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CHAPTER 1
INTRODUCTION

PROJECT OBJECTIVE

In the electoral manifesto of 2017, the Government of Malta pledged to provide supervised transportation services to all students up to secondary level (the Service). During the budget speech for 2018 Government committed to introducing the Project in time for scholastic year 2018/2019.

To ensure the smooth transition from the current service provision to the introduction of the Project, MEDE wishes to assess the options available and determine the most effective use of Government spending by assessing economic viability, efficiency and overall value. The implementation of the Project is expected to result in an improvement in the overall quality of service and an increase in student population making use of organised transport, thus resulting in a reduction in traffic congestion during peak times.

WHO IS ELIGIBLE TO BENEFIT FROM THIS SERVICE

The Service will be available to all students attending kindergarten and compulsory schooling institutions, i.e. students attending kindergarten up to secondary school, shall be eligible to use the Service.

The Service will be available to all students in Malta or Gozo regardless of their nationality, or that of their legal guardians. Extracurricular schooling activities fall outside the scope of the Service.

In the case of state schools, students who reside within one kilometre of their education institution are not entitled to this Service. This restriction is expected to remain in force and become applicable in the case of non-state schools.

WORKING GROUP

With a view to retaining an autonomous process, the Permanent Secretary appointed Grant Thornton, an independent audit firm, to develop this White Paper. An extensive market and a stakeholder analysis was conducted between November 2017 and mid-February 2018. During this process, senior management officials of the Ministry were consulted.
CHAPTER 2
METHODOLOGY

STAKEHOLDERS’ ANALYSIS AND WILLINGNESS TO USE SURVEY

Several stakeholders’ meetings were held in preparation for this white paper. The primary goal of these meetings was to determine and understand the challenges that will arise with the implementation of this Service. Moreover, a survey was circulated amongst parents/legal guardians of children attending non-state schools. This was designed to determine the expected increase in demand for this Service.

QUESTIONNAIRE SAMPLING METHODOLOGY

To ensure a representative sample, the questionnaire was distributed amongst parents/legal guardians of students attending non-state schools. School heads and principals circulated the questionnaire amongst parents/legal guardians by means of their online school management systems. According to MEDE, the total non-state student population for scholastic year 2017/2018 is more than 20,000. It is believed that the random sampling approach adopted was the most appropriate approach to achieve the targeted sample. A total of 8,658 responses were received and split as follows:

a. 5,173 of students attending church schools (representing 32% of total) and 3,485 of students attending independent schools (representing 50% of total).

b. 5,629 from kindergarten/primary school students representing 41% of a total population of 13,774 students and 3,029 from secondary school students representing 32% of the total population of 9,578 students.

Questionnaire results indicate that currently 44.8% of the respondents already make use of organised school transport whilst 49.6% of parents currently drive their children to school. If organised school transport is supervised and had to be provided for free 82.8% of these parents have indicated a willingness to use this service.

Summary of responses to the question:

<table>
<thead>
<tr>
<th>Current means of transport</th>
<th>Percentage of students who would switch to the new services</th>
</tr>
</thead>
<tbody>
<tr>
<td>I use school transport</td>
<td>98.5%</td>
</tr>
<tr>
<td>I drive my child to school</td>
<td>82.8%</td>
</tr>
<tr>
<td>Public Transport (bus)</td>
<td>98.9%</td>
</tr>
</tbody>
</table>
The total student population for the current scholastic year, i.e. 2017/2018, stands at around 56,000 students. Currently only 23,730 students (42% of total population) use organised transport – 12,500 attending state schools (38% of students) and 11,230 (48% of students attending non-state schools). Judging from the questionnaire responses received, the number of students using this Service is expected to increase by c. 14,200.

Current number of students making use of organised school transport and the number of students who are expected to switch to organised school transport if provided for free and it is supervised.

