of your own policy of 90-minutes, how would you resolve that?

**Mr Waldock:** Again, the 90 minutes is the 90 minutes is the 90 minutes, other than, as we talked about, the less than one per cent that we just cannot manage without major costs. We would stick to 90 minutes. That means we would have to look at extra services and that means we would be going to government seeking additional moneys to meet our standards, and those standards would be the standards we would seek funding based on.

**Hon PHILIP GARDINER:** But the funding might not solve the problem. It is more of a social infrastructure issue, if you like, about where the school is for the particular years. If that is removed, and those particular years have to go for 120 minutes, for example, that is not the additional service you can provide; it is a matter of who draws the line.

**Mr Waldock:** You are saying that if there was a school cut out and it was so far away that it would take two hours, I think, to be fair, that even in the early discussions with education those were dismissed as schools they would not be considering. Is that right, John?

**Mr Bailly:** If it came to the point of actually looking at implementing services, these sorts of issues would be discussed at length but, ultimately, I suppose that if the Department of Education wanted, because it was only an extra five or 10 minutes but it meant the kids were getting an education at a senior high school, as opposed to not getting one or boarding, we would look at that.

**Hon PHILIP GARDINER:** So the education department really calls the shots at the end of the day?

**Mr Waldock:** Yes.

**Mr Bailly:** We would certainly advise them that that was problematic, but from my point of view, I do not try to stand in the way and deny a family an educational outcome if they are willing to have a child sit on a bus for an extra five or 10 minutes above the 90-minute rule.

**Hon PHILIP GARDINER:** I noticed on the Coral Bay route, I presume there is no school issue, it is just a fact that —

**Mr Bailly:** It is a fact of life. That is the distance.

**Mr Burgess:** For the families, which far prefer the bus as a solution, it is a case of boarding the child somewhere. What we hear back from families is that they would rather have their children on the bus.

**Hon LJILJANNA RAVLICH:** I am wondering, in relation to that PTA review that was undertaken in 2008 of the time that children spend on a school bus, is that publicly available?

[2.10 pm]

**Mr Bailly:** That was just an internal document that I worked on when I was looking at putting together some statistics for implementing air conditioning on school buses.

**Hon LJILJANNA RAVLICH:** Is it possible to provide a copy of that internal review document to the committee?

**Mr Bailly:** Yes.

[*Supplementary Information No A4.*]

**Hon LJILJANNA RAVLICH:** I do not know whether somebody has asked for this and I have missed it, but it is in relation to the modelling undertaken on the cost to the PTA of providing the bus service.

**Mr Burgess:** Yes, that was number two.

**Hon LJILJANNA RAVLICH:** Thank you.

**Hon KEN TRAVERS:** On that 90-minute issue, when you were discussing it with the PTA and the education department, following on from Hon Philip Gardiner's questions, it would appear to me based on what you just said, Lake Grace to Narrogin being an example, it was about from school to school, not necessarily total travel time, that was being taken into consideration. Is that correct?

**Mr Bailly:** I certainly did not have the discussion but when the data was asked to be provided, that was certainly something I looked at and thought, "Hmm, that's basically going to be just a shuttle service."

**Hon KEN TRAVERS:** Are you able to tell us whether there are any other schools apart from Lake Grace to Narrogin where the travel time from school to school is close to the 90 minutes? I would have thought that in lots of areas it is up to 20 or 30 minutes at least from around the school, so anything over an hour. So where the travel time from the district high school to the senior high college is more than an hour.

**Mr Bailly:** That was probably the only example. Certainly, Southern Cross to Merredin for instance is 110 kilometres so you are obviously going to be an hour and 10 minutes, so that would take in the fact that you could get buses coming into Southern Cross. But all these issues again, if you have the buses that have to go from one town to another town as a shuttle, then the existing services will have to look at starting earlier to pick up the children to drop them off at the collection point to make sure they get to school at the other end on time otherwise they get there a bit later.

**Hon KEN TRAVERS:** Or you end up leaving primary school kids at primary school an hour before they need to be there.

**Mr Bailly:** That is right.

**Hon KEN TRAVERS:** Did your worst-case modelling allow for those scenarios; that you would actually have to run a separate bus service because the timing would not match?

