

10.2. Community Transport - comparative Councils report

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ATTACHMENTS	NSC/CCT Community Transport Contract
CSP LINK	<p>Outcome 2 – A connected and socially inclusive community where everyone is valued S1. Deliver and increase awareness of community events, programs and activities that strengthen and enrich meaningful connections</p> <p>Outcome 4 – A connected LGA where safe, active and sustainable travel is preferred T1. Deliver infrastructure and programs that support healthy and active travel</p>

PURPOSE:

The purpose of this report is to provide a summary of Council’s current community transport funding arrangements and recommend an alternative and more sustainable future funding model for the service.

EXECUTIVE SUMMARY:

- Acknowledging the current financial constraints, and a need to limit future rating increases, Council is currently reviewing all services and budget allocations.
- Council is currently, and has historically, invested significant funding and resources into community transport, particularly in comparison with other Councils.
- Council’s funding model has not changed since the advent of the Commonwealth Home Support Program was introduced in 2015 which represented a significant policy shift in the aged care industry and introduced various age care programs and funding pathways, including transport services.
- It is recommended that Council adopt a more cost-effective grant-based funding model for community transport, aligning more closely with the transport programmes of neighbouring councils whilst still supporting the most vulnerable and transport disadvantaged members of our community. This is recommended to be developed during 2025/26 and reported to Council for endorsement.
- Following an internal review of historic usage patterns and costs, this report recommends that a budget of \$100k be maintained for community transport, along with the provision of one bus for full use and ownership of Community Connect Transport (CCT). The budget is to be allocated as a grant of \$50k to CCT, and a grant of \$50k to Crows Nest Community Centre for the purpose of transport services.

- This proposal will equate to an annual saving to Council of approximately \$74k in transport charges and \$60k in plant and equipment whilst continuing to support the most vulnerable and transport disadvantaged members of our community.
- Further, it is recommended that to support the transition from current contract arrangements, that the new model be implemented 1 January 2026, allowing CCT and their clients time to transition where necessary.
- Should Council wish to discuss this report it is noted that the attached confidential document includes information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business. Further, release of the information would on balance be contrary to the public interest as publication of all tendered amounts would discourage potential tenderers from submitting commercial information in future and would affect Council's ability to obtain value for money services. As such should this matter be discussed it should be considered in closed session.

RECOMMENDATION:

1. THAT Council note the current community transport contract has reached the end of its term and prior to tendering for a new contract, a review of community transport provision has been undertaken.

2. THAT Council support an annual grant of \$50,000, to Community Connect Transport, to address identified gaps in CHSP-funded transport delivery, to transport disadvantaged residents, as outlined in this report (Flexi Cab and Easy Rider Services), with the grant to commence on a pro-rata basis from 1 January 2026.

3. THAT in 2025/26 Council sell one of its three buses, allocate in perpetuity through transfer of ownership, the largest (24-seater) for the exclusive use of Community Connect Transport, and retain the third for Council operations.

4. THAT Council continue the current contract conditions until 31 December 2025 (on a pro rata basis) to allow CCT and their clients time to transition where required.

5. THAT Council support one-off grant funding of \$50,000 in 2025/26 to the Crows Nest Centre for the purposes of providing community transport to ensure the continuation of services for high-dependence users, commencing on a *pro-rata* basis from 1 January 2026.

6. THAT Council note its previous resolution to undertake a comprehensive review of community grants and subsidies and develop a Community Investment Framework, and request that community transport needs be considered as part of this review.

7. THAT Council continue to work with Community Connect Transport, to assist with communication and transition of their client base to the new model.

8. THAT Council resolves that the identified attachment to this report is to be treated as confidential in accordance with section 11(3) of the Local Government Act for the following reason under section 10A(2) of the Local Government Act:

(c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business

It is further noted that release of this information would, on balance, be contrary to the public interest as publication of all tendered amounts would discourage potential tenderers from submitting commercial information in future and would affect Council's ability to obtain value for money services.

Background

For over 30 years, North Sydney Council has funded the delivery of a community transport service through local provider, Community Connect Transport (CCT). The current contract assists transport-disadvantaged residents of the North Sydney LGA to access transport services to improve their wellbeing and reduce social isolation. Transport-disadvantaged individuals include older people, people with disabilities, low-income individuals, young people, and others in the community.

Council's contractual arrangements with CCT were to conclude on 1 July 2025. In preparation for the end of this contract, and potentially a new tender for services, Council conducted an internal review of its community transport arrangements to explore future options. The review revealed that Council's funding model for community transport services is unique when compared with other local government areas. It also found that the terms of Council's contract have remained largely unchanged for over three decades. This is significant, given the substantial changes in state and federal funding for community transport during that period - changes which have prompted other councils to revise, cease, or change their funding models for community transport services.

