

FREE SCHOOL TRAVEL – BUSNSW UPDATE



Dear Operator

BusNSW Delegates met yesterday and agreed to consider the Budget outcome and receive a written impact letter from the Director General before deciding on a response. Until then it is business as usual. The scheme is not scrapped, parents are being asked for a contribution, the details of which are not known.

The NSW Mini Budget contained the following reference to SSTS.

“Introduce an annual co-payment of \$45 for primary students and \$90 for secondary students for access to the school student travel scheme, with a cap of \$180 per family and providing provisions for hardship” (collecting \$33m p.a.).

MPs have received the following advice when asked by constituents (see below).

The Director General has agreed to meet with BusNSW first thing in the morning to address the industry’s concerns relating to:

- Maintaining service levels
- Operator’s revenue
- Contractual changes
- Business rules
- BusNSW have prepared an issue paper with all the members’ concerns

BusNSW’s position remains that any reforms to SSTS should be undertaken in consultation with the key stakeholders as it impacts on Education, Transport and Planning.

A co-parent contribution without adequate mechanism to administer the payments and maintain bus services is ill conceived and may be counter productive.

BusNSW is meeting tomorrow to attempt to address the need to maintain services if parents elect alternative school transport now they are being charged a fee. We are seeking written assurances 12/11/08.

D J Mellish
11/11/08

Government's Advice to MP's Fact Sheet – School Student Travel Passes

ALERT – BusNSW does not know yet which of the following measures are intended to apply but has been reproduced so you have the same information as MP's

Why is the Government reforming the School Student Travel Scheme?

The cost of the School Student Transport Scheme (SSTS) continues to increase, and this year will cost about \$470 million.

That's about \$700 per student every year.

SSTS was designed to ensure the cost of travel did not prevent students attending school. SSTS now extends well beyond this.

Roughly 75% of private school students access the NSW scheme, compared to 50% of Government school students.

The travel benefit is significantly out of line with other states. For example in Victoria student travel passes are purchased for \$391 a year. The annual cost of the equivalent scheme in Victoria to taxpayers is \$86 million, and \$130 million in Queensland.

In total, around 680,000 or 60% of the roughly 1.1 million primary and secondary students in NSW benefit from the SSTS – almost 3 times the level of Victoria (22%) and Queensland (23%).

What changes is the Government making to the scheme?

The Government is not scrapping the school travel scheme – it will still be heavily subsidized.

The changes to the scheme from next year include:

- A fee of \$45 per primary school student per year.
- \$90 per high school student per year.
- With a cap of \$180 per family.
- A hardship provision will be incorporated exempting holders of a Commonwealth Health Care Card.

Some of the restrictions currently applying to school student travel will also be lifted:

- Families will now be able to nominate two addresses from which to travel to school – this is to cater for separated parents.
- The hours the pass can be used will be extended until 7.00p.m. on existing route services only – to help with kids doing sport after school or travel to music lessons etc.

How much of the cost is the Government still paying?

School student transport will still be heavily subsidized.

School student transport costs are around \$470 million a year, and these changes will save around \$33 million a year.

Why should parents pay the same amount if their children attend a local public school, while other children catch transport across the city to a private school?

The policy of not disadvantaging parents who want to send their children to the school of their choice – including for example local Catholic and other religious systemic schools – still applies.

A co-payment with hardship provisions is the fairest and simplest way to administer the scheme.

Why isn't SSTS means tested?

There will be a disadvantage test, based on the Commonwealth Health Care Card, as a safety net for families.

What about country children who often live further from their local school than city children many of whom are within walking distance?

The policy seeks a contribution from people who use the scheme. Those within walking distance do not receive subsidized travel.

How many students in public schools have Australian Government Health Care Cards?

The Department of Education has advised approximately 25% of parents with school aged students hold this card – approximately 275,000 students.

How do you become eligible for an Australian Government Health Care Card?

To qualify for a Health Care Card, you must either:

- Be receiving a social security income support payment that attracts a HCC (eg. Newstart Allowance or Parenting Payment (partnered)), or
- Be entitled to receive the maximum rate of Family Tax Benefit Part A in fortnightly instalments. This means your family income in 2008-2009 needs to be less than \$42,559 (excluding any child support (maintenance) you get). Your entitlement to a Health Care Card will not be affected if you choose to defer some of your Family Tax Benefit and get less than the maximum rate of Family Tax Benefit Part A as fortnightly payments, or
- Meet the income test for the low-income Health Care Card – details of the income limits are available from the Family Assistance Office, or
- Be caring for a foster child, under either formal or informal caring arrangements. You do not need to receive Family Tax Benefit Part A for the child in your care, and this Health Care Card is not means tested.

Where and when do I buy a bus pass?

Applications for SSTS bus passes will be processed in much the same way as previous years. Application forms will be available through school offices.

Will there be a phase-in period?

Co-payment arrangements will apply from the start of Term 1, 2009, but the administration of the new scheme may not begin until Term 2 2009. Administrative details will be finalized in the coming weeks.

Can parents pay in instalments?

Payment arrangements will be confirmed by the end of 2008.

What if students lose their pass (as children do).... will parents have to pay to get a new one?

Yes, same arrangements as currently exist for SSTS, will apply. A small replacement fee applies to encourage students not to lose their passes.

Will students still have to stand up for paying ticket holders if they are now paying?

Even with a co-payment student transport is still heavily subsidized by taxpayers. The SSTS Code of Conduct will continue to apply.

Why isn't there an exemption for infant age children?

Infant children are already exempted from the walking distance criteria and are already automatically eligible for an SSTS pass.

What about children who have disabilities – will they have to pay for their special transport needs?

The DET manages a separate program – Special School Student Transport Scheme – which looks after children with disabilities.

Can students use the pass to travel anywhere – can they use it to get them to after school activities or an after school job?

While the existing origin and destination requirements apply, students will be able to travel over a longer period to cover before and after school activities.

What distance away from a school do students need to be to be eligible for an SSTS pass?

There is no change to the existing criteria for eligibility, which is:

- An infant student (K-2) regardless of the distance between their home and school.
- Primary student (Years 3-6) who lives more than 1.6 kms (radial distance) from school, or 2.3 kms or more by the most direct practical walking route to the nearest entry point to the school.
- Secondary student (Year 7-12) who lives more than 2 kms (radial distance) from school, or 2.9 kms or more by the most direct practical walking route to the nearest entry point to the school.

How will it affect bus companies – especially rural operators?

The Ministry of Transport will be advising all bus operators of the new arrangements shortly. However it is unlikely there will be a significant impact on bus operators, and Government contracts with private bus operators allow for change from time to time.

Rural and Regional (Type B) bus contracts may experience a small level of impact but contract mechanisms are in place to limit this impact on operators.

BusNSW Note: The Director General has indicated that on 12/11/08 BusNSW will have a written response to the Industry's issues of continued service levels and sustainability.

Where can we get more information?

The Department of Education will be contacting schools during Term 4, 2008, to advise of co-payment arrangements.

Information regarding existing SSTS arrangements is available at www.transport.nsw.gov.au and will be updated as the scheme is finalized.