**Mr Bailly:** We looked at it and said it is a problem, but that is the extent of it.

**Hon KEN TRAVERS:** So your worst-case scenario is based on their being able to catch a bus in as a feeder bus and then a shuttle, but in practical terms that is not going to work.

**Mr Waldock:** I think it will other than, perhaps, three at the most. John, is that right?

**Mr Bailly:** Yes. Not all of them are at the extremes. Where we have to put on a shuttle, most of them are like 90 kilometres, 60 kilometres, 40 kilometres, so there will have to be some changes to the network if you are putting on specifics, but some of them where you just have an extension of an existing service like, for instance, Wagin to Narrogin, the bus is already on there. So not all of them are like that, but some of them, yes, there will be a requirement that we would have to look at the existing services and have them start earlier.

**Mr Burgess:** It might be a case of working with education so some schools start earlier and others later.

**Hon KEN TRAVERS:** I would imagine that in some areas where possible you would try to have the bus pick up students, leave the school and if there are students along the way pick them up on the journey to the new senior college.

**Mr Bailly:** That is it.

**Hon KEN TRAVERS:** My question then is: if for instance you did that in Jurien, so you had a new bus that came through, picked up a collection of students who have been fed in to the current Jurien district high school and then went across to Moora, but on the trip from Jurien to Moora picked up students along the way to take them to Moora, if those students had structured workplace learning based in Jurien, how would they get to Jurien?

**Mr Burgess:** That is an issue right now. That is an issue that exists in the network now and the way the policy sits at the moment, they get taken to their school location. If they have other locations they need to get to, that becomes their problem.

**Mr Waldock:** So we are picking them up now.

**Hon KEN TRAVERS:** I understand that, but at the moment, again we heard the other day, a lot of the local businesses provide the structure for workplace learning at the Jurien district high school. All of a sudden if a child is going to Moora but still gets offered a structured workplace learning position back in Jurien, there is a danger under this new system. At the moment they could even on their days of structured workplace learning get a bus into Jurien, all of a sudden if their bus that they get goes directly to Moora, they do not then have an access way of getting into Jurien for their structured workplace learning, and I just wondered how you would manage that.

**Mr Burgess:** I guess education might be looking to get those same opportunities in Moora, I am not sure.

**Hon KEN TRAVERS:** Fishing in Moora, hmm, okay.

**Mr Burgess:** I did not know that was it!

**Hon KEN TRAVERS:** That is one of the issues.

**Hon PHILIP GARDINER:** You are right; there is no fishing in Moora.

**Mr Burgess:** I did not know that was the industry you were talking about.

**Hon KEN TRAVERS:** That is just an example. One of the issues raised with us by the people in Jurien was that their kids want to be in the fishing industry because that is what their father or mother does.

**Mr Burgess:** It is an issue, though, that does exist already on the system. As we said, we still take kids to school who do some VET but if the VET location is not where their high school is, then that is their issue at the moment. That is their challenge.

**Hon KEN TRAVERS:** At the moment they can always catch the bus. Even if they are doing structured workplace learning, they can still get the bus on those days to their district high school.

**Mr Burgess:** They can but it depends where there VET work is, I guess; sometimes it is nearby and sometimes it is not. That is why I say it is a challenge right now that we face sometimes and get issues raised by parents.

**Hon KEN TRAVERS:** It is possibly just about to get harder though.

**Mr Burgess:** Possibly.

**Mr Waldock:** Maybe.

**Hon KEN TRAVERS:** How many students have taken up buses this year as a result of the phasing out of year 12s?

**Mr Waldock:** None.

**Hon KEN TRAVERS:** None at all?

**Mr Bailly:** None at all.

**Hon KEN TRAVERS:** So there has not been a single student take up and go to a senior college?

**Mr Waldock:** Not one.

**Hon KEN TRAVERS:** What if a parent rang you today and said their child is currently going to Gingin District High School but they want to go to Mindarie Senior College?

**Mr Bailly:** They would have to make their own way.

**Hon KEN TRAVERS:** And/or Clarkson for that matter?

**Mr Bailly:** If there is no school bus service going to that school and it is not their entitled nearest appropriate school, then it is basically make your own way, you have no entitlement.

