

INTERIM REPORT

REVIEW OF THE PRIVATE VEHICLE CONVEYANCE (PVC) SCHEME



October 2007

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1. EXECUTIVE SUMMARY

On 13 February 2006 the Deputy Premier and Minister for Transport, the Hon John Watkins announced the establishment of an independent review of the Private Vehicle Conveyance (PVC) Scheme to be chaired by the Hon Harry Woods, former Federal Member for Page and State Member for Clarence (Appendix 1 refers).

The objective of the review is to identify concerns regarding current practice within the PVC Scheme and to examine potential and practical solutions. The aims of the review are to:

- make the PVC subsidy more equitable, transparent, administratively simple;
- reduce the risk of overpayments;
- review the rationale, payment model and procedures; and
- make the subsidy more sustainable.

BACKGROUND

The NSW Government State Plan acknowledges the importance of education to life chances and provides support for students to access education. The NSW Government is committed to providing support for eligible school students to access their school of choice, through the School Student Transport Scheme (SSTS) and the Private Vehicle Conveyance (PVC) Scheme. If school students and TAFE students live in an area where there is no public transport for all or part of the journey they may be eligible for a payment under PVC.

The PVC Scheme grew out of a subsidised transport scheme for country students that commenced in 1904. In January 1986, the administration of PVC, together with the School Student Transport Scheme (SSTS), passed to the Department of Motor Transport from the Department of Education. Currently approximately 25,000 students and 17,000 parents benefit from the NSW PVC Scheme each year. The costs of the Scheme currently exceed \$20,000,000 each year with the annual average cost per student approximately \$800.

REVIEW FINDINGS

The review undertook consultations with stakeholders (school representatives, parent representatives and bus organisations) and received 18 written submissions (see Appendix 2 for details). These submissions proposed a number of changes most of which have been adopted wholly or partially into the recommendations.

This review has presented an opportunity to evaluate the PVC Scheme and recognise opportunities for improving it. The review identified an urgent need to overhaul the current administrative procedures to improve transparency and accountability.

The review recognised that whilst the financial assistance is based on the non-availability of public transport, this payment does not assume or specify any particular travel arrangements that are to be put in place. The review believes that this is a key decision of parents to determine the mode of travel to be used.

The review has found that the Scheme should continue to base payments on the current factor of distance. It has determined however that the factors of paying per child and paying on school attendance days should be altered. The review found it would be more equitable to alter the payment model from a per child to a per family basis. It is considered that this more accurately reflects the actual travel undertaken by a family in relation to transporting their children to and from educational facilities, and also enhances the equity of the PVC Scheme. Furthermore, such payments should then be based on a kilometre rate and not be limited in distance. The review determined that payments should be made on an audited average school attendance rate allowing for payments to be made in a timely manner and reducing the administrative burden on both schools and the Ministry of Transport.

The review also found that wherever practicable there should be consistency between the policy and procedures of the SSTS and PVC Schemes. The review determined that the SSTS eligibility criteria should be introduced for the PVC Scheme and the SSTS Appeals Panel broadened to hear PVC appeals.

The review noted the need to make this Scheme affordable in terms of current budget allocations and be sustainable into the future. This recognises that the payment based on a flat rate per kilometre, when determined, may mean that the current amounts of payment to some parents could change. However, the primary focus of the review is to assist those families who need to transport their children over longer distances in rural and regional NSW.

The review has identified that there may be potential improvements to be made in the assessment of parents' claims by the phasing in of modern Geographical Information Systems (GIS) technology over time. This will ensure that these assessments are transparent, fair and administratively simple and take the onus of ensuring accuracy from parents.

RECOMMENDATIONS

The following are the key recommendations arising out of the review of the PVC Scheme. They cover payments, continuity, eligibility, the scope of benefits and administration.

1. The PVC Scheme to continue to provide payment to families that do not have access to public transport for their children between home and the school of choice or nearest transport pick-up point.
2. The PVC payment be based on actual kilometres travelled with a student in the vehicle.
3. The PVC Scheme to be based on a per family payment.
4. The PVC Scheme to be based on a per kilometre rate that it is affordable, sustainable and adjusted annually.

- 5.** The PVC payment to be based on audited average school attendance rates.
- 6.** The Ministry of Transport to remove the current limit of 300 km on distances.
- 7.** The Ministry of Transport to replace the current eight trip per year limit for distance education students with weekly travel during term time.
- 8.** The Ministry of Transport to ensure, wherever practicable, that there is consistency between the policy and procedures for the SSTS and PVC Schemes.
- 9.** The Ministry of Transport to provide guidance on the criteria to be met in those extreme and unusual circumstances where both PVC and SSTS could be granted to families.
- 10.** The Ministry of Transport to coordinate the screening of PVC applications with SSTS bus service contract management to ensure optimal utilisation of the appropriate transport scheme.
- 11.** The Ministry of Transport to recognise that to qualify for PVC parents' travel arrangements for their children between home and school or nearest transport pick-up point do not need to be solely for the purposes of their children's education.
- 12.** The Ministry of Transport to direct PVC subsidy payments directly and solely to parents, recognising the responsibility of parents to determine the mode of transport taking their children between home and school or nearest transport pick-up point.
- 13.** The Ministry of Transport to develop a communications strategy for PVC, especially taking into account the unique environment of isolated communities.
- 14.** The Ministry of Transport to investigate the potential to phase in calculating the distance between home and school / nearest transport pick-up point by applying GIS based mapping technology to all PVC applications.
- 15.** The Ministry of Transport to review the administrative procedures and processes of the PVC Scheme to support the outcomes of the PVC Review.

Harry Woods
October 2007

2. INTRODUCTION

The NSW Government State Plan “A New Direction for NSW” aims to increase the level of attainment of all students. It states

Children who fulfil their potential through schooling and training are in the best position to lead satisfying and rewarding lives.

The PVC Scheme aims to support this aim by ensuring all eligible school students have access to education.

On 13 February 2006 the Deputy Premier and Minister for Transport, the Hon John Watkins announced the establishment of an independent review of the Private Vehicle Conveyance (PVC) Scheme to be chaired by the Hon Harry Woods, former Federal Member for Page and State Member for Clarence (Appendix 1 refers).

