ACTA
Australian Community Transport Association

NATIONAL COMMUNITY TRANSPORT PRICING MODEL

2025

SUMMARY REPORT

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About this document

This report is a document that brings together all components of the National Community Transport Pricing Model (NCTPM) Pilot Project, in collaboration with the University of South Australia. This project has been co-funded by iMove and during its initial stages, the Department of Health, Disability and Ageing.

Acknowledgment of Country

The Australian Community Transport Association (ACTA) acknowledges and pays respect to the Traditional Owners and Custodians of the lands throughout Australia. We recognise the strength and resilience of Aboriginal and Torres Strait Islander peoples, and their continuing connections to land, sea and community. We pay our respects to Elders past, present and emerging.

Recognising the Sector's Collective Effort

The Australian Community Transport Association (ACTA) extends its heartfelt thanks to the 31 project participants from across the country. Your ongoing efforts, valuable insights, and meaningful contributions have made this research possible. We recognise that this project required significant change-management efforts and a strong commitment to engagement during the policy co-design working groups. Your participation has been instrumental in shaping the long-term, sustainable future of community transport, an essential service that connects older Australians, people with disabilities, and transport-disadvantaged individuals across the nation.

Research Project Partners

iMOVE

ACTA
Australian Community Transport Association

University of South Australia

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Participating Organisations

Australian Capital Territory (ACT)

Communities at Work

Capital Region Community Services Ltd (CRCS)

Northern Territory (NT)

Dementia Australia

Tennant Creek Transport Inc

New South Wales (NSW)

Access Sydney Community Transport

Bankstown Canterbury Community Transport

Bathurst Community Transport

GoCo Care / Gunnedah Shire Council

Kirinari Community Services

Live Better Community Services

Peppercorn Services Inc

Transcare Hunter Ltd

Queensland (QLD)

Burnie Brae

Comlink Australia

Hinterland Community Care

Transitcare

Volunteering Gold Coast Ltd

South Australia (SA)

Australian Red Cross

Bene Aged Care

Community Care and Transport Incorporated

Noarlunga Volunteer Transport Service Inc

Tailem Bend Community Centre

Participating Organisations

Tasmania (TAS)

Community Transport Services Tasmania (CTST)

Victoria (VIC)

Centre for Participation

Community Accessability

EV Strengthening Communities

South East Volunteers

Whittlesea Community Connections

Western Australia (WA)

Astley Care Inc

Chorus Australia

Chung Wah Community & Aged Care

Derby Home & Community Care Inc

EPIS Incorporated

Table of Contents

Introduction

Community Transport (CT) is one of Australia's most essential yet least understood services. Many Australians only discover its importance when they or a loved one urgently need it. **[1]** CT delivers far more than a ride, it is a flexible, person-centred transport solution that keeps older Australians, people with disabilities, and transport-disadvantaged individuals connected to their communities, particularly in regional and remote areas. Through a mix of community cars, wheelchair accessible vehicles (WAVs), buses, and tailored supports, from curb-to-curb and chair-to-chair assistance to translation services, dementia-aware care, and culturally appropriate care for Aboriginal, Torres Strait Islander and CALD participants, CT enables Australians to remain independent, access vital health care, free up hospital capacity, reduce social isolation, and stay actively engaged in their communities.

Yet despite its critical role, CT has long been undervalued and unsubstantiated. Providers are typically reimbursed through a patchwork of local, state, and federal grants, with the largest stream, the Commonwealth Home Support Programme (CHSP) offering a flat subsidy of around $40.41 per trip, regardless of geography, service complexity, or workforce costs. This outdated model has led to providers withdrawing from the market, leaving entire communities, such as **[2]** Tennant Creek, leaving vulnerable people without access to transport, care, community engagement and in some cases, employment.

To address these inequities, the Australian Community Transport Association (ACTA), in partnership with iMOVE Cooperative Research Centre and the University of South Australia (UniSA), developed the National Community Transport Pricing Model (NCTPM). Australia's first data-driven, nationally consistent pricing framework. The NCTPM provides a fair, transparent, and sustainable way to fund CT services, ensuring no one is left behind because of where they live, their level of support need, or the financial viability of their local provider.

[1] Australian Community Transport Association. (2025, August). National Community Transport Pricing Model: Pricing and Policy Arrangements Guide (Version 1.5). Australian Community Transport Association.

