

ACTA Submission to the New Aged Care Rules Release 2a Funding for Support at Home program consultation

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Introduction to ACTA

The Australian Community Transport Association (ACTA) is the national peak body for the Community Transport sector. We work with providers and consumers for the greater good of Community Transport users and providers. We have a unique community foundation with over 100 ACTA members being Australian charities and not-for-profits and mission-based organisations that are champions for social impact outcomes.

Community Transport is a specialist service that is informed by a human-rights understanding that all people are entitled to appropriate and accessible transport. It is an alternative to, and distinct from, other forms of public, mass and private transport options. Community Transport provides specialised transport services to those people for whom mainstream options are either inappropriate, unattainable, or otherwise inaccessible. Provider capability is in building and maintaining ongoing relationships with service users that promote insights and backup support to customers' individual health, daily living and social needs, to facilitate a personalised and effective service in support of that person's goals.

Local communities around the country have developed trusted relationships with Community Transport services for over 30 years given our unique offerings as a 'key enabler' for access to community services, maintain health, reducing isolation and increasing mental health.

ACTA Response

ACTA welcomes the opportunity to provide feedback to the New Aged Care Rules consultation – Release 2a – Funding for Support at Home program. ACTA is aware of the many complexities that surround the proposed Aged Care Bill 2024 and is committed to ensuring that older Australians have equitable access to essential transport services that enhance their quality of life and independence. **ACTA notes the level of complexity in the language of the Rules and urges the government to issue the complete set of draft Rules all together rather than in phases.**

Community Transport plays a crucial role in supporting the mobility needs of individuals who may be isolated or face barriers in accessing mainstream transport options. With the growing demand for aged care services and the ongoing challenges posed by geographical remoteness and financial constraints, it is imperative that funding for the Support at Home program adequately covers the true costs that providers face in delivering services.

What is Community Transport

Community Transport is more than just a way to get from point A to point B. Community Transport offers essential door-to-door services for people over 65 or under 65 with mobility, vision, or cognitive challenges. Most of Community Transport effort is directed at eligible aged consumers, placing Community Transport firmly into the category of Aged Care services.

Community Transport helps them maintain independence, addressing transport poverty and gaps in public transportation, especially in rural areas.

Community Transport builds capacity in communities by complementing mainstream market options when individuals are independent and providing crucial support when these options are unavailable or inaccessible. Each Community Transport service offers a unique response to the diverse needs of people living in local communities, tailoring services to meet the specific

needs of users. Unlike rideshare or taxi services, Community Transport provides a variety of supported transport options that foster relationships and a sense of security. This personalised approach not only gives clients greater agency but also contributes to capacity building within the community. These services often incorporate one or more of the following elements:

- **Curb-to-Curb:** Clients are picked up from their driveway or roadside and dropped off at the same locations. While drivers do not enter the home, they assist with mobility aids as needed. This option is suitable for clients who are largely independent and offers a rideshare or taxi-like experience.
- **Door-to-Door:** Community Transport providers pick-up and drop-off passengers directly, escorting them to their front door. Unlike PT, which requires walking to and from stops, this service provides greater assistance. It includes low-level support, such as helping clients navigate stairs, lock doors, or carry necessary items.
- **Chair-to-Chair:** Drivers enter the home to assist clients in preparing to leave, which may include helping with shoes or locking up the home. Clients are escorted to the vehicle and taken to their destination, where they are seated, and drivers advise the responsible person of their arrival. This service is for clients who are able to move independently at their destination.
- **Door-to-Door with Handover:** Clients are picked up from home, escorted to their destination, and handed over to the care of a responsible person or facility. They are then returned home, with the driver ensuring they are secure in the home. This service is designed for clients who cannot move independently in the community.
- **First Mile/Last Mile Handover:** This service helps clients who struggle to access public transport due to distance or mobility issues. Community Transport ensures door-to-door pick-up and drop-off, eliminating the ‘first and last mile’ challenge often faced by those with limited mobility. This service is designed for those with a level of independence and often used for clients in rural and remote areas to access services in metropolitan cities or townships.
- **Supported/Assisted Transport (Social Support Individual):** Drivers pick up clients from home and stay with them throughout their journey, ensuring their safety and assisting with tasks like shopping, social activities, or attending medical appointments. This service is designed for clients with limited mobility or cognitive capacity who require extra support in the community.
- **Group Outings with Driver (Social Support Group):** This service involves picking up multiple clients from their homes or a common destination for social outings. Support is provided on the outing, activities and coordinated and accessible for all. Outings accommodate for all mobility types.
- **Community Shopping Bus:** This service picks up multiple clients from their homes and transports them to a shopping centre. Although clients are generally independent, they may require help with heavier tasks, accessing trolleys or mobility assistance from the home.
- **Community Bus Regional:** Clients are transported from their homes to other towns for medical and health appointments. While they are mostly independent, they may need some support to access services in the community.