The review was to examine and make recommendations to improve the provision of PVC for people in NSW.

This report has been prepared following consultation with stakeholders including school representatives, parent representatives and bus organisations.

The Ministry of Transport provided secretariat services to the review.

2.1 Terms of Reference

The Terms of Reference set the following tasks for the review:

- To review the PVC Scheme and identify concerns regarding current practice
- To examine potential and practical solutions
- To provide a report to the Minister for Transport for consideration.

The aims of the review are to:

- Make the subsidy more equitable, transparent, administratively simple
- Reduce the risk of overpayments
- Review the rationale, payment model and procedures
- Make the subsidy more sustainable.

2.2 Review Process

The review called for public submissions.

In addition a series of consultation sessions were held with major stakeholders on 21 and 22 February 2006. Consultation participants were invited to make submissions to the review by 3 March 2006.

The organisations represented at the consultations were:

- Isolated Children's Parents' Association of NSW Inc
- Department of Education and Training
- Catholic Education Commission NSW
- Association of Independent Schools of NSW
- NSW Primary Principals' Association Inc
- NSW Secondary Principals' Council
- Association of Catholic School Principals Inc
- Association of Heads of Independent Schools of Australia
- Public Service Association of NSW
- Federation of Parents and Citizens' Associations of NSW
- Bus and Coach Industrial Association (NSW)
- RailCorp
- State Transit Authority
- NSW Premier's Department
- Regional Communities Consultative Council
- Local Government Association of NSW and Shires Association of NSW
- NSW Aboriginal Land Council
- CountryLink

Submissions were received from key stakeholders including peak bodies, parents and parent groups, associations of school principals, as well as transport providers. Appendix 2 lists submissions received.

An interim report (this document) has been prepared and submitted to the Minister for approval to release the report for public comment.

Following approval the Chair will call for public submissions on the interim report, conduct further consultations with stakeholders and finalise the report. The final report will then be presented to the Minister for consideration.

2.3 Underlying Principles of the Review

In conducting the review two underlying principles were adopted. The review was conducted on the assumption that:

- the outcomes were to be cost neutral
- the outcomes were to provide the greatest benefit for those experiencing the greatest disadvantage.

3. GLOSSARY

Boarding House: Accommodation in an approved boarding arrangement or approved second family home as defined by the Commonwealth Government Assistance for Isolated Children Scheme (AIC).

Bandwidth: The grouping of distance measurements into bands for the purpose of PVC payments. See Appendix 4.

DET: Department of Education and Training

Mini-schools: Occasions when distance education students come together with their teacher in a central location for their lessons or school activities.

PVC: Private Vehicle Conveyance

School: School of choice either registered in NSW with DET or NSW Board of Studies, or registered in another state or territory under similar arrangements.

Semester: A period of two school terms being Semester 1 (terms 1 and 2) or Semester 2 (terms 3 and 4).

School Student Special Transport Service: The Department of Education and Training arranges transport to and/or from school for eligible students with disabilities, behaviour disorders and learning disabilities, where parental or carer responsibility for transport cannot be met.

SSTS: School Student Transport Scheme. This Scheme provides eligible school students who are residents of NSW with subsidised travel between their normal place of residence and the school attended. The Scheme is administered by the Ministry of Transport and implements government policy concerning the transport of children to government and non-government schools. Transport services include bus, rail, ferry, long distance coaches, and air travel for Lord Howe Island high school students.

4. BACKGROUND

4.1 The Private Vehicle Conveyance (PVC) Scheme

The NSW Government is committed to providing support for eligible school students to access their school of choice, through the School Student Transport Scheme (SSTS) and the Private Vehicle Conveyance (PVC) Scheme. If school students and TAFE students live in an area where there is no public transport for all or part of the journey they may be eligible for a payment under PVC.

The NSW PVC provides a payment to assist parents in meeting the cost of transport between home and school or nearest transport pick-up point where there is no public transport available. The payment is not intended to cover all of the costs of these private arrangements but to assist families in meeting these costs.

4.2 History of the PVC Payment

Subsidised transport by boat and vehicle came into operation for country students in 1904. It was introduced to facilitate the provision of education where there were not sufficient numbers of students to justify the establishment of a school but where it was practicable to collect students at various places along the route leading to schools already in existence.

In January 1972 the qualifying distance in country areas was reduced from “more than 2 miles (3.2 km)” walking distance to “more than 1 mile (1.6 km)” walking distance and the limiting eligibility to attendance at the nearest appropriate school was abolished.

In January 1986, the administration of the PVC Scheme, known as the Scale Rates Subsidy, together with the School Student Transport Scheme (SSTS) was transferred from the Department of Education to the Department of Motor Transport.

The PVC payment was introduced for qualifying Kindergarten, Year 1 and Year 2 students irrespective of the distance travelled. However the 1.6 km walking distance criteria, with no radial distance criteria, remained in place for PVC.

The payment was doubled in late 1993. The effect of this decision, in addition to being welcomed by the recipients, resulted in the increased provision of non-commercial bus services (both extensions and new services) where they became cost effective alternatives to the increased PVC payments.

Until 2002 the Scheme was administered in the Department’s three regional offices in Newcastle, Parramatta and Wollongong. In September 2002 administration of the Scheme was centralised to the Parramatta office, effective from Semester 2, 2002.

Administration for the PVC Scheme remains centralised at the Parramatta office today.

4.3 The operation of the PVC Scheme

Approximately 25,000 students and 17,000 parents benefit from the PVC Scheme in NSW each year. The costs of the Scheme exceed \$20 million per year currently with the annual average payment per student approximately \$800. An examination of the trend for the previous four semesters shows that numbers and creditors (mainly parents) have remained fairly constant, as has the payment per student.

Schools play an important role in the PVC Scheme. They provide information on the PVC Scheme to parents and supply the appropriate application form to parents. The completed forms are generally returned directly by parents to the Parramatta office of the Ministry of Transport, although some schools forward the completed forms to the Ministry. Parents are currently responsible for nominating the distance between their home and the school or nearest transport pick-up point.