[2] Adams, T. (2024, June 28). Tennant Creek Transport ceases operations, citing insurmountable challenges. Australian Rural & Regional News. Tennant Creek Transport ceases operations, citing insurmountable challenges I Australian Rural & Regional News

The Need for Change

The National Community Transport Pricing Model (NCTPM) exposed systemic gaps. **[3]** It revealed that current pricing and policy settings are leaving providers underfunded, participants underserved, and the sector at risk. The key findings are:

a) The average cost of delivering a CHSP-funded community transport trip is approximately $68, which is nearly 70% higher than the Commonwealth's current flat-rate subsidy of $40.41 per trip. This cost gap is being absorbed by under-resourced providers through cross-subsidisation, fundraising, and other ad hoc or creative funding measures an approach that is unsustainable in the long term. Evidence from the NCTPM research indicates that the use of a simple averaging model does not accurately reflect the diversity of operating contexts across providers. Instead, a formula-based funding model is recommended to better capture the true cost drivers of service delivery, including geography, trip distance, client needs, and workforce composition.

b) If providers are supported through a positive development approach, significant efficiencies and improvements can be achieved across the sector. This support should include assistance with change management, particularly in relation to technology adoption, volunteer engagement, and system integration. c)Community transport isn't just about mobility, it enables community engagement, wellness, reablement, independence and access to essential health services.

d) Inconsistent funding rules across states and territories have led to significant inequities and inefficiencies in service delivery. The absence of a standardised national approach prevents accurate measurement of the true cost and value of community transport services.

e) Although volunteers play a valuable and essential role, the current level of reliance on volunteer labour in some organisations is too great to sustain a reliable and consistent service model.

f) Under individualised funding models, such as Support at Home, participants are likely to ration their trips due to limited budgets, in some cases even foregoing transport to essential medical appointments, including dialysis and chemotherapy.

[3] Vij, A., Sun, W., Barrie, H., Washington, L., Cong, K., Faulkner, D., Qian, W., Ardeshiri, A., Coates, M., & Urrutia, D. (2025, July 7). National Community Transport Pricing Model (NCTPM) pilot: Final report. University of South Australia & Australian Community Transport Association.

g) Block funding underpins service equity and sustainability across the community transport network. It ensures coverage in thin markets, offsets high infrastructure costs, and gives providers the stability to plan, innovate, and deliver essential mobility for vulnerable Australians. A performance-adjusted block-funding model is required to maintain this certainty while driving efficiency, without block funding, many community transport providers simply could not keep their doors open.

h) Direct vs. indirect service models have different cost drivers in community transport, yet current funding and policy arrangements treats them the same, ignoring complexity and true value. A better understanding of the human capital components need to be understand through structured research.

i) There is no evidence of adequate pricing or policy settings that reflect the realities of rural, regional, and remote service delivery, where thin markets, distance, and low-density population communities drive significantly higher costs.

j) The NCTPM establishes a fair, transparent pricing framework that prevents cost gouging and rewards providers based on the actual value and complexity of the services they deliver across diverse operating environments.

Project Background

The NCTPM Pilot Project began in late 2023 with ACTA's formal acceptance of the proposal to the Department of Health, Disability and Ageing (the Department), setting out a clear research project plan, change-management plan, policy research questions and key milestones of the research project, in collaboration with the University of South Australia. The project's initial focus was on Commonwealth Home Support Programme (CHSP)-funded community transport services, a cornerstone of equitable aged care access. As the project evolved and results surfaced the project was renamed to reflect its expanded vision: the National Community Transport Pricing Model (NCTPM). The NCTPM is now designed not only for CHSP-funded services, but also to be applicable across Support at Home (SAH), NDIS and other local and federal government-funded programs. To ensure a truly national perspective, ACTA issued an open expression of interest to CHSP providers across Australia. Thirty-three organisations (see appendix 1) were selected, representing every state and territory, diverse business models, service sizes, and operational contexts.

Together, ACTA, UniSA, and the sector's Working Group built a robust evaluation framework to capture the real cost of delivering transport, accounting for:

Figure 1: *NCTPM Project Evaluation Framework.*

These insights informed a nationally adaptable pricing formula and a set of policy recommendations to ensure fair, transparent, and sustainable funding. The project concluded in June 2025, delivering a model capable of shaping the future of community transport in Australia.

Working Group and National Representation

Following ACTA's launch of the Expression of Interest (EOI) process in late 2023, thirty-three CHSP-funded providers from across Australia were selected to form the NCTPM Working Group. The objective was to establish a working group that reflected the sector's diversity across states and territories, service delivery models, organisational sizes, operational contexts, and geographic challenges. These organisations committed to sharing detailed operational and financial data, participating in consultations and interviews, and co-designing the pricing model and policy arrangements. Engagement was exceptionally high: most members consistently joined monthly sessions over 18 months, provided feedback on draft materials, and actively supported the development of advocacy, policy, and pricing model outputs.