This report provides background on Council's existing community transport arrangements, compares it with approaches adopted by neighbouring Councils, and presents a range of service delivery options. The options are aligned with comparative local government funding arrangements.

Historical Context of Community Transport and Shift to Commonwealth Home Support Program (CHSP)

Historically, community transport services in NSW were primarily funded and managed by local Councils, enabling them to address the specific mobility needs of their communities. These services were often tailored to local requirements, providing flexible and responsive transport solutions for seniors and individuals living with disability. Council's long-standing partnership with Community Connect Transport (CCT) exemplifies this model, offering highly individualised and tailored service delivery that supports local community organisations and residents. CCT has leveraged its community roots and partnership with Council to build strong client relationships and provide a personalised, trusted, and supportive transport service.

In 2015, the Commonwealth Home Support Program (CHSP), a national reform, was introduced, marking a significant policy shift in the aged care industry. CHSP consolidated various age care programs and funding pathways, including transport services, into a single framework. This transition aimed to streamline service delivery, reduce duplication, and improve equitable access to support services across regions.

Under CHSP, the Australian Federal Government provides funding via grant agreements to service providers, who then deliver subsidised services to older Australians. Individuals receiving any of the services are also expected to contribute to the cost, with fee structures varying between providers. By 2016, CHSP funding accounted for \$68 million of the \$89

million allocated to community transport in NSW, demonstrating its increasing significance in the sector. Today, CHSP funding represents 60-70% of total community transport funding, with the remainder sourced from NSW government contributions, client co-payments, and local government support.

Local governments responded to the CHSP transition in varying ways, depending on their size, capacity, and strategic priorities. Some Councils, such as Mosman and Willoughby, transitioned to become CHSP service providers. Others (particularly those not directly involved in service delivery) adapted by collaborating with community transport providers. These councils offered support in the form of access to community facilities or vehicles, strategic partnerships, or targeted funding for groups not eligible under CHSP (e.g., people with disabilities, schools, or community organisations and groups).

North Sydney Council adopted this collaborative support model, continuing its existing partnership with CCT through a contracted service delivery arrangement. This approach has enabled Council to address identified community needs while supporting flexible, locally tailored transport outside the CHSP framework.

How has North Sydney Council supported Community Transport to date?

Asset Support

Council's primary asset support has been the provision of three Council-owned buses for use in the delivery of community transport services including those services contracted by Council. CCT makes the Council-owned vehicles available to Council when required and continues to support individual transport trips using its own fleet of smaller passenger vehicles.

Council retains responsibility for most of the vehicle-related costs (excluding cleaning). This includes insurance, registration, maintenance, repairs, replacement, and depreciation. During the review, the estimated total annual cost to Council of these vehicle-related responsibilities was determined to be approximately \$85,567 per annum.

Service Delivery

Council's arrangements with CCT is separated into the following categories:

- Schedule 1A: Regular Bus Services

In Schedule 1A, Council specifies a range of transport services to be delivered by CCT for identified community organisations. Notably, this schedule includes the costs of drivers as part of the service provision.

Examples of services under this category include weekly transport for clients of the Crows Nest Centre to access the centre on Fridays, and annual group trips for organisations such as the Greenway and the Chinese Christian Church, which receive six and four trips per year respectively.

- Schedule 1B: Regular Bus Services - Other

In Schedule 1B, Council has outlined specific transport services to be provided to identified groups by CCT. Under this arrangement, Council, or not-for-profit organisations, can arrange group bus trips using the Council-owned buses. These services are not funded through Council's contract with CCT. Instead, groups have the option to:

- provide their own qualified driver and use the buses free of charge; or
- independently pay CCT to provide a driver for the trip.

Examples include the monthly Crows Nest Centre movie outings, and after-school transport for various schools and sporting groups.

- Schedule 2: Flexi Cab and Easy Rider Services

Under Schedule 2, Council subsidises two key transport services for residents experiencing transport disadvantage: a weekly cab service (Flexi Cab), and a weekly shopping service (Easy Rider). These services offer door-to-door transport and are primarily used to access medical appointments or to complete weekly shopping.

Schedule 2 services are intended to support individuals who are not eligible for, or are awaiting, CHSP funding. However, our review has found that the majority of users currently accessing the services are already CHSP-eligible.

How North Sydney Council compares with neighbouring Councils

With the shift from local government-supported community transport services to CHSP-funded delivery, Council has historically chosen to retain a high level of direct support for community transport. This approach sets Council apart from neighbouring Councils, which have either fully transitioned to CHSP-service delivery, or significantly reduced their direct support through community transport withdrawal or realignment. The below table outlines community transport funding contributions provided by the neighbouring Councils of Mosman, Willoughby, and Lane Cove.

