

A sustainable funding model for community transport

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Structure

1. Background and ACTA brief
2. Equity and other funding issues for CT
3. Analysis and development of the model



Picture source: <http://www.wdassociates.com.au>

Background

- Prompted by the Commonwealth's introduction of CHSP
- Verso overview study of community transport* (CT) identified a number of issues requiring further work – including funding
- A related study on fees was commissioned at the same time



- DSS stipulated that the ratio of funding:fees overall should be 85%:15%, in other words funding should make up 85% of the cost of meeting the need for CHSP community transport services

- TPM completed all deliverables to ACTA according to timetable in March 2015

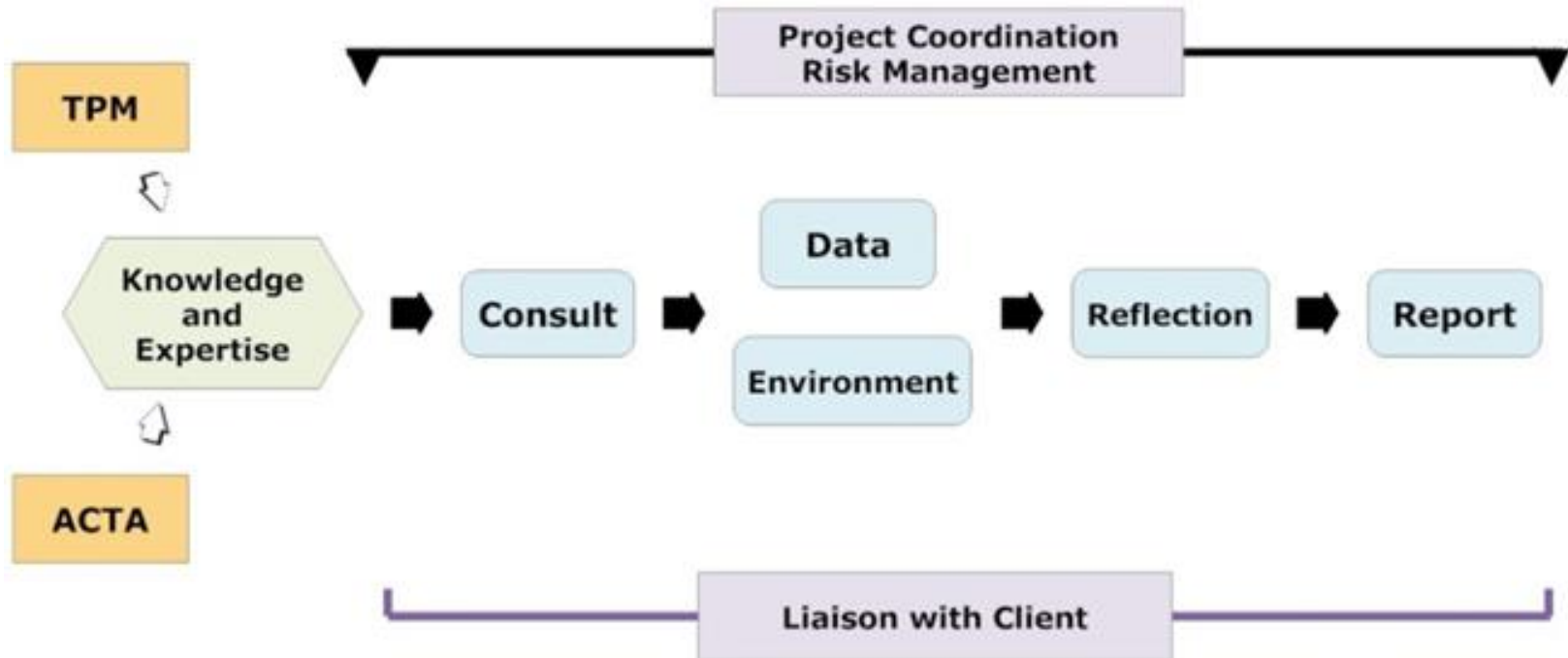
Picture source: <http://www.sewoedu.com.au/australian-life-2/currency>

* Published by DSS June 2014, available at http://www.dss.gov.au/sites/default/files/documents/06_2014/transport_final_report_3_june_.pdf