As the project progressed, two organisations withdrew due to financial, workforce, and funding pressures. In some cases, withdrawal was followed by the closure of their community transport operations, leaving significant gaps in access to health care, employment, and social participation, as seen with Tennant Creek Transport. Despite these challenges, 31 organisations successfully completed the pilot. This achievement was driven by ACTA's strong facilitation and engagement strategy, which kept the group focused, collaborative, and united.

A cornerstone principle underpinned the process: participants were working together, not competing. Every subject matter expert contributed to shaping a pricing model designed for the public good and for the long-term sustainability of community transport.

Policy Co-design and Sector Collaboration Approach

ACTA and UniSA worked hand-in-hand, while the university maintained its independence, with the NCTPM Working Group over an intensive 18-month period, using an iterative process that allowed the project team to test policy and pricing arrangements under real operational conditions. This approach enabled the collection of robust data, the drawing of clear insights, and the continuous refinement of findings in close consultation with providers.

The success of the NCTPM lies in its co-design methodology. The model's pricing and policy recommendations, now captured in the NCTPM Pricing and Policy Arrangements — were shaped collaboratively by 31 CHSP-funded community transport service providers, ACTA, and UniSA. This partnership ensured that the final model was practical, evidence-based, and capable of delivering actionable, sector-wide solutions (see ***Figure 2:*** *NCTPM Project Co-design Approach Interactions).*

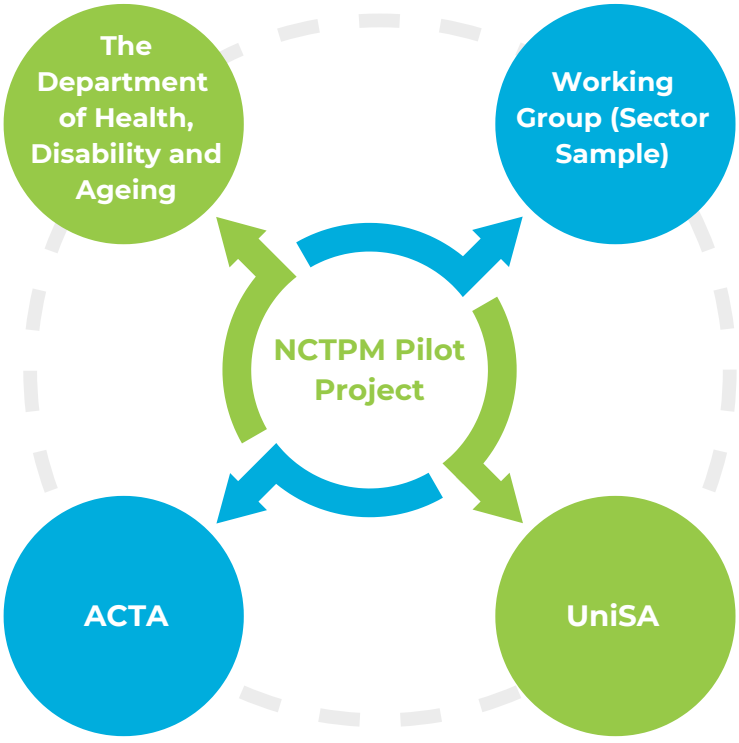


Figure 2: *NCTPM Project Co-design Approach Interactions*

Amplifying Lived Experience: Voices of Consumers, Carers, and Frontline Staff

Behind every community transport service are the voices of people who live it, the participants who depends on it, the carer, who finds relief through it, and the frontline worker who makes it possible. These voices don't just describe the system; they define its purpose. As part of the National Community Transport Pricing Model (NCTPM) pilot, ACTA and the project team conducted a series of workshops and interviews with pilot organisations across Australia to develop 4 case studies focusing on: technology, passenger needs, workforce and regional, remote and rural service delivery challenges. These sessions captured first-hand experiences from service providers, consumers, carers, and frontline staff, and have been embedded throughout this narrative to ensure that lived experience directly informs these research findings. The insights from these conversations highlight what works, what doesn't, and where the system must evolve to remain sustainable and person-centred. Some of the key learnings from this research activity are:

