

SCHOOL BUS SERVICES – 27 July 2011

Mr GRIFFITHS (Goyder) (16:03): I wish to inform the house about an event which occurred last Friday, being a rally on the steps of Parliament House of concerned people from regional South Australia about their school bus contracts. There is a bit of history to this and it has been coming into play for the last few months and, indeed, last Friday was the expression of the frustration that these small contractors and family businesses feel.

It is important for the house to understand that some of these family businesses have actually provided school bus contracts for up to 55 years. In my own electorate I have one person who has been involved for 52 years, another person for 37 years, and other people for down to five years. All of them are really concerned about the future of their activities and the future quality of the services that are going to be provided to the kids.

We know that there are about 270 of these privately provided school bus contracts that are administered through DECS. We know that four rounds of contracts have been called for so far, and in the first announcement of the first round, 20 of the 45 contracts that were awarded were given to an interstate firm that has, admittedly, operated in South Australia for 16 years or so but has only had one school contract in the past. Now, suddenly, they have got 20.

All across regional South Australia there are operators who are concerned about their future. All of them recognise the fact that they need to upgrade their buses. Some have been asked to extend their contracts (which expired last year) forward at least for 12 months to allow the contracts to be negotiated and providers put in place. All of them were encouraged to submit for more runs than they probably wanted to.

We know that the minimum number so far has been six and the maximum has been about 19 for each of the tender runs. I have to express on behalf of the Bus and Coach Association the real fear their members have about what the future is going to be. They are very concerned that the corporate players are going to come in and the family business are going to be removed from operation, and these people want some recognition of the quality of service they have provided.

I admit and acknowledge to the house that there is a tolerance shown when it comes to the consideration of tenders. The DECS procurement process provides for a previous supplier of the service to have a 5 per cent tolerance built into the tender consideration. Even with the absolute minimum amount of personal return, these business do not feel they can get down to that figure. DECS has set a benchmark figure that, even with the best of accounting advice that these private family companies are getting, they just cannot get down to, to meet their financial obligations with the purchase of new buses, to meet their operational costs, and to make some level of profit to provide for their own family and to keep some surety for their employees.

A lot of these contractors operate probably two runs. Some of them go up towards 10 runs. I have spoken intimately in the last couple of weeks to people who have two runs and have owned it for five, seven or 10 years, and they do not think they have a business. That is what upsets me. With the announcement of the first round of contracts that have gone to the Adelaide Hills and Fleurieu area, I thought that the interest of other corporate parties would not extend beyond that. However, I know the Adelaide Plains, the Riverland and the Yorke Peninsula areas are concerned, and these small family companies are really fearful of what is going to happen.

The uncertainty of their financial future is making it difficult for them to retain their staff. Because school bus driving is a bit of a strange shift operation in the morning and then in the afternoon, with some odd opportunities thrown in for some private contract work, it means that you have to have people that are flexible in their times. These people love what they do and they build relationships with the kids of the schools that they support. It would be a great shame to lose those small family businesses, who have supported communities for many years.

I was given an example on Friday at the rally by a Yorketown operator. If it is raining but the kids at the kindy need to get transported to the school for the transition for year 1, the kindy will ring the bus operator and say, 'Can you come and pick up the kids because it's wet and we can't walk them up there?' and the bus operator will gladly go down and do that. That is an extra service that they provide out of the commitment they make to their communities. They questioned with me whether the corporate players that may come in would show that level of commitment also.

The government faces some difficulties when it comes to determining the financial costs associated with it. I would ask the minister to ensure that the benchmark figure is reviewed so that it provides an

opportunity for family businesses who have operated it for decades to have an opportunity to be successful. If they are not, the rally that we saw last week, which had 85 buses driving around the city for two hours, all making public announcements about what they think of minister Weatherill and the Rann government, is only going to continue. The Bus and Coach Association will take up the fight for as long as it possibly can. We have to ensure that these family businesses have a future. At the moment, it looks a very dark and bleak time approaching them.