Value of Community Transport in aged care

In the language of economics, transport is a derived demand. That is, the demand for transport derives from the demand for other things. Put simply, transport is a means to an end and not an end in itself. As a means to an end, there are many barriers – systemic, institutional, situational, economical and personal - that block the ability to use transport to satisfy one’s needs for various goods and services; in effect, the person is transport disadvantaged.

Community Transport providers know this and know that for ageing persons the need for transport is so much ‘more than a just a trip’ - transport is the glue that holds everything together.

Key advantages of Community Transport to older Australians:

- **Person-centred care:** Chapter 1 of the Bill emphasises person-centred care, supporting services that address the individual needs of elderly users. Community Transport aligns with this by providing safe, reliable transport that helps them retain autonomy and quality of life.
- **Personalised service:** Unlike public transport, which requires passengers to travel to stops or stations, Community Transport provides door-to-door service, enabling frail older adults and people with disabilities to attend appointments, social engagements, and run errands without facing physical challenges. This personalised approach fosters community connection and promotes autonomy.
- **Additional support:** Community Transport staff are trained to provide personalised assistance, helping passengers board and disembark and navigate unfamiliar environments. This support enhances clients' confidence and enables them to participate in activities they might otherwise avoid due to transport concerns.
- **Access to health and community:** Regular access to healthcare and social engagements is crucial for older adults. By removing transportation barriers, Community Transport enables participants to manage their health effectively, contributing to better outcomes and reducing reliance on emergency services. Chapter 2 of the Bill highlights the importance of enhancing health outcomes for older people. Community Transport services alleviate the burden on the healthcare system by ensuring timely access to medical care and preventing health issues that could lead to costly emergency services.
- **Social interaction:** Community Transport provides not only transportation but also opportunities for social interaction. Sharing rides and developing relationships with familiar drivers help combat loneliness and isolation, which are common among the elderly. Chapter 1 of the Bill underscores the importance of social wellbeing in aged care. By facilitating participation in social, recreational, and community activities, Community Transport directly contributes to improved social engagement and mental health, aligning with the broader goals of aged care reform.
- **Safe:** In countless hearings and witness statements the commissioners looking into the Royal Commission into Violence, Abuse, Neglect, and Exploitation of People with Disability heard disturbing accounts of inaccessible transport, and harassment and abuse on public transport options. Community Transport prioritises passenger safety and Community Transport vehicles undergo regular maintenance, and drivers are screened and trained to ensure the safety of vulnerable clients.

- Addresses transport disadvantage: Chapter 3 of the Bill highlights the need for equity in accessing aged care services. Community Transport aligns with this by addressing transport disadvantages for marginalised and isolated populations, ensuring that access to aged care and other essential services is not hindered by geographic or financial limitations.
- Cost-effectiveness: Community Transport excels in aggregating trips, allowing multiple individuals to be transported to different destinations through an efficient pick-up and drop-off schedule. This system contrasts sharply with mainstream providers, which typically manage individual jobs, resulting in lower vehicle occupancy rates. With Community Transport, vehicles often operate with 2-3 passengers per trip, delivering better value for government funding by maximising vehicle use. This efficient scheduling system is a unique feature of Community Transport and offers a significant return on investment, demonstrating the cost-effectiveness and sustainability of Community Transport compared to other services.

Community Transport not only provides critical transportation services for older Australians but directly supports the objectives outlined in the Bill by enhancing their independence, health, and social wellbeing. This Bill focuses on reforms that promote aging in place, active participation, and accessibility to services. Community Transport contributes to these goals by offering tailored, safe, and efficient transportation solutions that allow older Australians to access health appointments, social activities, and daily needs, all of which are crucial for reducing healthcare costs and supporting aged care reform outcomes.

Community Transport Funds

Community Transport is widely regarded by governments as being ‘funded transport’ and therefore not part of the public transport system. Ongoing transport reviews are based around taxis and public transport (buses, trains, etc.) with Community Transport regarded or seen as not part of the solution. Overlooking the capabilities, resources and standard of the Community Transport industry means Community Transport remains underfunded and undervalued, limiting its capacity to provide essential services that could complement and enhance the overall transport service ecosystem. Overlooking the Community Transport sector in transport reviews misses an opportunity to leverage a well-established, safe and efficient network that supports older Australians.