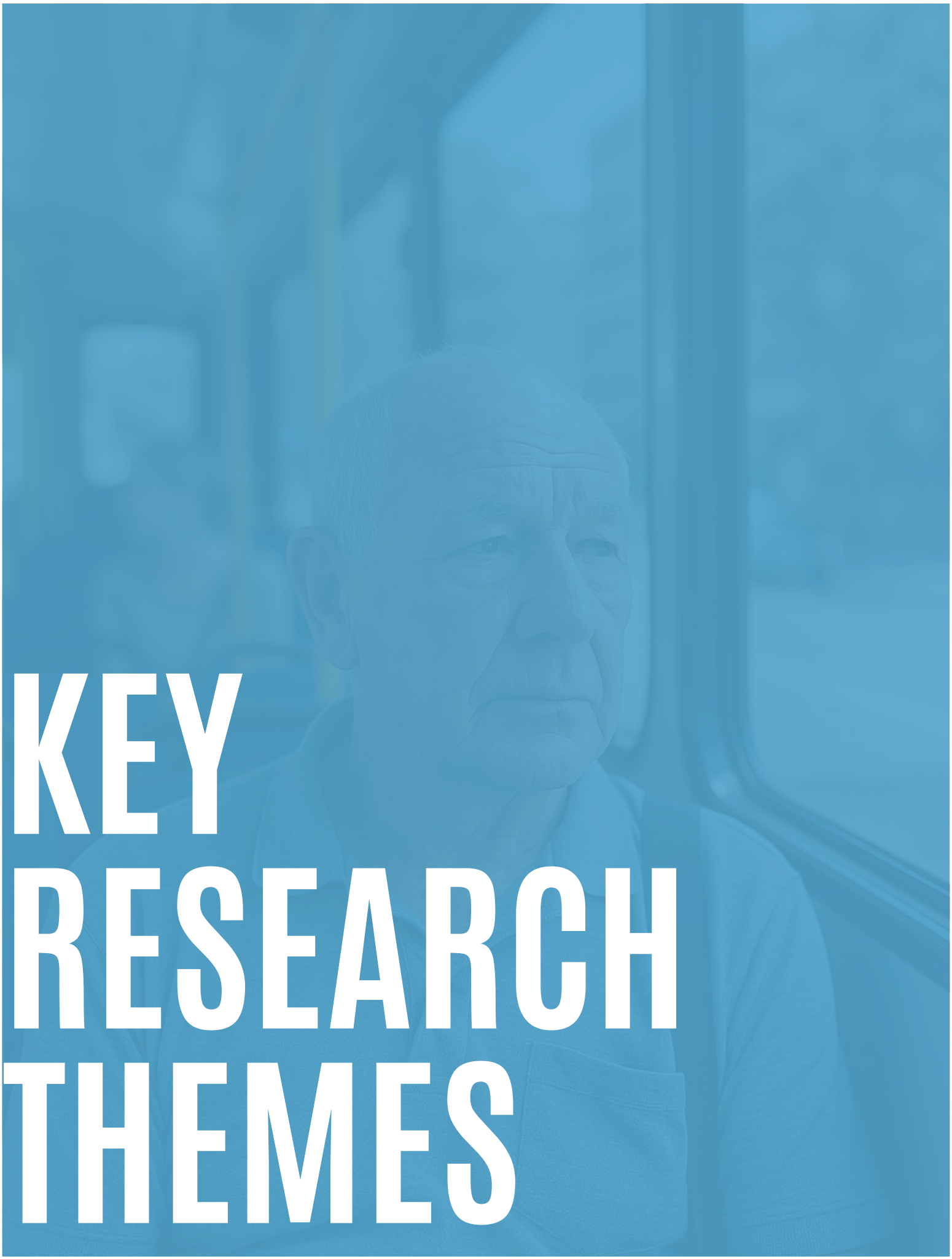
1. Technology in the community transport sector is a catalyst for equity and sustainability. Digital transformation has reshaped community transport, improving efficiency, transparency, and safety, but successful change depends on leadership support, workforce development, and targeted funding for technology adoption, especially in regional areas where workforce training and system access remain barriers.

2. Person-centred service delivery is what makes community transport different. Case study two – passenger needs demonstrated that community transport is more than mobility, and it offers a whole range of holistic care and health services for vulnerable Australians.

3. The human workforce is the foundation of quality and trust. Community transport runs on volunteers and paid staff who provide not only transport but also empathy, welfare checks, and emotional support. The sector's sustainability depends on valuing both workforce types through flexible models, fair funding, and investment in training and wellbeing.

4. Lived experience turns data into direction. Each story on these case studies, from the driver who notices a client's health decline to the carer who finds respite when transport is reliable reinforces the social and economic value of community transport.