Checking the eligibility of students is managed by the Ministry of Transport.

The certification by schools of student attendance and that students qualify for PVC is an integral part of the PVC administration. Twice a year the Parramatta office of the Ministry of Transport sends a list of all PVC recipients to relevant schools and the schools provide information on the number of days each student attended school. Schools also provide information about students who are no longer eligible or who have left school. This information is returned to the Ministry of Transport and PVC payments are made after the end of Term 2 for the first semester and after the end of Term 4 for the second semester.

Eligibility Criteria

Students who are 4 years and 6 months of age or older,¹ residing in NSW and attending a registered day or boarding school (government or non-government) or TAFE may be considered for PVC if they meet the distance criteria. The distance criteria is related to the student's grade and the distance between the student's home and the nearest transport pick-up point or the school attended. For students (K-Year 2) there are no distance requirements. For primary school students (Years 3-6) and high school students (Years 7-12) to be eligible for PVC they must live more than 1.6 km from the nearest transport pick-up point or the school attended as measured by the shortest practicable walking route. TAFE students, in addition, must be under 18 years of age at 1 January of the year of application, not employed and attend the TAFE college nearest to their home at which enrolment is available.

Distance education students are eligible for the PVC subsidy for a maximum of eight (8) return journeys per annum with a maximum of 2 journeys per term.

Students who board away from home to attend school may be eligible for PVC. Boarders may be categorised as "week-end" boarders who are eligible for travel on weekends and at the beginning and end of school vacations and "term" boarders who are eligible for up to nine trips per year.

¹ Exceptions may be granted by the school. In these instances the Ministry will accept younger students.

Quite often the transport of term boarders involves combinations of transport such as long distance coaches and/or rail to certain points from where parents pick up students and may claim PVC for the remaining distance home. In other cases, because of the hour at which connections are made or the length of wait for connections, parents transport their child from the school to home and claim PVC for this transport.

PVC subsidy to join a long distance coach is available for students travelling up to 22 trips per year between home and school. PVC subsidy to join a CountryLink service is available whenever students use their week-end / vacation pass to travel between home and school.

A full statement of the eligibility criteria may be found at Appendix 3.

Selection of mode and route of transport

Where a request is received for travel under PVC, the request will be considered taking into account the following factors:

- the cost to the Ministry of Transport
- the location of the various optional modes of travel (i.e. private bus, government bus and rail or any combination) relative to the student's home, school and each other
- the suitability of the timetables for each mode of travel compared to school times and each other.

As a general principle, where bus or train services are available, claims for the PVC payment will be disallowed and parents advised to apply for subsidised travel under SSTS.

The journey distance is measured from the student's home (the garage) to the closest appropriate transport pick-up point or the school attended, measured by the shortest, most practicable route.

Conditions of payment under PVC

A special return journey, dedicated solely for the purposes of transporting children between home and school / nearest transport pick-up point, must be made each morning and afternoon. No payment is made when students drive themselves, and transport by motorcycle is paid at half the approved rate.

Parents must agree to the Ministry of Transport contacting the school to confirm details provided in applications and the number of attendance days. If investigation by Ministry of Transport reveals a student is ineligible then the Ministry of Transport has the right to withdraw the PVC subsidy. Moreover, any payment made as a consequence of false or misleading information will be required to be repaid.

Payment Formula

The payment is paid based on a per student basis so that where there is more than one child in a family eligible for PVC, the payment is calculated by multiplying the number of students transported, the distance travelled² and the number of attended school days (or trips home in the case of boarders).

Currently, the distance is paid in bandwidths e.g. 0 – 1.6 kms; 1.7 – 8 kms and so on up to 300.1 kms.

Parents apply for the subsidy when their children are enrolled at Kindergarten and Year 7 or when circumstances change such as when the student changes school, or the family changes address.

PVC Payment Rates

The payment rates are currently linked to the bandwidths as outlined at Appendix 4.

Payment rates are adjusted annually.

² The distance is the kilometres for a single trip from home to school / nearest transport pick-up point, assigned to the appropriate bandwidth.

5. SUMMARY OF SUBMISSIONS

Eighteen submissions were received from most of the organisations that attended the stakeholder consultations and from other interested individuals. The submissions received are listed in Appendix 2. The issues raised in the submissions are summarised as follows:

5.1 Continuity of the PVC Scheme

The PVC Scheme was viewed as helpful to parents by promoting equality of access to appropriate primary and secondary education. Submission writers specifically requested that the Scheme be maintained, with most endorsing the need to provide families with payment to assist them in meeting some of the costs incurred in transporting their children between their home and the school of their choice or nearest transport pick-up point, where public transport is not available.

5.2 Eligibility Criteria

Public Transport Availability

An important eligibility criterion for receiving PVC payments that was acknowledged by most writers is the lack of public transport available for student travel between home and school / nearest transport pick-up point.

Most writers supported the current criterion that families should be eligible for PVC only where there is no access to existing bus services. They suggested that families should be aware of local bus services drawing upon the Ministry's Infoline (131500 or www.131500.com.au) or the school and/or local bus operators. However, it should be noted that while there is some country transport services information available on the 131500 website, this service is not part of 131500 and does not provide any information on school bus services.

Other submissions writers contended that parents would prefer buses to be used than use their own vehicle and time to transport their children. It was also expressed by some writers that it would be cost effective for the Ministry of Transport to extend existing school bus routes, funded by increased SSTS payments to bus operators, rather than make PVC payments to parents.

Some writers also expressed support for the need to maintain and enhance dedicated school services wherever practicable, especially noting the detrimental effect the cancellation of such school services may have on local schools and their communities.

Access to the PVC Scheme

Earlier versions of the PVC Scheme were targeted to compensate those parents who expended the most time and effort in taking children to school. This condition became the basis of the current PVC payment regime where PVC is paid only if two return journeys are made (i.e. four daily trips).

