

TRANSPORT MARKET DESIGN TRIAL

Question:

During its public hearing in Canberra on 12 May, the committee heard concerns from representatives of the Australian bus industry in relation to a market-based trial for school transport options for disabled children scheduled to be conducted by the Centre for Market Design in 2017. Some witnesses expressed concerns that the existing market would be replaced by less well-equipped operators and be defined by price rather than quality.

- a. Are you able to provide the committee with more information on this trial?
- b. When is it scheduled to occur?
- c. How would the online platform be regulated?

Answer:

- a) The National Disability Insurance Agency (NDIA) commissioned the Centre for Market Design (CMD) to design a pilot concept enabling eligible participants and their parents to find appropriate transport to school through the use of emerging online market technology. The pilot concept is a market matching mechanism.

In parallel with this pilot concept, which may or may not ultimately provide a practicable basis for a National Disability Insurance Scheme (NDIS) approach, the NDIA is working with states and territories to plan for the transition of specialist school transport to the NDIS by the end of transition. This work is occurring through the Transport Working Group, a sub-group of the Senior Officials Working Group (SOWG) of the Council of Australian Governments (COAG).

If this pilot concept proceeds, it may be one option considered as part of a broader program of investigation with states and territories around how specialist school transport will operate under the NDIS.

- b) The market matching mechanism was scheduled for pilot during term two of the Victorian school year in 2017. Progress of the project has been placed on hold while the Victorian Department of Education and Training explores how quality and safeguards will be managed within the pilot.
- c) The pilot itself is monitored by a Project Steering Committee (PSC), including representatives from the Victorian Department of Education and Training, Commonwealth Treasury, CMD and the NDIA.

In terms of regulation of the online platform, the Project Steering Committee will endorse the pilot to proceed, subject to the key issue of the pilot's quality and safeguard provisions being clarified. The Victorian Government (Department of Education and Training) is required to agree to provide assurance of the provision of suitable quality and safeguards during the pilot in accordance with the agreed roles and responsibilities of states and territories to continue to undertake this function during the transition phase.