5. Community transport fills a critical service gap. In many remote areas, community transport is the only service linking older Australians and people with disability to essential medical care, independence, employment, and social connection. Ensuring the long-term sustainability of the community transport sector is critical to guaranteeing that disadvantaged Australians can access essential services on an equal footing with others.



KEY RESEARCH THEMES

Theme One: The National Variable Pricing Formula (NVPF)

The NCTPM Pilot Project delivered a rich, sector-wide evidence base that shaped the development of a new, fairer funding approach — the National Variable Pricing Formula (NVPF).

Figure 3: *NCTPM Output - NVPF*

Unlike the flat-rate funding model, the NVPF directly links subsidy levels to measurable cost and service level drivers:

1. Trip distance
2. Participant support needs
3. Geography (metro, regional rural and remote)

It features a two-part structure:

- A fixed base fare that varies by participant needs and location.
- A distance-based component that scales funding with trip length.

This design recognises and compensates for key service delivery differences that were previously overlooked. In particular, it adjusts funding for participants who require higher levels of support, whether due to disability, psychological needs, language barriers, culturally appropriate care requirements, or the additional costs of serving rural and remote areas.

As part of this work, ACTA consulted with leading community transport IT vendors and software developers, who confirmed that the formula could be readily implemented within existing backend systems with modest development support. They also advised that, should the Department wish to establish a connection with DEX (Data Exchange), this could be achieved through collaborative development between IT vendors, community transport providers, the Department, and ACTA.

Categories of Support Needs Under the NCTPM (based on ABS definition and MMM):

- **Physical:** mobility restrictions, sensory impairments, wheelchair-accessible transport requirements, acquired brain injury.
- **Psychological:** intellectual disability, dementia support, psychosocial conditions.

- **Language:** communication assistance for participants with limited English proficiency or CALD community needs.
- **Geographic:** trips in rural or remote areas (classified using the Modified Monash Model (MMM) — MMM 5–7 for either origin or destination).

Classification of Participant Needs Under the NVPF:

- Low Needs: No functional requirements in the physical, psychological, or language categories.
- High Needs: Functional requirements in one or more of the above categories.

Example 1:
High-needs participant, metro area, 10 km trip
→ $58.50 + (10 × $1.75) = $58.50 + $17.50 = $76.00

Example 2:
Low-needs participant, rural or remote area, 5 km trip
→ $59.30 + (5 × $1.20) = $59.30 + $6.00 = $65.30

Robust Evidence and Rigorous Data Analysis

The NVPF is built on trip-level data from 31 community transport providers, collected between 2024 and 2025. To ensure a robust evidence base, the project team applied strict quality controls, filtering out trips with unrealistic speeds (below 15 km/h or above 100 km/h) and using GPS-logged trip distances as the most reliable cost measure. After this process, 175,000 trips remained, forming a solid foundation for modelling.

Under the pre-July 2025 CHSP flat rate of $35 per trip, the sector recovers just 52% of its costs, with only five operators covering at least 80% of their costs and just three achieving full cost recovery. Applying the baseline NVPF formula transforms this picture, lifting the sector-wide Cost Recovery Ratio (CRR) to 84%, enabling 17 providers to exceed the 80% threshold and 12 to fully recover costs. Adding a $27 rural and remote supplement drives the CRR even higher to 91% sector-wide and 108% for the average provider with 20 operators exceeding 80% cost recovery and 16 fully recovering or surpassing their costs.

To ensure the model is both fair and financially sustainable, the University of South Australia (UniSA) refined the formula through three deliberate steps: adjusting for rural and remote cost differences to address thin market challenges, testing pricing parameters to find a “sweet spot” between cost recovery and subsidy feasibility, and introducing a hybrid indexation framework to keep the model responsive to inflation and evolving service costs. Together, these refinements produced the final flat-rate pricing recommendations.

Theme Two: Person-centred Care and Community Transport

The NCTPM Pilot Project was designed to identify the true cost of delivering community transport while ensuring that funding arrangements reflect the real needs of participants and support a sustainable, person-centred service delivery. Using a comprehensive dataset (trip-level data, organisational financials, and qualitative interviews), UniSA demonstrated that the cost of providing a CHSP-funded community transport trip is almost double the current flat-rate subsidy. **[4]** The pilot found strong correlations between costs and participant characteristics such as support needs (physical and/or psychological), age cohorts (under 75 and over 90), CALD status, indigeneity, and trip remoteness.

Community transport is a holistic service that provides door-to-door or chair-to-chair assistance, welfare checks, mobility support, and culturally appropriate care. The sector distinguishes between direct services (delivered with providers' own fleet, drivers, and coordination) and indirect services (subcontracted trips, such as taxis). The majority of CHSP trips are delivered as full-service, direct models, which are inherently more resource-intensive but also safer, more reliable, person-centred, and socially valuable. For a complete definition of these service delivery models and categories read the ***NCTPM Pricing and Policy Arrangements Guide***.