It was contended through many of the submissions that the eligibility requirement of dedicated journeys for the sole purpose of transporting children between home and school / nearest transport pick-up point is unfair and impractical in the current rural environment. Due to drought and other lifestyle changes in rural areas many families are now relying on “off farm” income to supplement farm income. However, when one parent drives to work or to any other destination, e.g. medical appointments, and delivers children to school as part of the same journey they are currently disqualified from claiming PVC. It was also suggested by writers that this requirement is not always fully understood or complied with for a wide range of reasons.

Mode of Transport

Many submissions raised the issue of actual travel arrangements, citing such practices as student drivers, pooled vehicles, community buses and school owned buses. It was argued in one submission that some parents would prefer buses to be used rather than use their own vehicle and time to transport their children. Moreover, others noted that some parents had pooled their payments to contribute to a community bus and/or school owned bus. Observations were passed to the review that some families lack access to private registered vehicles and licensed drivers, and thus sought collective remedies, such as a community bus etc.

It was acknowledged that there are instances, due to circumstances such as resources, health, etc, where eligible families either alone or as a community are unable to arrange the transport of their children between home and school / nearest transport pick-up point. In isolated communities, in particular in Aboriginal communities, there may be limited access to registered vehicles and licenced drivers. These are prerequisites to accessing PVC. While it was acknowledged that this is an issue it was considered outside the scope of the review.

Some submission writers cited instances where older students drove themselves, and possibly other students between home and school / nearest transport pick-up point or where one parent would transport other children as well as their own children and be rewarded with funding from these other parents.

Relationship with SSTS

Distance from home to the school or nearest transport pick-up point (1.6 kms) is a fundamental test of eligibility for PVC. One submission writer drew attention to the seeming “inconsistency” between the distance eligibility criteria for the PVC Scheme and SSTS. Under PVC the walking distance of 1.6 kms to the school / nearest transport pick-up point is less than the SSTS requirement (primary students 2.3 km, high school 2.9 km and TAFE 3.2 km).

One metropolitan submission writer was critical of the fact that PVC was denied to her because public transport was also available. The writer believed that using public transport raised safety concerns as it required the writer’s young children to take two buses and she was concerned that the change between the buses would be unsupervised.

Currently, there are no avenues to appeal PVC rejection decisions following applications based on safety concerns (lack of pedestrian infrastructure) and medical conditions. An appeals process is available to students travelling under the SSTS on the basis of special circumstances, such as safety and hardship.

Students Boarding Away From Home

Some families have children boarding away from home where the distance between the boarding house and the school is sufficiently long to require motor transport. In these instances, families currently have to decide whether to claim PVC for the journeys between home and nearest transport pick-up point / the boarding house (either at weekends or term breaks) or to claim SSTS for the transport between the boarding house and the school during the school week.

To date, claiming for two forms of transport assistance has been viewed as a form of “double dipping” and is not allowed. When claims are made both for PVC and SSTS parents are told to choose between PVC and SSTS irrespective of the circumstances. This approach acknowledges that in many circumstances these travel arrangements and associated costs are a direct consequence of the parents’ choices for their children’s education rather than the only option available.

Attendance at School

Attendance at school (public or private) including distance education mini-schools or TAFE is a pre-requisite for PVC subsidy. No submissions were received to alter this requirement.

Currently, distance education students can claim eight trips per year. One submission stated that the number of times PVC can be paid for attendance at mini-schools for distance education students needs to be increased. This was supported by information from the distance education schools on the number of mini-schools, camps and classroom experiences they run per year. In general these far exceed the eight trips subsidised each year.

5.3 The Administration of the PVC Scheme

The administration of the PVC Scheme involves processing the application forms by applying rules and if applications meet all of the requirements, making payments per student to parents.

With three stakeholders involved in PVC claims (parents, schools and the Ministry of Transport) it is inevitable that the roles of each are questioned as the most efficient arrangements are sought.

Role of Parents

Some of the submissions raised concerns over the accuracy of the distance calculations and that it is unfair to expect that parents can calculate these distances correctly.

Role of Schools

The role of schools in processing the PVC Scheme applications and informing parents of the Scheme is an important one. Schools carry out such tasks as informing parents of the availability of PVC, providing parents with application forms and, in some instances, returning forms to the Ministry of Transport (where parents do not return these) and verifying the number of student attendance days. However one submission stated that “the system relies too heavily on schools that lack resources and incentives to process [the applications]”.

One association of school principals was critical of the certifying requested by the Ministry of Transport of staff: “School staff should not have to certify to the PVC Scheme that parents qualify for funding on a twice yearly basis. Schools should only have to ascertain that the student is enrolled and that the student lives at the given address and that the student was present on specific days as claimed by the parent”.

On the other hand, another association of school principals pointed out that currently schools have to provide information via the SSTS website in relation to travel so it does not seem “a significant burden on schools to undertake this responsibility for PVC pupils as well”.

Most submissions supported continued school involvement. The certification of school enrolment and continuing enrolment were seen as appropriate roles. Submissions were divided on the issue of the count of actual attendance days.

Some writers supported the need to calculate the actual days of attendance of students, noting the goal of the Scheme is to enhance the education of children by providing a subsidy to their parents to transport them between home and school / nearest transport pick-up point. It follows that only schools can provide this information on actual attendance.

Other writers supported payment based on the average attendance of students. One submission stated that the clerical time spent by Ministry of Transport staff and school staff on collecting and processing this information could be better spent on other activities.

Information About PVC

The PVC claim process relies on parents being aware of the existence of the Scheme. Promotion of PVC is largely delivered by schools.

Two submissions commented on the dissemination of Scheme information. In one, the provision of information by schools was considered to be inefficient with some schools not informing students of the necessary details of the Scheme. Of particular concern, was information dissemination to parents with literacy / access problems.

The other submission was concerned about the lack of information for Special School students. It considered it was important for parents of students with special needs to be informed about PVC, especially where they are ineligible for the School Student Special Transport Service. There is a lack of understanding as to how the two schemes interact.

Distance Calculations

A basic assumption of PVC is that parents are travelling significant distances and that they should be assisted to meet the cost of providing transport. Accordingly, how the distance is calculated for the journey to school is fundamental. The calculations also influence the total payment parents receive. Distances travelled are grouped into bands and a payment rate is set for each bandwidth (see Appendix 4). Even small variations in distance can become significant in terms of assignment to relevant bandwidths when multiplied by the number of attendance days.