One unique aspect of Community Transport services is the ability to aggregate individual user requirements to create logical shared rides that accommodate each person's specific needs. This shared ride feature is crucial for achieving the social outcomes and policy goals of the Support at Home program.

Direct vs. indirect transport

Community Transport services encompass both direct and indirect transport options. Direct services are those where clients are transported by a worker or volunteer. On the other hand, indirect transport services include trips facilitated through vouchers or similar systems and do not always involve a Community Transport provider directly transporting the client.

Although Community Transport providers primarily focus on direct transport services, some may offer indirect transport options, such as issuing vouchers or partnering with local taxi and

rideshare services. These arrangements often depend on funding availability, regional demand, and partnerships with local transport providers. It is worth noting that while the term ‘vouchers’ was traditionally used, most providers now issue digital cards or CabCharge cards, reflecting more modern practices.

Indirect transport services can also include transporting items for clients, such as medications or essential goods, without the client being a passenger. In these cases, the Community Transport provider arranges for the pick-up or drop-off of necessary items on behalf of the client.

Additionally, indirect transport can involve sub-contracted trips where the Community Transport provider arranges for taxis or rideshare services but pays directly through an account rather than using a voucher. This setup enables providers to offer transportation without the need for clients to handle payment or coordination themselves.

Community Transport providers play an important role in ensuring the quality of these indirect services. For example, providers often follow up with participants who have used taxi services via vouchers or digital cards, ensuring their trip went smoothly and addressing any issues that may have arisen during the journey.

It is also important to note that there are substantial cost differences experienced by different providers for similar services. Individual providers delivering a particular service type may incur higher costs than others. Some providers operating in rural and remote areas and those delivering services to specific populations may face substantial cost differences in the delivery of services.

Recommendation

ACTA urges the government to acknowledge that given Community Transport provides both direct and indirect transport which are to have differing ways of calculating costs which will be difficult to assessors, providers and clients alike, and this error needs to be rectified.

ACTA urges the department to note that the ‘cost’ funding for indirect transport is not just limited to the cost of the voucher but all other associated administration costs as well which have a direct overlap with ‘direct transport’ when looking at CT services. ACTA urges the department to be cognizant of this point when conducting/reviewing cost calculations to prevent future complications.

Provider-based subsidy

The department notes that *the Bill sets out provider-based subsidies to help registered providers meet the fixed costs of aged care services*. To this, ACTA notes that the department needs to first identify what those fixed costs are. ACTA notes that any funding calculation should reflect the actual costs (based on facts and real data) incurred by providers such as all the infrastructure and overhead costs. The base unit price that IHACPA is working on should then align with the variable nature of Community Transport services, accommodating the diverse needs of clients and operational realities. It should consider the variability in demand, particularly in geographically isolated areas where trip distances are greater, and the cost-per-trip is higher.

The department also notes that *provider-based subsidies give registered providers the flexibility to deliver services in accordance to need*. ACTA notes that subsidies should be

calculated based on a demand-driven aged care funding system to meet unmet demand. Such a system would be far more effective not just for providers, but end-users too as:

- It ensures that elderly individuals, particularly those who rely on Community Transport services for their health, social wellbeing, and independence, are not left behind. Demand-driven block funding guarantees equitable access to care for those with the greatest requirements, such as individuals with mobility limitations, chronic health conditions, or geographic isolation. A demand-driven framework allows flexibility in expanding services like Community Transport as public demand grows, ensuring service scalability and responsiveness to the ageing population.
- It would ensure that all trips are assessed based on the individual's overall needs and market demand, not just what is deemed medically necessary. This would increase access to a wider range of transport services, allowing older people to lead more fulfilling and socially connected lives, which ultimately supports their mental and social health.
- It would mean that services could be delivered in a more flexible and responsive manner, ensuring that clients receive the support they need as their circumstances change. For example, someone recovering from surgery might require more intensive transport services temporarily, whereas someone else might need ongoing social trips to prevent isolation.
- It would create more certainty in funding for Community Transport providers. Rather than having to ration services or depend on fluctuating grants or short-term funding pools, providers could rely on consistent funding tied directly to assessed client needs and market demand. This would enable them to plan more effectively, manage their resources, and maintain or expand services without the fear of cuts or reductions in availability.
- It would ensure that all individuals - regardless of location - can access transport based on their assessed needs and market demand, ensuring that geographical inequalities in service delivery are reduced. This is especially important for rural and regional areas where alternative transport options are scarce.

