

ACTA Submission to the New Aged Care Rules Service list consultation

31 October 2024



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Introduction to ACTA

The Australian Community Transport Association (ACTA) is the national peak body for the Community Transport (CT) sector. We work with providers and consumers for the greater good of CT 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.

CT 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. CT 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 CT 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 1 – Service list. ACTA is very 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 looks forward to the release of the complete set of draft Rules and urges the government to issue them all together rather than in phases.**

CT 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 the service list reflects the diverse and evolving needs of our communities.

What is community transport (CT)

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

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

CT 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 CT 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, CT 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:** CT 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 PT due to distance or mobility issues. CT 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.

CT 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 CT 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. CT aligns with this by providing safe, reliable transport that helps them retain autonomy and quality of life.
- **Personalised service:** Unlike public transport (PT), which requires passengers to travel to stops or stations, CT 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:** CT 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, CT 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. CT 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:** CT 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, CT 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. CT prioritises passenger safety and CT 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. CT 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:** CT 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 CT, 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 CT and offers a significant return on investment, demonstrating the cost-effectiveness and sustainability of CT compared to other services.

CT 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. CT 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.

Service list – ‘Transport’

ACTA would like to note the following points for the section on transport:

1. Direct vs. indirect transport

CT 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 CT provider directly transporting the client.

Although CT 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 CT 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 CT 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.

CT 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 important to note that 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.

Recommendation

ACTA urges the government to acknowledge that given CT 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), **CT needs to sit outside ‘transport’ in the service list like with the case for home modifications and assistive technology.** A standalone service that people can access when they need it and is kept uncapped. **Any future funding to CT 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 CT providers can deliver critical services without facing the constant uncertainty of grants and individual assessments.

2. Subsidy basis – ‘unit price’ (based on \$ per trip)

ACTA understands the department’s decision to designate direct transport provision with a subsidy base unit price based on \$ per trip.

It is 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 notes that this metric should accurately 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 should align with the variable nature of CT 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.

3. Subsidy basis – ‘cost’

The term ‘based on cost’ requires further clarification. It is important to define the specific costs that can be claimed for subsidy.

ACTA seeks further clarification on the following:

- Does ‘cost’ refer to the actual operating costs incurred by the service provider, and does this include overheads such as vehicle maintenance, fuel, and wages?

- Are there any caps or benchmarks on what can be claimed under ‘cost’? For instance, will there be limits on reimbursement for particularly long trips or high-cost regions?

Recommendation

ACTA urges the department to ensure 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. Establishing clear guidelines for cost calculations will ensure transparency and prevent potential disputes.

4. 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 CT services due to economies of scale, which allow them to distribute overhead costs such as across multiple service lines. In contrast, organisations providing only CT services may incur higher operational costs because of their limited focus and reliance on specific funding streams, making it challenging to offset expenses.

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.**

5. Service categories

ACTA has observed that some providers find the service categories unclear, leading to confusion about which services they need to be registered for and how to apply charges. For instance, CT is used for shopping assistance, which falls under 'Domestic Assistance,' and it is also utilised for 'Social Support and Community Engagement,' both of which are to be billed on a '\$ per hour' basis.

Recommendation

ACTA urges the government to provide clearer guidelines on what is considered a CT service and what is not. For instance, a client who is picked up from the entrance of their home and dropped to the entrance of a supermarket and then picked up again from the entrance of the supermarket and dropped to the entrance of their home would charge the client based on \$ per trip. This is a standard CT service. However, some CT providers also provide the add-on service of assisting the client with shopping (such as moving the trolley in the supermarket). Those providers should be able to charge the client based on \$ per trip for the transport aspect

of the service delivery but also for the \$ per hour domestic assistance service. This distinction needs to be clearly outlined in the service list to avoid confusion for providers and clients. **Based on that, the department must also outline clear guidelines on how that affects provider registry for these services.**

Thus, we can already see that many of the services in the service list seem to overlap or have ambiguous boundaries. Although contained to the service list now, such ambiguities can lead to confusing pricing recommendations, which will then lead to insufficient funds for providers and end users. This will worsen if services are then categorised into inclusion and exclusion lists for funding purposes as done within the National Disability Insurance Scheme (NDIS). This again reiterates the point that CT needs sit as a standalone, uncapped service.

6. 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 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.

Recommendation

ACTA urges the department to learn lessons from the NDIS experience. 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 consult industry extensive and really understand what works and what does not. Overlapping and ambiguous 'in and out' lists which are capped do not work and only cause confusion for everyone involved.

7. 'Usual activities'

The term 'usual activities' lacks clarity and may be interpreted in various ways. Are there specific guidelines or limitations, particularly concerning recreational and social outings?

Recommendation

A more precise definition is essential to ensure that CT services can adequately support a broad range of activities, including social, recreational, and medical appointments. The department should clarify whether there will be a standardised list of activities classified as 'usual activities' or will this be determined on a case-by-case basis. Additionally, it is important to clarify whether 'usual activities' can be determined by the service provider or the individual receiving the service.

8. Subsidy exclusion

ACTA would like further clarification on whether the exclusion of 'professional transit services' also applies to CT providers who employ paid drivers.

Recommendation

ACTA encourages the government to ensure that CT providers are not excluded from the definition of professional transit services as this could lead to increased operational costs, forcing providers to raise service fees or reduce service offerings, thereby limiting affordability and accessibility for clients.

Additionally, CT providers might face challenges in maintaining service quality and compliance with regulations that apply to professional transit services, which could further affect their ability to deliver essential transportation support.

Clarification on this issue is crucial to help CT providers assess the potential operational impact and ensure they can continue serving their communities effectively.

Further consultation

Alongside a lot of missing information throughout the service list such as loading type and loading amount, ACTA notes that the consultation paper indicates that the base unit price for direct transport will be specified ‘later’, making it challenging for ACTA to provide detailed feedback at this stage. **The lack of clarity around the price point hinders our ability to assess its adequacy in covering both direct and indirect costs incurred by CT providers, and whether the very division of transport into ‘direct’ and ‘indirect’ is justified.**

To ensure that the concerns and realities of CT providers are adequately addressed, **ACTA is actively liaising with the Independent Health and Aged Care Pricing Authority (IHACPA). ACTA believes that to ensure funding reflect all associated costs, service list prices should be implemented as a benchmark for the sector rather than price caps.** Through our ongoing discussions, we aim to communicate the full scope of costs related to CT services, advocating for a pricing framework that truly supports the sector and meets the needs of those relying on these vital services.

Recommendation

While ACTA notes that information in column 3 of the table is not part of this instrument, for any feedback on the service list to be holistic and useful, the department must first comprehensively identify (with detailed explanations of how all the information was gathered and cemented) and represent all associated costs in the service list, including operational overheads, maintenance, staffing, and other expenses that are critical to delivering quality (transport) services, and then conduct further consultation.

Transition period and support

ACTA would also like to note that the government’s proposed timeline for publishing initial prices in November and detailed pricing in February 2025 is insufficient, considering the adjustments providers need to make to their business models before the launch of the Support at Home program. Implementing 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 they 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.