Calculation of Distance at the Home End

Submissions to the review suggested there is a perception that distance calculations for PVC are frequently inaccurate. Distances claimed for travel on private property that cannot be verified by the Ministry of Transport were identified as one source of inaccuracy. Currently, the basis for distance calculations is from where the vehicle is garaged to the school or nearest transport pick-up point.

Submission writers acknowledged the difficulty of verifying distance travelled on private property. It was argued in one submission that distance calculations should be from the property gate rather than the garage as there is no way the distance on private property can be checked. On the other hand, affected parents stated that it is “essential” that PVC is paid from the residence to the school or pick-up point because the trip over the property is often “the most difficult part of the trip and a substantial part of the journey”. Another submission stated that parents should nominate the number of kilometres their “on property” trips take and this should be the payment basis while yet another parent stated there should be guidelines and tools to help parents calculate correct distances.

Calculation of Distance at the School End

Accuracy in distance measurements at the school end is also important because of the effect on payments. The current end point of the measure is the school chosen by parents although some submission writers suggested that making the school the nearest one rather than the school of choice could provide savings for the PVC funding.

One submission writer stated that some parents based their distance calculations on locations beyond the school such as the centre of town. Some writers suggested that calculations should be based on the distance to the nearest government school with the only exception being the calculations for students with assessed disability. One reason for this suggestion was not related to the Scheme but to the effect on small towns when their local schools were by-passed for schools at regional centres. Others saw the reason for the nearest school as cost-saving, and it was stated by one writer that the payment should not be for students who are driven to private schools except where students attend for “special needs”.

Use of Bandwidths to Indicate Daily Distance Travelled

The use of bandwidths to indicate distances covered and hence daily payments was viewed as a crude measure. The use of bands means a parent who travels in the beginning part of the band is paid as much as one that travels at the end of the band and when this is multiplied by the number of attendance days distance claims are distorted. This would not occur if actual travel distances were used. The construction of the PVC bands was criticised because, in the words of one writer, “the further you travel the less you are paid per kilometre”.

Capping Distance Payments at 300 kilometres per Claim

As one of the goals of the PVC Scheme is to assist parents in meeting the costs expended in transporting children for education, some submissions proposed that the payment should support those parents who carry the heaviest burden. Accordingly, parents and their representatives were critical of the 300 km cap, stating long distances affected them in a number of ways:

“The cap should be lifted as it is handicapping those who need most help and aiding those closest to town who don’t need to pay accommodation costs. (In addition to this cost, parents who have to transport children long distances stated they lost time and ‘station work is left undone’).”

Payment Rate

Most submissions commented on the amount paid per kilometre. This was considered to be too low, especially by those writers who viewed the Scheme in terms of full cost recovery. The main reason for this opinion was the rise in fuel prices and the belief that non-metropolitan areas paid higher prices. Thus some submissions called for “the rate ... to be related to fuel prices in the local district”. Others said “engine capacity” payment based on the NRMA and the Australian Taxation Office (ATO) rates should be considered. Another writer was unaware that payment rates are now adjusted annually and called for annual adjustments to the payment rate based on changes to the cost of living.

Payment per Student

Submissions were largely unanimous in seeking a change in payment methodology. The current calculation based on the number of students conveyed rather than per family was generally interpreted as unfair, as parents could see those carrying more than one child receiving more generous payments while both sets of parents incurred similar transport costs. As the scheme is to assist families in meeting the cost of transporting their children for the purposes of school attendance, due to the absence of public transport, most stated that the calculation should be based on the family as a single entity.

6. RECOMMENDATIONS

6.1 Key Principles for the Recommendations

The review examined the PVC Scheme to identify areas for reform in policy and service delivery, taking into account the views of stakeholders after applying key policy principles discussed below.

A key aim of the PVC Scheme should be to assist the efforts of parents where there is no public transport available in maximising opportunities for school attendance by their children.

This means provision of assistance to families of transport disadvantaged students in a way that retains the right of parents to send their children to schools of their choosing and also by a mode of their choosing. The assistance should not interfere with parental responsibility of making choices and accepting their consequences.

As PVC and SSTS have the same purpose to provide eligible students with access to their school of choice changes will need to consider consistency across these schemes in basic aspects, such as eligibility and the appeal process.

A major emphasis in the reform of PVC will be to improve communication to parents on the aim of the PVC Scheme and its various aspects.

The PVC Scheme should be based on transparent principles and operate in a manner that minimises the administrative burden. Changes in PVC will aim at administrative simplicity for parents, schools and the Ministry of Transport. In the longer term the Ministry will explore the potential to have decision-making as much as possible underpinned by objective information, eg GIS derived data. Reforms will also aim at improving fairness in the payment system both in terms of the basic unit for payment and the link between payment and distance.

Simplification of the eligibility criteria should also reduce the administrative work and increase accessibility to parents.

In order to provide clarity the PVC should be formally recognised as a Scheme with its own objectives.

Recommendations are made within the framework that any assistance scheme that is funded by taxpayers needs to be affordable within the context of overall community priorities, and be sustainable for the foreseeable future.

6.2 Recommendations

The following recommendations have been developed taking into account the key principles above and the conclusions of the stakeholder submissions.

Continuity:

There was general agreement that the PVC Scheme should continue.

It is the role of the Ministry of Transport to address transport disadvantage. Where transport disadvantage impacts on education and on particular communities, a collaborative effort is required between government agencies. Similarly, where transport disadvantage and economic disadvantage are both present, a collaborative approach should be followed.

The current PVC Scheme operates in a context in which the Government and the community work to achieve better outcomes for families and communities. The importance of transport services for rural and regional NSW, including addressing the transport needs of Aboriginal people, is emphasised in the Corporate Plan 2006-2010 for the Ministry of Transport.

The SSTS and PVC Schemes recognise that families, due to distance from appropriate facilities, may have difficulty ensuring their children receive education. Education is recognised in the NSW Government State Plan as a key determinant of life chances so it is appropriate that funding is directed at overcoming the disadvantage of distance.