Drawing on UniSA's literature review and financial modelling, the pilot confirmed that block funding remains the most fit-for-purpose mechanism for community transport. Unlike fee-for-service models, which reimburse providers only for completed trips, block funding:

- Funding is based on forecasted trip volumes and participant needs, ensuring services remain available even in thin markets or low-density population communities where trip numbers are low but essential.
- Providers have predictable revenue streams that allow them to maintain vehicles, retain trained staff (paid workforce and volunteers), and invest in technology.
- Block funding avoids the costly transactional overheads of invoicing and reconciling every trip, freeing up resources to focus on service quality.

Fee-for-service approaches risk excluding participants with higher support needs or those in rural and remote areas where costs per trip are significantly higher. They also risk creating inequities by limiting access for those who cannot afford to make client co-contributions.

[4] Vij, A., Sun, W., Barrie, H., Washington, L., Cong, K., Faulkner, D., Qian, W., Ardeshiri, A., Coates, M., & Urrutia, D. (2025, July 7). National Community Transport Pricing Model (NCTPM) pilot: Final report. University of South Australia & Australian Community Transport Association.

Participant Story - Why block Funding?

Mary lives in a remote town (MMM 6) and requires dialysis three times a week. Under the new Support at Home Program (SAH), her capped budget might cover only part of her transport needs, leaving her to choose between essential treatments or pay out of pocket, an unrealistic option given the high cost of rural trips.

Under the NCTPM's block-funding model, Mary's transport is allocated based on her assessed health and support needs. Her provider receives block funding tied to forecasted trip volumes, enabling them to maintain vehicles, plan efficient routes, and guarantee that Mary gets to her life-sustaining appointments every week.

Equity arrangements under the NCTPM focus on the number of trips rather than capped budgets. The NCTPM also establishes a consistent approach to price caps for client contributions by using the National Variable Pricing Formula (NVPF) to define a nationally consistent true cost of each trip.

By linking funding to measurable cost drivers such as participant support needs, remoteness, and distance, the model ensures greater transparency and fairness. Under this approach, client co-payments are capped as a proportion of the same cost-reflective trip fare, ensuring that two participants with identical needs and trip characteristics face the same maximum contribution, regardless of their location or service provider.

This principle is critical for older Australians who require frequent, medically necessary travel, recognising that many participants cannot afford high co-payments. Providers retain the flexibility to waive or reduce fees, consistent with the CHSP Client Contribution Framework, ensuring that no one is excluded due to financial hardship.

The NCTPM further recommends adopting a support-needs framework based on functional ability levels. At the time the pilot was conducted, the Integrated Assessment Tool (IAT) was still undergoing refinement. This was followed by the planned implementation of the Support at Home Program in July 2025, which was later deferred to November 2025, making integration into this tool not yet possible. Although the Integrated Assessment Tool (IAT) has been finalised in its initial form, we continue to maintain that aligning pricing with a person's functional needs, such as whether they require additional support beyond what is typical remains the most accurate and equitable approach.

Overview of Community Transport Service Types

Community transport has too often been sidelined in aged care and disability reform — dismissed as simply "moving people from A to B." This narrow view overlooks its true value as a person-centred, community-anchored service that delivers care, connection, and safety.

The NCTPM changes this narrative. It introduces a clear national framework that classifies community transport service types and delivery models, creating a consistent language for understanding how providers operate across Australia.

This evidence-based approach highlights that community transport is not just a logistics function, it is an essential part of the care continuum, ensuring compliance with the Aged Care Quality Standards and enabling older Australians and people with disability to live independently, safely, and with dignity.

For further detail on the framework and service type definitions, refer to the ***NCTPM Pricing and Policy Arrangements Guide.***

Theme Three: A New Definition of Thin Markets for a Changing Sector

The NCTPM recognises that some communities face unique barriers that make standard funding models unviable. **[5]** The Aged Care Taskforce defines "thin markets" as those where service provision is not viable because there are too few participants to attract providers, not enough providers to deliver services, or insufficient workforce availability. ACTA suggests that the sector uses the term low-density population communities to reflect the full complexity of these environments, where geography, demographics, workforce challenges, and providing culturally appropriate care intersect.

Early UniSA analysis found no statistically significant correlation between remoteness and trip cost. However, sector consultation made clear that this finding did not reflect the lived experience of providers and participants.