**Hon KEN TRAVERS:** But Clarkson is their —

**Mr Bailly:** There are services, for instance from Yanchep, coming down that corridor that feed in to those schools. If there is a bus there and they are entitled, no worries, they get dropped off there. If they are not entitled but there is capacity on the bus to let them on as complimentary because their schools will let them on, but if there are no linkages of services coming out of Gingin that way, then we do not pay because that is a parent's choice from a curriculum point of view, because if there is an appropriate curriculum at Gingin District High School we have buses that feed in to there, so that is where you take them.

**Hon KEN TRAVERS:** But the education department is saying that the appropriate curriculum is now at Clarkson.

**Mr Bailly:** If that is the case, then obviously we would have to liaise with them. So if they turned around to us tomorrow and said, "We're going to shift and there's critical mass and we want them to go to Clarkson" then we will negotiate with them to put a service on.

**Mr Waldock:** But, as we have said, currently our policy is Ellenbrook Secondary College.

**Mr Bailly:** To answer your question, if a parent came to me today and said, "I want to get my child there" there is no —

**Hon KEN TRAVERS:** You would say we can take you to Ellenbrook but we cannot take you to Clarkson.

**Mr Waldock:** That is it; that is our current policy. If education has changed that—we will check that when we get back—if there has been a change, we will have to revisit that.

**The CHAIR:** I have a question, which you might or might not know the answer to, about the conveyance allowance—how much that is?

**Mr Bailly:** It is 19c at the moment—19-point something cents.

**Mr Waldock:** Per kilometre.

**Mr Bailly:** Per kilometre. It is not actually like the public service you get a cents-per-kilometre rate for running a vehicle; it is a contribution towards driving your children to school.

**Mr Burgess:** Or to meet a bus.

**Mr Bailly:** Or to meet the bus.

**Hon KEN TRAVERS:** It is based on per kilometre though, isn't it?

**The Witnesses:** Yes, it is.

**The CHAIR:** So your child could be catching the bus but if you had to drive 40 kays in to drop them off, you can apply for that.

**Mr Bailly:** Yes, so they claim at the end of each term and they get paid at the end of each term for that term's traffic.

**Hon KEN TRAVERS:** I just have one other final question. We were talking about your budget earlier. Do you have a figure that you readily can attach to the impact of fuel prices to your budget? Iron ore royalties, for instance, the budget papers will say plus or minus 1c in the Aussie dollar. Our royalties go up by I think \$47 million for every change in the cent. Do you have a similar figure for a change in the price of fuel and what impact that has over your budget?

[2.20 pm]

**Mr Waldock:** In the model, John, what is fuel as a percentage?

**Mr Bailly:** In looking at the actual adjustment to the budget, there are two issues. Under the contract, contractors get the average fuel price for the quarter; so we basically pay contractors the average fuel price for the quarter.

**Mr Waldock:** And that is broken down regionally.

**Mr Bailly:** Yes, that is broken down regionally, so that is fine. But from a global budget perspective, our finance department, from a Treasury perspective, because they do their fuel modelling on a different factor, they make adjustments to each government department and agency, of which then a percentage of that adjustment flows to my budget as well as all the other departments.

**Hon KEN TRAVERS:** So if there was a spike in the price of fuel—obviously the Aussie dollar also comes into this in terms of the price we pay at the bowser—how dramatic would that be for your budget? If there was, say, a 20 cent a litre increase in the price of diesel —

**Mr Waldock:** What is fuel as a percentage, John?

**Mr Bailly:** I think it is about 10 per cent.

**Mr Waldock:** Let us say it was 10 per cent. Clearly, if there is a 10 per cent movement on 10 per cent, it is one per cent, and we pick that up as part of the midyear review.

**Mr Bailly:** In my time, it has never been a critical issue, because a few years back with, I think the Iraq war—the second one—prices went through the roof, and then it went up to \$US150 a barrel, and we have always coped reasonably okay from a budgetary point of view.

**Hon KEN TRAVERS:** Thank you. I thought it might have been a higher cost factor in your budget than 10 per cent, actually.

**The CHAIR:** Thank you very much for your assistance this afternoon. It has been very useful. You will receive a copy of the transcript, which you will be able to have a look at.

**Hearing concluded at 2.21 pm**