Recommendation 1

The PVC Scheme to continue to provide payment to families that do not have access to public transport for their children between home and the school of choice or nearest transport pick-up point.

Payments for distance:

There was general agreement to move away from bandwidths as a measure of distance due to the inequalities that they can produce and most submissions suggested a flat rate per kilometre.

Currently due to the use of bandwidths, PVC payments to parents transporting a student 64 kms would be the same as to parents for a student travelling just over 56 km. Appendix 4 shows the payment rates for the bandwidths. A flat rate per kilometre would be more equitable in terms of calculating the payment.

It is proposed that the PVC subsidy be paid for every kilometre travelled to or from school or the nearest transport pick-up point with a student in the vehicle. Parents would not need to make a return journey to be eligible for the subsidy.

The per kilometre rate would be reviewed based on this model, ensuring the sustainability of the Scheme.

Recommendation 2

The PVC payment be based on actual kilometres travelled with a student in the vehicle.

Payments on a per family basis:

Most submissions supported a move away from payments linked to each child conveyed. Comments generally proposed that payments be made on a per vehicle basis. Further it is important that families decide on the mode of transport and transport arrangements for their children. It is recommended that the PVC payment is made as a direct payment on a per family basis, with payment made only to the family and not to a third party.

For example a family with three children would be paid once for the vehicle regardless of whether one, two or three children were transported to school on any given day. The payment would only be made directly to the family and not to other creditors, such as other parents or the school. However the parent has the discretion to pass this payment on to another party.

It is anticipated that under a per family payment families with one school age child (approx 59% of recipients) will receive an increase in their payment. The majority of families with two or more children will see a decrease in their payment while transporting more than one child.

Recommendation 3

The PVC Scheme to be based on a per family payment.

Sustainability of PVC:

The current budget of the PVC Scheme is approximately \$20 million per year.

All of the recommendations, if adopted, should lead to a Scheme that is open to a greater number of families than now.

Whilst some of the recommendations may produce efficiencies it is uncertain whether they would compensate for the additional costs arising from the expected increase in participants. Moreover the cost of developing, operating and maintaining the new Scheme needs to be taken into account e.g. communications strategies, new administrative requirements (application forms, website for schools, etc) and into the future GIS technologies. Accordingly, it is important to design the Scheme based on sound financial assumptions, and the kilometre rate needs to be set at a rate that can be sustained, adjusted annually.

It is noted that other recommendations do significantly reduce the administrative burden required to manage the Scheme for both the Ministry of Transport and other government departments.

Recommendation 4

The PVC Scheme to be based on a per kilometre rate that it is affordable, sustainable and adjusted annually.

Attendance rates:

It is an aim of the review to simplify administration of the PVC Scheme. Currently the Scheme relies on schools providing attendance information for each of the approximate 25,000 students twice yearly. Ministry of Transport staff write to schools requesting this information and then manually data enter the information for each student.

An audit by Ministry staff has found significant errors in the attendance days recorded. Audits conducted in 2007 of 667 students across 28 schools found errors for 67% of all students. 45% of students received an overpayment and 22% were underpaid.

The current procedure for recording attendance rates is an administrative burden for both school and Ministry staff and is prone to error.

It is estimated that school staff spend in excess of 2,500 hours per year collecting attendance data. This is equivalent to over 71 weeks per year of one staff member collecting attendance data. Significant savings could be made in moving to audited average school attendance rates.

Recommendation 5

The PVC payment to be based on audited average school attendance rates.

Limit on distance:

The 300 km cap on distance measurement should be reviewed. It is proposed that there be no distance limit on travel for PVC payments.

Most families that cite distances in excess of 100 km are generally referring to the distance travelled to boarding houses or boarding schools and the number of trips claimed are significantly less than the number made for daily attendance.

Long distant students have the same rules applied to them as daily students – that is, if there is public transport available (trains, long distance coaches) students are required to use this transport. PVC should only be paid to the nearest pick-up point.

Over time, due to lack of clarity, creep has occurred whereby parents are paid to drive students to school in cases where public transport is available. This may be at the beginning and end of school term due to excess luggage or may be because the long distance coach does not run on a convenient day.

In addition to introducing no distance limit for PVC travel it is recommended the Ministry enforce the requirement that public transport be used where available. The convenience of the family would not receive consideration in determining the mode of transport. Parents can opt to drive their children the whole distance to school but the Ministry would not pay for this where public transport is available. If parents opt to drive students along a route that has available public transport the PVC subsidy will only be paid to the nearest transport pick-up point.

Recommendation 6

The Ministry of Transport to remove the current limit of 300 km on distances.

Limit on travel to distance education:

The eight trip per year limit for distance education students should be reviewed.

Distance Education Centres offer in excess of eight face to face opportunities per year. However the current PVC trip limit may impact on the number of journeys undertaken. The review acknowledges that students attending Distance Education Centres are disadvantaged and should be supported by the PVC Scheme.

It is proposed to increase the trip limit to travel weekly during term time in line with weekend boarders. This would allow students to travel every week if required.

Recommendation 7

The Ministry of Transport to replace the current eight trip per year limit for distance education students with weekly travel during term time.

SSTS and PVC:

The SSTS and PVC Schemes have the same purpose to provide eligible students with access to their school of choice. However due to the manner in which the two Schemes evolved they are not always administered in a consistent manner. The review recognises that there needs to be consistency in the administration of the two Schemes. It also recognises that the relationship between the SSTS and PVC Schemes needs to be clearly defined.

The SSTS and PVC Schemes have the same purpose however currently the two schemes have different eligibility criteria. In order to introduce equity between the two schemes the eligibility criteria would need to be aligned.

It is proposed to introduce the SSTS eligibility criteria. As the minimum distance for students in years 3 – 12 would be increased approximately 2,500 students would no longer be eligible. From a student base of 24,000 this equates to a reduction of approximately 10.5%. While this is a significant number these students are travelling relatively short distances and are not considered the main target group of PVC.