The brief for this work

- July 2014: ACTA commissioned by DSS to manage the work , TPM commissioned by ACTA to do the work
- Deliverables for the funding study:
 - Documentation of current CT provision by state and geographies – delivery models and delivery options;
 - Estimation of CT unit costs (“per km”) for different geographies, models and options;
 - Identification of options for funding for different trip lengths in different geographies;
 - Analysis of options for measuring CT outputs;
 - Examination of how the funding model will ensure equity of access for clients
 - Proposal for ensuring sustainability of the funding model
 - Recording of best practice examples that are identified in the research

Broad methodology



Equity and other funding issues

- Current problems with HACC CT funding
 - Defining ‘community transport’
 - Estimating the need for CT
 - Understanding community transport costs
 - Health-related transport
 - Remote communities
 - Equity in the distribution of HACC CT funds
 - Measuring outputs and outcomes
 - “Hidden” CT and cross-subsidies
 - Funding related activities (e.g. travel training and regional information provision)

- It’s a multi-dimensional problem...



Picture source: <http://www.scribendi.com>

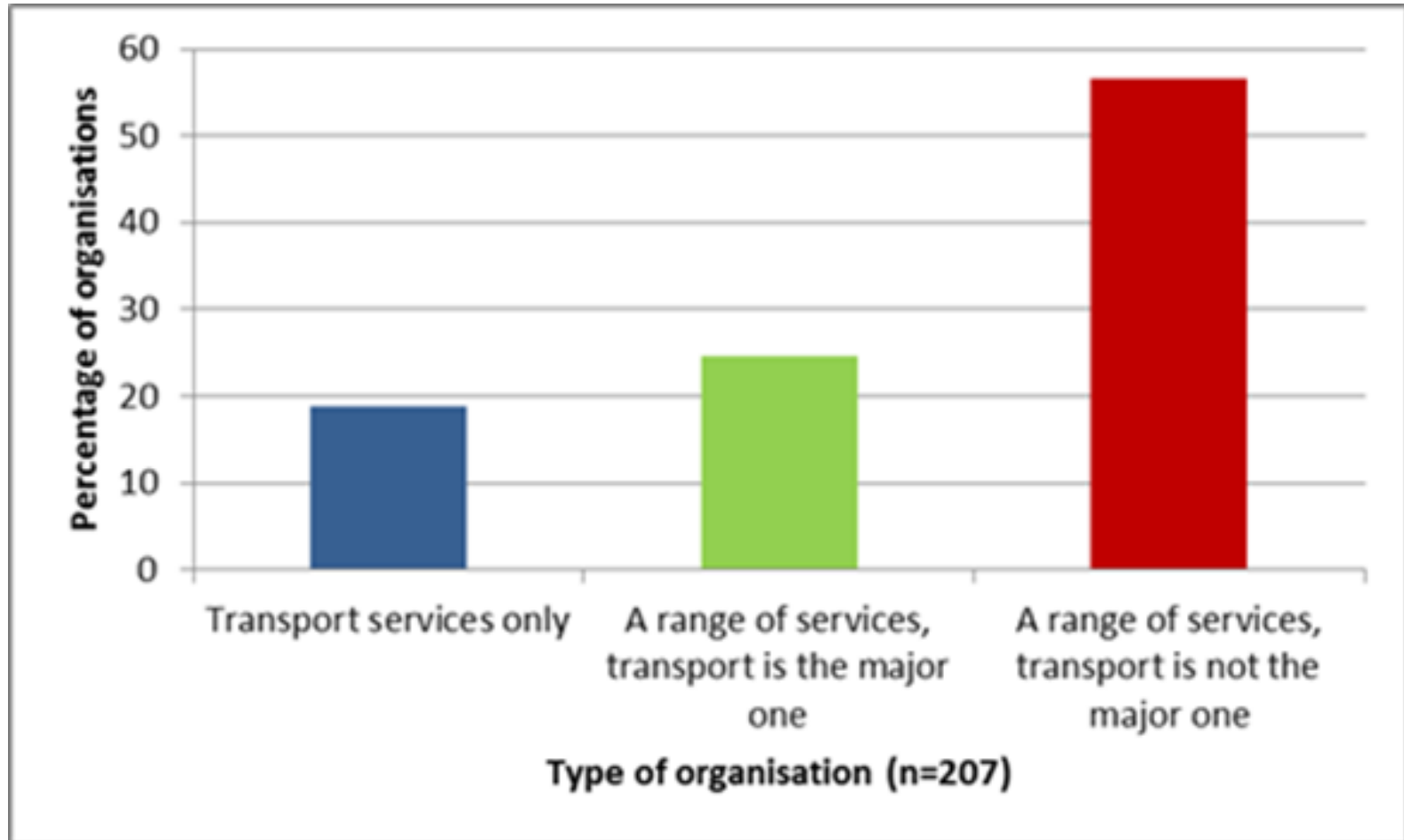
Defining the scope of CT

Visible HACC CT funding is less than half of the total

Program	HACC Service Group	Transport Estimated Allocation*	Estimated Transport \$
HACC Transport	7	100%	\$113,300,000
HACC Social Support	1	35.9%	\$53,500,000
HACC Respite	1	19.6%	\$14,300,000
HACC Linkages - Aged Care (Vic Only) 10%	2	10%	\$3,000,000
HACC Centre-based Day Care (excluding WA)	4	34.5%	\$61,600,000
HACC Case Management and Coordination	2	9.7%	\$6,100,000
HACC Estimated Transport			\$251,800,000

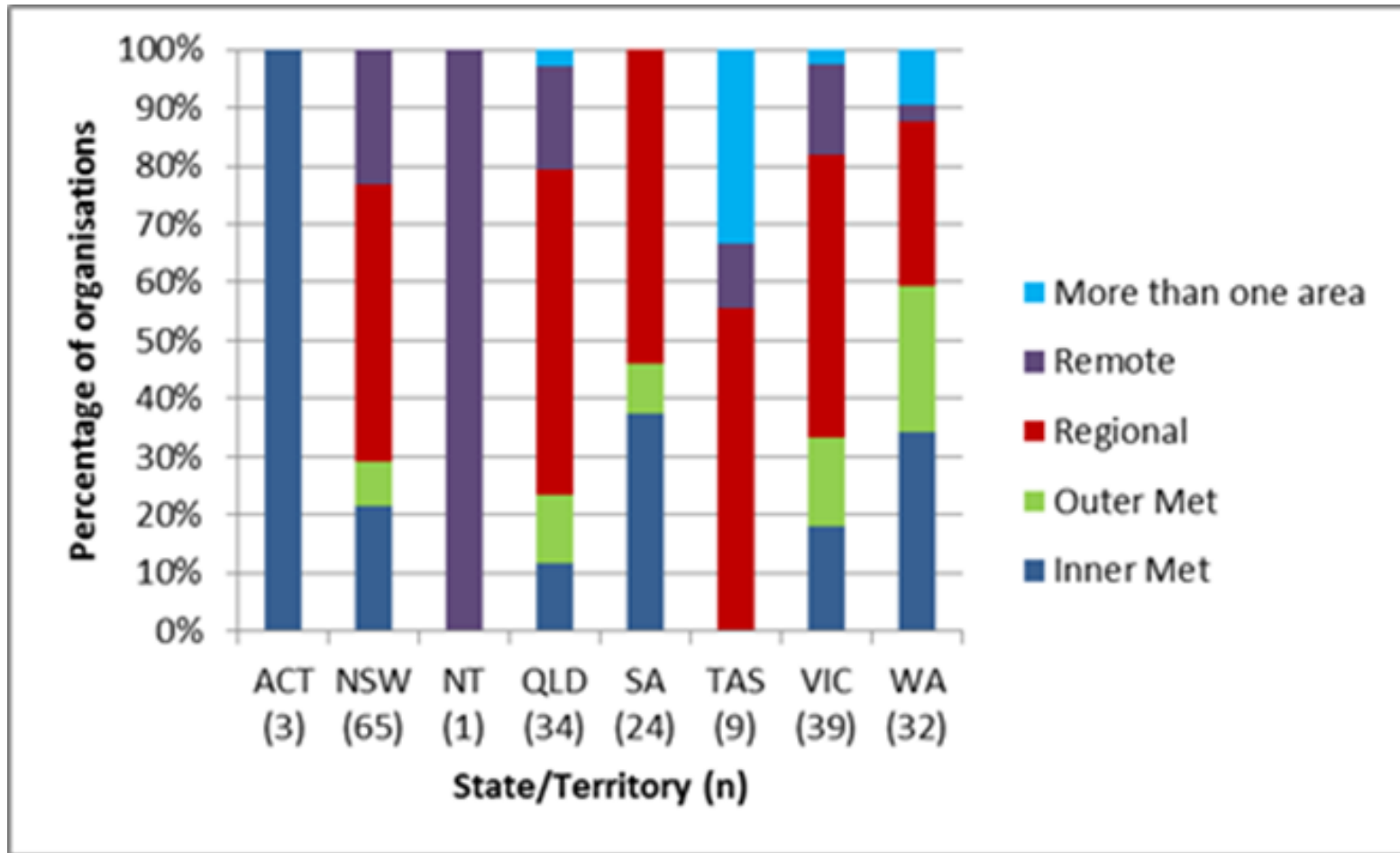
Source: Verso (2104) National Review of Community Transport under the HACC program, Table 3