Following an iterative process of model refinement, UniSA disaggregated provider costs into labour and capital components, removing implausible results and controlling for multicollinearity.

[5] Australian Government Department of Health. (2024). Final report of the Aged Care Taskforce. https://www.health.gov.au/sites/default/files/2024-03/final-report-of-the-aged-care-taskforce_0.pdf

This revealed clear cost pressures in RRR (regional, rural and remote) areas:

- **Labour costs** are likely higher due to workforce shortages, reliance on linear staffing models, challenges in attraction and retention, and a limited volunteer pool.
- **Capital costs** are likely higher due to wear-and-tear on vehicles, more frequent servicing, and shorter asset life due to poor road conditions and long travel distances.
- **[6]** When Aboriginal and Torres Strait Islander communities are served, culturally appropriate care is essential. Community transport often functions as a trusted entry point to other services, requiring investment in staff training, interpreters, and community engagement.

Commissioning services in RRR areas offers a more strategic, value-for-money approach than relying solely on competitive funding rounds. Commissioning is the process by which governments plan, fund, and contract one or more service providers to guarantee access to transport in areas where a purely market-based approach would fail. Commissioned services are co-designed with local providers and communities, culturally safe, and outcome-oriented, ensuring continuity of services for older Australians, people with disability, and First Nations communities, among others. The NCTPM also highlights the critical role of capital inputs, fleet, technology, and infrastructure, in sustaining viable services. Many operators are running ageing vehicles beyond their economic life, which increases maintenance costs and compromises service safety and viability. Technology adoption and training remain out of reach for many providers due to chronic underfunding, which leaves no capacity to invest in digital systems, workforce development, or operational improvements. The NCTPM Pricing and Policy Arrangements Guide recommends a dedicated infrastructure fund to replace ageing fleets, training, and adopt technology to improve efficiency and reporting, especially in RRR areas.

[6] Australian Community Transport Association. (2025, August). National Community Transport Pricing Model: Pricing and Policy Arrangements Guide (Version 1.5).

Theme Four: Long-Term Sustainability of the Community Transport Sector

The National Variable Pricing Formula (NVPF) provides a strong, evidence-based foundation for aligning funding with the real cost of delivering community transport. But a formula alone can't deliver long-term sustainability. Economic modelling from the NCTPM shows that pricing reform must be accompanied by coordinated funding, policy, and program design, developed in partnership with government, the sector, and the people who rely on these services.

Community transport is more than numbers on a spreadsheet; it's how thousands of Australians get to medical appointments, buy groceries, and stay connected to family and community life. To make this possible, the system that funds it must be coherent, fair, and forward-looking.

The NCTPM identifies several critical levers that, if implemented together, can safeguard the sector's future and ensure every dollar invested delivers maximum social and economic impact. Some of the key efficiency gains are:

A) Labour vs. Vehicle Costs: [7] Economic modelling shows labour makes up around 60% of CHSP service delivery costs, compared to 25% for vehicle expenses. While vehicle efficiencies can deliver modest gains, improving workforce efficiency is the single strongest driver of long-term sustainability.

B) Vehicle Utilisation & Technology: [8] Cost savings from vehicle utilisation are real but limited by geography, fleet age, and service models. The biggest efficiencies come from smarter scheduling and trip consolidation. Providers using robust Transport Management Systems (TMS) consistently achieved lower cost-per-trip outcomes. To learn more, refer to NCTPM Case Study One: Technology for detailed insights and provider experiences.

[7] Vij, A., Sun, W., Barrie, H., Washington, L., Cong, K., Faulkner, D., Qian, W., Ardeshiri, A., Coates, M., & Urrutia, D. (2025, July 7). National Community Transport Pricing Model (NCTPM) pilot: Final report. University of South Australia & Australian Community Transport Association.
[8] Australian Community Transport Association. (2024). Driving innovation: Technology's role in enhancing community transport for Australians (Case Study One). ACTA. https://communitytransportaustralia.org.au

C) Optimal Workforce Mix: **[9]** The sector's reliance on volunteers masks a deep structural issue. Modelling shows that a fully paid workforce would push trip cost to around $95 per one-way trip, while a fully volunteer workforce would drop the cost to $30, neither realistic. With CHSP trip subsidies capped at $40.41 (2024–25), the system depends on volunteers to bridge the funding gap. But that model is breaking down. Providers report growing challenges in recruiting and retaining volunteers as new generations approach retirement with different expectations and less time to give. **[10]** The NCTPM recommends a balanced workforce composition of 36% volunteers and 64% paid staff to achieve efficiency gains and financial sustainability.