Unlike SSTS, there is no appeals process to manage decisions contested by parents. It is proposed to broaden the scope of the SSTS Appeals Panel to enable it to hear PVC appeals. PVC appeals would be considered on the same basis as SSTS appeals. This would include appeals based on health, safety and hardship.

Recommendation 8

The Ministry of Transport to ensure, wherever practicable, that there is consistency between the policy and procedures for the SSTS and PVC Schemes.

Students boarding away from school:

The PVC Scheme should be sufficiently flexible to consider families that are burdened in certain circumstances, by the need to utilise off-campus boarding accommodation in catering for their children's education.

The current PVC payment provides parents with either, a PVC payment between their residence and the boarding house for weekend trips home, or access to the SSTS for daily subsidised transport between the boarding house and the school attended, but not both. The provision of one of the transport modes is currently at the expense of the parent.

Recommendation 9

The Ministry of Transport to provide guidance on the criteria to be met in those extreme and unusual circumstances where both PVC and SSTS could be granted to families.

Availability:

There is general support for the criteria that PVC eligibility is only open to families who do not have access to publicly available transport. It is proposed that PVC applications be better screened to determine if a bus service is available for all or part of the journey. Where available, bus services must be used rather than the PVC subsidy.

Wherever practicable in terms of student numbers, locations and relative costs, subsidies should be provided by extension / continuation of bus services funded under the SSTS rather than subsidies provided under the PVC Scheme.

Recommendation 10

The Ministry of Transport to coordinate the screening of PVC applications with SSTS bus service contract management to ensure optimal utilisation of the appropriate transport scheme.

Access to the PVC Scheme:

To be eligible for a PVC subsidy parents must make a special return journey both morning and afternoon.

The review acknowledges that parents may combine driving students to school with other trips such as driving to work, medical appointments, etc. In many circumstances, “off farm” work is a necessity, not a choice and it is considered inequitable to deny these parents access to PVC payments if they meet all other eligibility criteria.

It is proposed to remove the requirement that a dedicated return journey must be made to be eligible for PVC. It is recommended that PVC be would be paid for every kilometre travelled with a student in the vehicle Parents would not need to make a return journey to be eligible for the subsidy.

Removing the return journey requirement is likely to increase the number of beneficiaries. Hence this proposal would need to be balanced in terms of the subsidiary rate offered.

Recommendation 11

The Ministry of Transport to recognise that to qualify for PVC parents’ travel arrangements for their children between home and school or nearest transport pick-up point do not need to be solely for the purposes of their children’s education.

Mode of travel:

If no public transport is available, transport solutions are best left to parents to decide, noting their responsibility and accountability for their children's safety, comfort and special needs. Eligible families should receive the PVC payment directly.

The PVC payment would only be made directly to the family and not to other creditors, such as other parents or the school. However the parent has the discretion to choose the mode of transport used and if desired to pass the PVC payment on to another party.

Recommendation 12

The Ministry of Transport to direct PVC subsidy payments directly and solely to parents, recognising the responsibility of parents to determine the mode of transport taking their children between home and school or nearest transport pick-up point.

Communication:

An important element of public administration is ensuring that information on government services is brought to the attention of all potential claimants. Creating awareness of the PVC Scheme is challenging given the different ways information is acquired. Information channels in rural and remote areas are likely to be different from those in the metropolitan area. In rural and remote areas information channels are fewer and less pervasive.

It is proposed to introduce any changes made to the Scheme in two stages. In the first stage the Ministry would work with existing recipients. Once these recipients were registered for the Scheme the Ministry would undertake a general publicity campaign to make potential applicants aware of the Scheme.

Recommendation 13

The Ministry of Transport to develop a communications strategy for PVC, especially taking into account the unique environment of isolated communities.

Role of parents:

The current complexity of payment arrangements increases the potential for error on behalf of parents. The proposed arrangements address this by simplifying eligibility and payments. Nevertheless there may be further potential to automate payments through the use of technology.

Recommendation 14

The Ministry of Transport to review the potential to phase in calculating the distance between home and school / nearest transport pick-up point by applying GIS based mapping technology to all PVC applications.

Improved administration of PVC:

If the above recommendations are accepted by Government then new procedures and processes would need to be implemented by the Ministry of Transport. These would need to include clearly defining the aims and objectives of the PVC Scheme and the relationship between the PVC and SSTS Schemes. The Ministry should also look at future administrative improvements eg the option to phase in GIS-based technology to support administration of the PVC Scheme.

Recommendation 15

The Ministry of Transport to review the administrative procedures and processes of the PVC Scheme to support the outcomes of the PVC Review.

7. CONCLUSION

This review has presented an opportunity to evaluate the PVC Scheme and recognise opportunities for improving it, potentially broadening the number of beneficiaries by removing unwarranted restrictions and improving the Scheme's efficiency. The review also recognises the opportunity to promote the Scheme to disadvantaged families and communities, in line with the NSW Government State Plan objective of promoting services to disadvantaged communities.

It recommends a significant move away in the burden of eligibility assessment from parents to the Ministry of Transport, and suggests the future use of GIS technology to make its decisions transparent, fair and simple. It emphasises that, whilst the financial assistance is based on the non-availability of public transport, this payment does not assume or specify any particular travel arrangements but leaves that to the discretion of parents.

The review maintains that payment be based on the current two factors of school attendance, and distance, but that it would be more equitable to alter the third factor from number of children to a family focus for the purposes of equity. Moreover, such payment should then be based on a kilometre rate and not be limited in distance within NSW. Again, any formula developed involving these factors would not attempt to produce real cost reimbursement but rather to provide a relevant, simple and fair assessment for financial assistance within the constraints of the Scheme's budget.

In making these recommendations, and noting the need to make this Scheme affordable and sustainable into the future, the review recognises that the payment based on a flat rate per kilometre, when determined, may mean that the current amounts of payment to all parents could change. However, the focus of the review is to assist those families who need to transport their children over longer distances, reflecting the special nature of the PVC to rural and regional NSW.