Additionally, the department has stated that the *provider must not charge above the final efficient price*. To this, ACTA notes that without any information on what is defined as 'efficient price' and what they would be in terms of dollar figures, it is impossible for ACTA to provide any valuable feedback on whether this position in itself is justified or not.

Recommendation

For any feedback on funding or pricing to be holistic and useful, the department must first comprehensively identify (with detailed explanations of how all the information on provider-based subsidy costs were gathered and cemented) and represent all associated prices and figures, including operational overheads, maintenance, staffing, and other expenses that are critical to delivering quality (transport) services, and then conduct further consultation.

Block vs Individualised Funding

Fee-for-service funding offers no incentive to any mainstream transport provider or the ageing person to seek to maximise their transport dollars.

The potential risks associated with fee-for-service transport funding include, but are not limited to:

- **Cherry-picking:** An increase in ‘cherry-picking’ of clients and trips, like what happens in public transport options may occur. For instance, some providers might refuse short trips or decline to transport individuals in wheelchairs due to the extra effort required.
- **Reduction in CT providers:** A decrease in the number of CT providers may further limit the options available to older adults for transport services.
- **Diminished wellness and reablement:** This financial limitation may lead to a decline in the wellness and reablement of older adults, evidenced by increased occurrences of missed appointments, higher Medicare expenditures, more hospitalisations, and potentially greater demand for various aged care services.

ACTA contends that fee-for-service funding will result in greater inequity of access to important life activities, such as medical appointments, shopping and engaging with the community. Under the current Bill, senior Australians have a dollar value package that they must fit all services into. Restrictions on fixed monthly fees based on package levels and redistribution of overhead costs mean people already fully using their package will pay more, so will be able to afford fewer services. It is our experience that people have to ‘trade-off’ between core services and services such as transport. This may make sense in the short-term, but over the longer-term, when medical appointments are being missed due to a lack of transport, premature health decline sets in, leading to more clinical service needs that consume more of their package. This means that transport cannot be accommodated into their package and the downward spiral continues. Community Transport must be a standalone service that people can access when they need it and stays uncapped.

Additionally, without block funding, Community Transport providers are unable to efficiently manage their vehicle fleets because of the large capital requirements to purchase and replace them and the significant cost of operating capital. A modified vehicle will cost approximately \$120,000 to purchase. Once on the road, not only are ongoing costs such as fuel, maintenance and insurance required, but the specialised equipment, such as a wheelchair lift must also be regularly serviced. This is even more difficult in rural and remote areas where the individual funded trips may not be covered by the demand that exists in these locations. A parallel example could be given using the fire truck in a small town. It is not needed every day, but when the community does need it, it needs to be ready to go. But every day the cost of having that infrastructure available and ready must be paid. The fire truck is block-funded, not paid for each fire it attends. Thus, ideally, ACTA would like Community Transport to sit outside ‘transport’ in the Service list like with the case for home modifications and assistive technology.

Recommendation

Any future funding to Community Transport providers must be block-funded to cover high levels of infrastructure costs and meet unmet demand. A block-funded model (or a hybrid of

block-funding) is imperative to ensure Community Transport providers can deliver critical services without facing the constant uncertainty of grants and individual assessments.

ACTA reiterates that Community Transport needs to sit outside ‘transport’ in the service list like with the case for home modifications and assistive technology and funded accordingly. A standalone service that people can access when they need it and is kept uncapped.

Thin market grants

While ACTA is glad that the department understands the thin market struggle, we note that access to the \$300 million thin market funds is limited to a competitive grants process. Two-year thin market grants are insufficient time and funding-wise to recover costs and maintain sustainable operations. Competitive grants often disadvantage smaller or rural providers, as they may lack the capacity to compete against larger organisations or even have the capacity to apply for these grants at all. Large organisations that provide a variety of services can offer cheaper Community Transport services due to economies of scale, which allow them to distribute overhead costs such as across multiple service lines. In contrast, organisations providing only Community Transport services may incur higher operational costs because of their limited focus and reliance on specific funding streams, making it challenging to offset expenses.

Funding for thin markets should not be done via a competitive grants process, rather, ACTA emphasises the need to identify the ‘fixed’ costs associated with thin markets and advocate for these to be included in the total cost calculations which are funded through block funding rather than ad-hoc supplementary grants.

Recommendation

Any costs associated with thin markets must be identified and incorporated into total trip cost calculations. Providers should not be required to navigate a competitive grants process to secure funding that addresses these additional costs – either a provider needs the funding or does not. Direct commissioning can provide financial stability for service providers, allowing them to plan and operate without the uncertainty associated with grant applications or competitive funding processes.