Efficiency gains through better vehicle and labour utilisation are essential, but they're not enough. Community transport providers cannot transition to more efficient and reliable fleets, adopt Transport Management Systems (TMS), recruit and retain volunteers and paid drivers, or invest in workforce development without targeted, long-term funding. In regional, rural, and remote areas, this need is even more urgent. Every dollar count, yet providers already operating on thin margins simply can't absorb the costs of innovation or change management. Without support, services will continue to shrink, leaving older people and those with disability cut off from medical care, social connection, and community life. The NCTPM Pricing and Policy Arrangements Guide calls for commissioning in low-density population and thin-market communities, technology adoption grants, and capital renewal programs for ageing fleets. These are not extras; they form the foundation of long-term sustainability, grounded in evidence from the NCTPM.

[9] Australian Community Transport Association. (2025). Behind every ride: The people who make it possible (Case Study Three). ACTA. https://communitytransportaustralia.org.au
[10] Australian Community Transport Association. (2025, August). National Community Transport Pricing Model: Pricing and Policy Arrangements Guide (Version 1.5). Australian Community Transport Association.

Theme Five: The Urgent Need for Fit-for-Purpose Contract Arrangements in Community Transport

Current contract arrangements — typically just 1 year — are holding the community transport sector back. Without funding certainty, they can't plan for the future, invest in vehicles or technology, or retain the skilled workforce that keeps Australians connected to healthcare, community, and social participation. As one provider told us during the NCTPM consultation, "We can't offer drivers stability when we don't know if we'll still be funded next year." This cycle of uncertainty undermines the very goals government seeks to achieve, continuity of care, workforce sustainability, and equitable access across Australia's regions. It also drives higher turnover, reactive decision-making, and lost opportunities for innovation.

Equally critical, the Department's current WCI-3 Wage Cost Indexation method has failed to keep pace with the real costs of service delivery. Rising fuel, insurance, compliance, and maintenance costs have far outstripped wage-only adjustments, forcing providers to absorb losses or cut back services.

The NCTPM proposes a fair and evidence-based **[11]** hybrid indexation model, 60% Wage Price Index, 25% ABS Motor Vehicle Operating Costs Index, and 15% Consumer Price Index, ensuring funding remains cost-reflective, transparent, and sustainable over time.

To break the cycle of short-term funding contracts, ACTA is calling for minimum five-year contract terms with annual hybrid indexation. This approach gives providers the confidence to plan, invest, and build workforce capacity, keeping vehicles on the road, volunteers supported, and vulnerable Australians connected. It's not just a financial fix; it's a commitment to long-term community wellbeing and continuity of care.

[11] Australian Community Transport Association. (2025, August). National Community Transport Pricing Model: Pricing and Policy Arrangements Guide (Version 1.5).

Sector Readiness: A Brighter Future for Community Transport

The community transport sector extends far beyond the 31 providers involved in the NCTPM pilot, but their participation in the NCTPM Pilot Project has revealed what the entire sector has been needing for years: a clear, evidence-based pathway for reform. Through co-design and real-world testing, the pilot has shown what works, from shared service definitions and consistent data collection to fair pricing and transparent reporting. It's not just a research exercise; it's a roadmap for national change that will deliver efficiency gains, equity, and sustainability over time, developed with and for the sector. Yet, the sector continues to face critical barriers that threaten its ability to deliver for older Australians, people with disability, and regional communities. Without coordinated policy and funding settings, these challenges will continue to grow:

1. Smaller and regional community transport providers are being left behind in Australia's digital transformation. High implementation and maintenance costs for Transport Management Systems (TMS), compounded by limited internet connectivity and workforce training capacity, make technology adoption out of reach for many.

2. Recruitment, training, and retention of the workforce, especially volunteers are at breaking point. An ageing volunteer base and growing compliance obligations (WWVP, police checks, dementia awareness training) add red tape and costs, compounded by inconsistent accreditation frameworks across states and territories.

3. Current participant fees and means-testing rarely reflect real service costs. This threatens equity of access and forces providers to cross-subsidise just to keep vehicles on the road.

4. Commonwealth and state funding streams remain disconnected, creating inefficiency and uncertainty for providers who deliver essential community transport every day.

5. The lack of sustained collaboration and investment from the Department of Health, Disability and Ageing has limited genuine co-design opportunities and left many providers without the tools, data, or workforce capacity to adapt. This gap has become particularly evident with the rollout of the new Support at Home Program, which has created widespread confusion and pressure across the sector as providers struggle to navigate new program structures and funding rules.