8. APPENDICES

1. News Release
2. Submissions received
3. Eligibility criteria for PVC
4. PVC Scheme payment rates
5. Map of NSW showing location of recipients of PVC payments

APPENDIX 1

NEWS RELEASE

Independent Review Of Student Vehicle Travel

Tuesday 13 February 2006

Deputy Premier and Minister for Transport John Watkins today announced an independent review would be undertaken of the \$19 million Private Vehicle Conveyance Scheme (PVC).

Mr Watkins said the Hon Harry Woods, former Federal Member for Page and State Member for Clarence, had been appointed to lead the review.

"The PVC Scheme is provided by the NSW Government to subsidise the cost of getting children to school by private vehicles in areas where no public transport is available", Mr Watkins said.

"Last year the Scheme provided funding assistance to 24,009 students and 1849 schools in rural and regional areas," he said.

"I have asked Mr Woods to review the Scheme to ensure it is adequately meeting the needs of the people who depend on it, and that it is delivering value for taxpayers.

"A comprehensive review is required and should generate improvements to the PVC Scheme."

Mr Watkins said Mr Woods' previous experience as Minister for Rural Affairs and Minister for Regional Development meant that he was a suitable person to lead the review.

"Mr Woods has an understanding of the issues at stake and how the PVC Scheme can best meet the needs of rural and regional communities," Mr Watkins said.

"The closing date for public submissions to the review is 3 March 2006 and I would encourage people to provide feedback," he said.

Public submissions can be sent to:

PVC Scheme Review

C/- Ministry of Transport
Locked Bag 5085
PARRAMATTA NSW 2124

Mr Watkins said Mr Woods is expected to report his findings to the Ministry of Transport in August 2006.

Contact: Michelle Stone 0400 280467

APPENDIX 2

Submissions received for the PVC Scheme Review

From:

1. Association of Catholic School Principals Inc.
2. Association of Heads of Independent Schools of Australia
3. Bus & Coach Industrial Association (NSW)
4. Council of Catholic School Parents
5. Inverell Shire Council
6. Local and Community Transport Division, Ministry of Transport
7. Local Government Association of NSW and Shires Association of NSW
8. Mr Col Shephard
9. Ms J. Cavanaugh
10. Ms Siciliano
11. NSW Parents Council Inc
12. NSW Primary Principals' Association Inc
13. NSW Secondary Principals' Council
14. The Isolated Children's Parents' Association of NSW Inc.
15. Council of the Shire of Wentworth

Late Submissions

16. Regional Community Consultative Council (May 2006)
17. Fisher Bus Service (May 2006)
18. Federation of Parents and Citizens' Associations of NSW (June 2006)

APPENDIX 3

Eligibility Criteria for assessing PVC applications

a. Student status

School students may be eligible for PVC if they are:

- i) a resident of NSW
- ii) 4 years and 6 months of age or older³
- iii) enrolled in a day or boarding school⁴(government or non-government) or TAFE.
- iv) Enrolled for full time study (enrolment in Pathways program or similar courses not eligible).
- v) Overseas students who receive free education in NSW, subject to meeting other criteria.

b. Other criteria

The eligibility criteria are also linked to the student's grade and the distance between the student's home and the nearest transport pick-up point or the school attended.

- i) School students are eligible for a subsidy if they:
 - Attend infants school (K-2) irrespective of the distance from home to school.
 - Attend primary school (Years 3-6) or high school (Years 7-12) and live more than 1.6 km to
 - the nearest transport pick-up point
 - the school, where there is no public transport available as measured by the shortest practicable walking route.
- ii) TAFE students are eligible for a subsidy if they:
 - are enrolled in a full time TAFE course, i.e. a course with a duration of 12 weeks or more requiring a minimum of 20 hours attendance per week face to face and
 - are under 18 years of age at the 1 January of the year of application and
 - live more than 1.6 km to
 - the nearest transport pick-up point
 - the TAFE, where there is no public transport available as measured by the shortest practicable walking route
 - are not employed and
 - attend the TAFE college nearest their home at which enrolment is available.
- iii) Distance education students are eligible for a subsidy if they:
 - Are enrolled in full time study
 - Are geographically isolated.

³ Exceptions may be granted by the school. In these instances the Ministry will accept younger students.

⁴ Students must be enrolled at a government school or a non-government school registered under the Education Act 1990.

- iv) Cross Border
NSW students who attend school in other States are eligible for PVC subsidy in accordance with NSW conditions.

APPENDIX 4

PVC Scheme Payment Rates

Existing Payment Rate Schedule			
From	To	Rate (A\$)	Offset
0.1 km	1.6 km	0.54	1
1.7 km	8.0 km	2.98	2
8.1 km	16.0 km	5.96	3
16.1 km	24.0 km	8.99	4
24.1 km	32.0 km	11.97	5
32.1 km	40.0 km	14.98	6
40.1 km	48.0 km	17.93	7
48.1 km	56.0 km	20.96	8
56.1 km	64.0 km	23.97	9
64.1 km	72.0 km	26.93	10
72.1 km	80.0 km	29.93	11
80.1 km	90.0 km	32.94	12
90.1 km	100.0 km	35.97	13
100.1 km	110.0 km	38.94	14
110.1 km	120.0 km	41.98	15
120.1 km	130.0 km	45.00	16
130.1 km	140.0 km	48.00	17
140.1 km	150.0 km	51.03	18
150.1 km	160.0 km	54.05	19
160.1 km	170.0 km	57.05	20
170.1 km	180.0 km	60.05	21
180.1 km	190.0 km	63.07	22
190.1 km	200.0 km	66.08	23
200.1 km	210.0 km	69.10	24
210.1 km	220.0 km	72.11	25
220.1 km	230.0 km	75.16	26
230.1 km	240.0 km	78.15	27
240.1 km	250.0 km	81.17	28
250.1 km	260.0 km	84.17	29
260.1 km	270.0 km	87.22	30
270.1 km	280.0 km	90.18	31
280.1 km	290.0 km	93.21	32
290.1 km	300.0 km	96.22	33
300.1 km		99.94	34

APPENDIX 5 - Map of NSW

Private Vehicle Conveyance (PVC) Subsidy Recipients by Postcode