<table>
<thead>
<tr>
<th>Type of school</th>
<th>Total number of students</th>
<th>Number of students currently using organised transport</th>
<th>Number of students expected to switch to organised transport if supervised</th>
</tr>
</thead>
<tbody>
<tr>
<td>State schools</td>
<td>32,635</td>
<td>12,500</td>
<td>16,896</td>
</tr>
<tr>
<td>Non-state schools</td>
<td>23,397</td>
<td>11,230</td>
<td>21,057</td>
</tr>
<tr>
<td>Total</td>
<td>56,032</td>
<td>23,730</td>
<td>37,953</td>
</tr>
</tbody>
</table>

According to TM data the number of vehicles available for school transport is approximately 750 minibuses and 280 coaches. The expected increase in demand would result in a considerable number of increased routes that need to be performed daily. The incremental number of trips will depend on which approach is adopted. Many options were analysed and subsequently narrowed down to:

• **Option 1 - Minimum intervention**

  Retain current transport systems across all schools and introduce a refund mechanism wherein Government ultimately pays for the service being provided. It is estimated that the total financial cost incurred by Government under this scenario will amount to c. €24 million.

• **Option 2 - Centralisation of route planning but retaining school specific transport services**

  Currently, state and non-state schools operate different models for organised school transport. Whilst state schools adopt a centralised approach, non-state schools have no standardisation and every school follows its own model. Centralisation of route planning would contribute significantly to route optimisation and cost minimisation. Under this option, vehicles will pick up/drop off students at central locations within their locality but shall still provide school specific service. Even though this reduces the vehicle requirement, it is still not the most efficient option that one can adopt. Estimates show that the total expected financial cost of this option will amount to c. €20 million.

• **Option 3 - Shifting to a destination specific transport system**

  This option is based on the design of routes which are destination specific rather than school specific and would mean that students attending different schools will be using a common carrier. This option turns out to be the most feasible option, both financially and economically, given that the number of routes required is reduced significantly. The total financial cost 1 is estimated to cost c. €14 million to implement.

  The main economic benefits of this policy change are expected from a reduction in traffic, a reduction in emissions and a reduction in traffic accidents. A detailed cost-benefit analysis that has been specifically carried out to study the proposed policy change shows that the net economic benefits significantly outweigh the financial costs involved.

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1. Financial cost – this refers to the total cost incurred to provide school transport, therefore it includes both transport and supervision costs.
Consultation meetings were held with several stakeholders including: Ministry for Education and Employment (MEDE); Church schools’ heads; Independent schools’ heads; Education Leaders Council (ELC) - state schools’ heads; COOP Service Ltd; UBS Malta; TDP Malta; Gozo coaches Coop; Malta Association of Parents of State School Students (MAPSSS); Transport Malta (TM); Malta Union of Teachers (MUT); Union Haddiema Magħqudin (UHM), other independent service providers and parents of church and independent schools.

The salient points of discussion are summarised below.

**EXPECTED TAKE-UP AND SUPPLY OF VEHICLES**

- Concerns on whether there is sufficient capacity to cater for the expected increase in demand. The main issue is not the availability of vehicles but the limited number of drivers available.

**CENTRALISATION OF ROUTE PLANNING AND CONTRACTING**

- There are several parties who currently contribute to the logistical organisation of school transport and this is reliant on the close collaboration between the authorities, transport operators, schools and parents. A sudden change in the organisation of logistics might result in a dramatic breakdown in service. Many stakeholders have insisted that the current system of decentralised organisation of school transport logistics should be retained whilst Government introduces a refund/voucher system to pay for the service.

**SHIFTING TO A DESTINATION-BASED SYSTEM**

- The general concern is that such a system might act as a disincentive to parents/legal guardians from using this service. School heads and principals have also voiced their concern that managing issues on destination-based transport might be more challenging. However, this issue can be mitigated by the presence of adequate onboard supervision.

**SCHOOL OPENING/CLOSING TIMES AND STATE-SANCTIONED TRAVEL TIME RESTRICTIONS**

- Changes in school opening and closing times might facilitate the introduction of an additional trip for each vehicle deployed for school transport purposes. This will significantly lessen any capacity issues.