This approach would ensure that providers receive the necessary resources to effectively meet the needs of their communities. By providing block-funding, the government can promote equity in service availability and enhance the sustainability of Community Transport services, allowing providers to focus on delivering consistent, high-quality support rather than navigating complex grant application processes. This model would also enable providers to plan and manage their operations more effectively, ensuring that transport services remain accessible to those who need them most.

Additionally, it is essential to address the challenges posed by thin markets, where there may be insufficient supply or even a complete absence of market options.

Lessons from NDIS

The current service framework - for instance with the CHSP - empowers clients to tailor their supports, accounting for individual needs. Following a similar structure as NDIS of fee-for-

service funding, price caps, and making lists of services that will and will not be government funded ('inclusion and exclusion' lists) risks limiting this flexibility and excluding essential services that are critical for many clients' wellbeing. It takes away the client's ability to use their NDIS funds to meet their needs in a cost-effectively way and puts unnecessary administrative and financial stress on providers.

We understand that poorly managed providers may put consumers at risk and the influx of large unregulated providers motivated by profit has raised concerns about potential exploitation of vulnerable clients, with many of them charging exorbitant fees (price gouging).

However, if the government insists on implementing pricing limits within a block-funding model, benchmarks can serve as guidelines for what constitutes fair pricing for services but does not impose strict limits on what providers can charge. By not implementing price caps, providers have the freedom to adjust their pricing based on actual costs and market conditions. This flexibility allows them to respond to changes in demand or operational expenses without being restricted to a maximum charge.

Recommendation

ACTA urges the government to take notice of the NDIS experience, and the issues highlighted in the NDIS Review that should not be duplicated here. If the department's goal is to integrate all the programs under aged care and NDIS in the future, then it is imperative for them to not make the same mistake again and consult industry extensive and really understand what works and what does not.

Additionally, ACTA recommends establishing price benchmarks for services instead of price caps in a block-funded system.

Workforce Funding

Relying on volunteers is unsustainable due to declining volunteer numbers; future models should fund for paid staff to manage complex client needs.

ACTA notes that current aged care pricing assumes an increase in volunteer numbers, but data shows a decline in volunteers, making this assumption incorrect and model unsustainable. In any future funding aged care model, a significant number of paid staff should be incorporated to manage the complex needs of clients. Thus, future funding should focus on transitioning to a mixed workforce, with an emphasis on paid staff for roles involving long-distance driving, physical assistance, and strict safety requirements. In remote and regional areas, where workforce shortages are more acute, additional funding should be allocated to support the implementation of a paid workforce model.

Additionally, many existing volunteers, particularly older individuals, are not interested in gaining new skills through micro-credentials or career pathways; they often volunteer for social reasons and are typically of retired age. This nuance needs to be reflected in future workforce planning and funding models.

Addressing Complexity and Improving Clarity

The language used in this release is incredibly complex, making it extremely difficult for individuals, especially older adults, to understand their rights and how they are affected. Even

we, as a peak body, struggle to provide useful feedback to the department, especially given that the rules are being released in stages and are fairly challenging to interpret and keep up with.

We are also hearing that government advice channels for both providers and end users have been slow, adding even more confusion and stress for everyone involved.

Recommendation

ACTA stressed the need for the department to ensure that future releases are written in clearer and simpler language, with consultation papers clearly identifying what feedback is being sought.

Additionally, the government must provide regular briefings to the industry and service providers, and ensure that there are simpler, more accessible mechanisms for obtaining advice and support. Only then can we ensure that the end users—who these changes are meant to benefit—actually experience the improvements intended by these new rules.

Transition period and support

ACTA would also like to note providers will need to make substantial adjustments to their business models before the launch of the Support at Home program. Implementing a funding model that has already proved to be highly problematic and publishing price controls too hastily risks causing significant disruption to services.

Changes coming into effect on 1 July 2025 will leave providers little time to adapt and transition smoothly. Managers are already urged to communicate these impending changes to their staff, even though they themselves may not have a complete understanding of what to expect. It is crucial that staff feel informed and capable of assisting clients as they move to the new program.

Recommendation

The government must establish a 12-month transition period starting on 1 July 2025 and allocate adequate funding and resources to providers, ensuring that they are thoroughly across the regulatory and legislative changes and can deliver high-quality services.

ACTA urges proactive and thorough engagement with the sector prior to the transition. This will help ensure a smooth reform process, minimise uncertainty, and address potential challenges as they arise.