Funding issue - types of organisation that provide CT



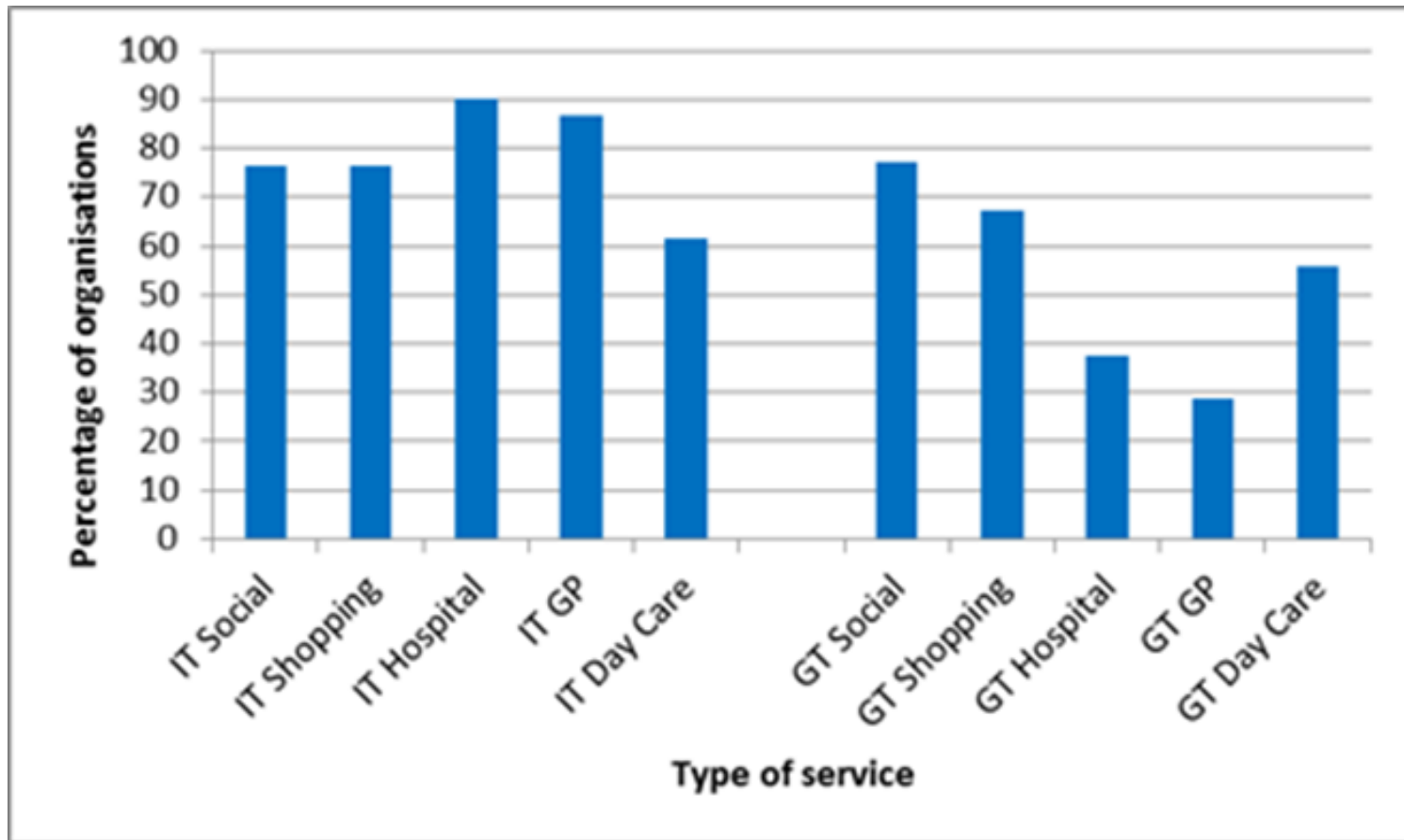
Source: TPM survey for ACTA fees/funding advice studies, November 2014