**PICK-UP AND DROP-OFF POINTS**

- Non-state school students who use organised school transport benefit from a door-to-door service. The current route prices the Government has contracted with transport operators are based on a service to central pick up/drop off points. Thus, operators expressed their concern that using the existing rates to provide door-to-door services is not a viable option for service providers.

- Currently, school transport vehicles are prohibited from making use of bus stops to pick up and drop off students. However, if this is changed it might interfere with the efficiency of the public transport operations.

- The questionnaire results indicate that 48% of respondents will still make use of the transport should the door-to-door pick up service be discontinued.

**Summary of responses to the question:**

**Would you agree to a central pick-up point within your locality?**

- Yes, and I would walk to the pick-up point (52%)
- Yes, but I would rather drive to the pick-up point (15%)
- No (32%)
Most parents/legal guardians refrain from using organised school transport due to the lack of supervision on board the vehicles. Teachers, kindergarten educators and learning support educators for state schools already showed interest in participating in this service if they are paid for this service.

The installation of CCTV (both audio and visual) was touted as a necessary addition to vehicles deployed for school transport purposes.

Stakeholders also complained that traffic in the roads leading to some schools is not professionally managed during school opening and closing times.

Questionnaire results indicate that 61% of the respondents are willing to use this service even if schools share a common carrier, provided the Service is adequately supervised.

Summary of responses to the question:

Would you use the Service if schools share a common carrier, provided the Service is supervised?

<table>
<thead>
<tr>
<th>Supervised</th>
<th>% of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>61%</td>
</tr>
<tr>
<td>No</td>
<td>39%</td>
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In view of the concerns expressed by parents and stakeholders and challenges in achieving a more efficient system, Government has chosen the route of minimum intervention as explained under Option 1 in Section 3 of this White Paper. Government proposes to achieve the promised service in the following manner:

a. Government shall determine the service level conditions that need to be offered by transport operators. All school transport operators will be considered irrespective of their fleet size. However, those who are interested in providing the requested services to any state or non-state school shall be invited to agree to the set conditions.

b. Through a public market consultation, Government shall enter into a negotiated procedure in accordance with the public procurement regulations with all interested transport operators. By the end of this process a final list of accredited transport operators will be issued.

c. Government shall review the possibility of changing opening and closing times of certain state schools to facilitate the achievement of the set objective.

d. A call to all educators who are interested in providing transport supervision services shall be issued.

e. For the time being organisation of transport logistics shall continue to be administered in the manner it is at present. There are a number of different models which are currently in use and it is believed that these should continue to run autonomously.

f. No changes are being proposed in the way services are paid for. Government shall pay the transport operator directly in the case of state schools and parents pay for the service in the case of non-state schools.

g. Government will pay for the transport supervision services directly to teaching grades within state schools and will reimburse the church secretariat and independent schools for transport supervision performed by teaching grades employed with church and independent schools respectively.

h. Government shall remove the existing tax credit system and introduce a full refund system to all parents who make use of organised transport service with payment. Refunds will be capped at the amounts agreed upon by the end of the negotiated procedure mentioned in point (b) and will only be issued in respect of services carried out by accredited transport operators.

i. The refund system will be based on an opt-in system. Students need to be registered in order to qualify for the refund. Use of the service will be monitored on a daily basis and those who register and fail to use the Service will be penalised.

j. The implementation of this policy might be spread over a number of stages to avoid creating any unnecessary upheaval.
CHAPTER 6

CONCLUSION

This White Paper calls for further in-depth discussion, consultation and analysis of the proposed school transport system. The recommended solutions need to be further investigated to pave the way forward in developing an effective strategy which will result in an efficient policy implementation and eventually an efficient school transport system. This will also reduce the traffic issues during morning and afternoon rush hours without impacting negatively on the provision of educational services. Such solutions need to have a wide support from the key stakeholders and the Government will continue working closely with the stakeholders to deliver effective solutions with minimal negative impacts.