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Why is community transport needed?

Community transport (CT) is used by people who can't access mainstream transport. Many clients are older Australians who have physical, psychological, language, or geographical support needs, often in combination.

The Commonwealth Home Support Program (CHSP) helps older people to stay at home for longer and retain their independence. CT is an important part of the CHSP, providing clients with transport to non-emergency health appointments.

CT is much more than just transport. It connects people to health care and community, and it saves lives. Drivers are a lifeline for isolated and vulnerable people.

> *Drivers are care workers. We don't just do transport. Drivers provide observations and report/identify issues to the care teams who can look at additional supports or reassess.*

In addition, CT saves government resources by reducing pressure on other services and resources like residential and health care.

How are people affected when they can't use CT?

When people can't access CT the impacts are significant and serious. They might not be able to access life-saving medical treatment. They might become isolated in their homes and experience poor mental health. Providers told us that the social interaction between driver and passenger might be the only person-to-person contact the passenger has all week.

> *There's a huge social value that comes with what you do, and it's certainly a whole lot more than transport.*
>
> *It's not just driving people around. It's really looking after them as well.*

The costs of community transport for those needing it.

On average, it costs $68 to provide a single CHSP CT trip. However, this varies, and it might cost much more to support a vulnerable community member with complex needs in regional or remote places. In these places, choices are limited and CT might be the only option to get to a medical appointment.

The current subsidy is on average $35 per CHSP trip, and clients pay a contribution towards their trip. But there is still a shortfall in funding and CT providers often can't make ends meet.

How are these costs funded at the moment? Why is this not sustainable?

CT providers constantly look for ways to streamline their business models. They utilise volunteers, obtain donations, and put off large expenses like fleet replacement and technology upgrades.

Operators work hard to keep costs down, but strategies such as using volunteers and putting off replacing vehicles that are not fit-for-purpose are not long-term solutions. Providers will always need to pay and train staff, purchase, run and maintain vehicles, and cover other business costs

such as rent and insurance. These expenses are crippling some providers under the current system. Many providers told us they are sinking under the pressure.

> *Until we can be funded that we can use paid staff, not volunteers, that the actual cost of the vehicles is included, and the actual cost of insurance, then we'll be lucky to survive.*
>
> *Labour costs are enormous. And the biggest challenge with community transport is you want to maintain a modern fleet.*

What solution do you propose? Why will this be fairer?

Without sustainable funding, the industry will collapse, leaving many vulnerable people without transport to vital medical care.

Our proposed National Variable Pricing Formula (NVPF) is a fairer system. Instead of a flat rate, it links the subsidy to verifiable cost drivers: trip distance, participant needs, and geography.

The formula was developed using operational and financial data from 31 community transport operators across Australia, and detailed trip-level data from over 175,000 trips.

The model does not provide full funding for each trip – the passenger will still need to pay a contribution, and providers will still need to operate efficiently and carefully – but it provides a sustainable, long-term solution that aims to keep CT viable Australia-wide.

Appropriate funding will allow the industry to operate sustainably, adopt fit-for-purpose technology, and replace ageing fleets.

Ongoing reforms to aged care and assisted living, particularly changes to the CHSP and the introduction of the new Support at Home program, make this research extremely timely. Funding CT has never been more important and our NVPF provides a blueprint for a fair and sustainable approach.