Funding issue - types of area served by CT



Source: TPM survey for ACTA fees/funding advice studies, November 2014

Funding issue - CT services provided by different operators

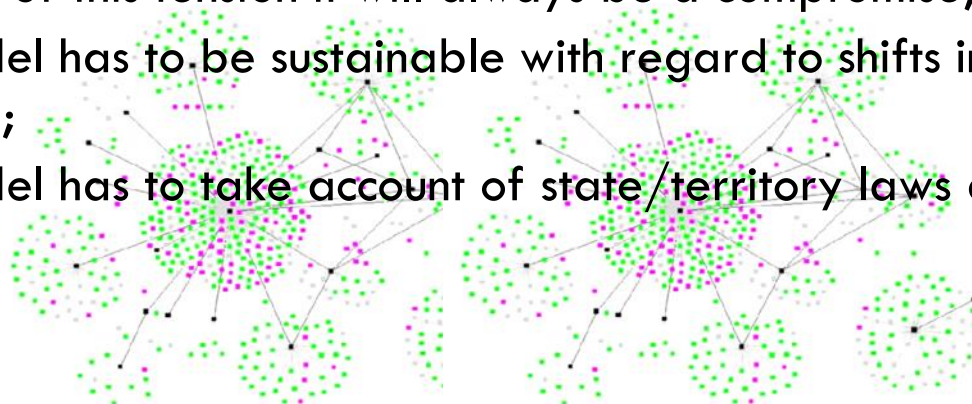


Source: TPM survey for ACTA fees/funding advice studies, November 2014

Analysis: funding model essentials



- CT funding has to cover approximately 85% of costs overall;
- CT costs in an area are a function of
 - The total need for CT services in the area, which can be estimated
 - The unit cost of providing services in the area, which again can be estimated;
- The model has to draw a balance between complexity (to address equity issues) and simplicity (to ensure transparency and usability). Because of this tension it will always be a compromise;
- The model has to be sustainable with regard to shifts in demand patterns;
- The model has to take account of state/territory laws and policies.



Analysis: modelling issues

Estimating demand for CHSP CT services

- a variety of census and other population data used to develop a geographically based model of need
- Requirement was to use data that are available at small geographical levels so that need can be estimated for any configuration of operating areas

Estimating CT unit costs

- Research for this study, especially through the research group, added to our understanding developed previously and for the fees study
- A key difficulty was choosing definitions of the geographies within which to estimate costs



Picture source: <http://clovermoore.com.au>

Analysis: some practicalities

Block funding or not?

- Fairly unanimous feedback from operators in favour of block funding because it gives the certainty necessary to make CT sustainable
- No funding model based on estimates will be perfect, so funding distribution has to be flexible to allow for estimating variations. Block funding is not good at this.

It may be better to fund some CT issues regionally

- Mixed views on this from the consultations
- We think there is a case for some funding based on (unspecified) regional geographies

Health related funding: a grey area

- Consultations all agreed that this is a growing problem for CT
- The funding mechanism has to include cooperation between Federal and State governments to resolve the issue

Conclusion

We believe that the model we have proposed

- fits with DSS policy;
- Provides for equity of access to CT services across different areas in different jurisdictions and with different population structures;
 - Provides clarity for governments and CT operators;
 - Is robust and flexible enough to serve into the future;
 - Will provide a stable platform for operators to meet local needs;
 - Does not stifle innovation for new ways to deliver CT services.



Picture source: Good Neighbours Community Transport: <http://gnctwhitby.org>