Both Mosman and Willoughby Councils elected to retain direct ownership of community transport service by becoming CHSP service providers, operating through central hubs such as the Mosman Seniors Centre and the Docherty Centre. In contrast, Lane Cove Council and North Sydney Council have supported local community organisations to manage the transition to CHSP funded community transport service delivery.

North Sydney Council opted to provide significantly higher levels of direct funding for community transport, enabling the delivery of enhanced services that also support local community organisations and residents who are ineligible for CHSP funding. Direct funding contributions from North Sydney and neighbouring councils are outlined in the table below. It should be noted that these figures do not account for indirect contributions, for example staffing and administrative support, as these figures could not be confirmed. However, it is

considered unlikely that such costs would be sufficient to bring neighbouring Council's contributions in line with North Sydney Council. Importantly, however, North Sydney Council's costs associated with the various staffing responsibilities to the community bus service, are also not included in the costs quoted in this report.

Service	Mosman	Willoughby	Lane Cove	North Sydney
Community Transport Service Delivery	CHSP-funded	CHSP-funded	N/A	N/A
Council Shuttle Bus Services	CHSP-funded	CHSP-funded	N/A	Funded through Council's contract
Grant Funding	N/A	\$5,000	N/A	N/A
Contracted Service Delivery	N/A	N/A	\$5,000*	\$174,500 (excl. GST)
Asset Costs/ Support	CHSP-funded	CHSP-funded	N/A	\$85,650
Total Council Funding Provided	\$0	\$5,000	\$5,000	\$260,150

Figure 1- Comparative benchmarking of direct community transport funding in neighbouring councils

*Lane Cove also provides support through facility access and some funding to a CHSP serviced provider for aged and disability services which include some transport service.

Benefits and Challenges of the North Sydney (NSC) Model

Benefits

Enhanced service delivery for North Sydney LGA residents

Using its increased level of funding, Council has been able to offer a higher level of community transport service, particularly benefiting local community groups and residents who are not eligible for CHSP. Through Council's contract, a select group of community organisations such as the Crows Nest Centre, Kelly's Place, Greenway, the Chinese Christian Church, Cammeraygal High School, and Council's Family Day Care program, have been able to access free or subsidised group transport services.

Individualised and Personal Approach

Council's longstanding partnership and ongoing support for Community Connect Transport (CCT) has enabled CCT to leverage its deep understanding of the local community and strong relationship with residents. This local knowledge allows CCT to efficiently address the unique transport challenges of the region while maintaining trusted, personalised service delivery.

Subsidised Council Shuttle Service

Through Schedule 1B of Council's contract, CCT provides free or subsidised group transport trips. These services primarily support Council staff and volunteers, vacation and after school care services, community group outings, and an Easy Rider shopping service. Although these trips are not directly funded through Council's contract, they benefit from the use of Council's bus fleet, reducing costs for both users and CCT.

Challenges

Higher Cost for Council Compared to CHSP Run Services

North Sydney Council has invested a high level of funding into community transport services. In 2024, group bus services cost Council an average of \$42.86 per passenger trip whilst an average individual transport cost per trip (Flexi Cab and Easy Rider services) was \$16. For Councils operating CHSP funded community transport services, the costs are instead absorbed by the Federal Government. While these Councils may still incur costs for staffing, administration and asset support, it is unlikely that such costs would be sufficient to bring neighbouring Council's contributions in line with North Sydney Council's.

Unclear Value Proposition for Council-Owned Fleet

As Council does not receive CHSP funding to support the vehicle costs associated with its fleet, it must absorb expenses such as insurance, maintenance, registration, and depreciation. Given that CHSP providers like CCT can access Federal Government funding streams for vehicle procurement and maintenance, the continued costs, ownership, and logistical requirements of maintaining a dedicated Council fleet, presents a significant and potentially avoidable financial and administrative burden to Council.

Competing Demands for Funding

Council recently received a report recommending a review of the current grant funding model and other community contributions. The report highlighted a growing demand for funding from community-led initiatives, while also noting that opportunities for supporting new initiatives are limited due to the fixed nature of existing funding arrangements.

While fixed grants provide certainty and stability for groups that currently receive them, they also restrict access for other community groups seeking support. This creates a barrier to broader community participation and innovation.

A revised funding model would enable a more equitable and flexible approach to distributing Council support. Rather than allocating fixed grants to a limited number of groups, a refreshed model could open opportunities for a wider range of initiatives — including support for transport to community events and programs.

Future Community Transport Support

Over the past 30 years, Council has valued its longstanding partnership with Community Connect Transport (CCT) and the important role it has played in supporting transport-disadvantaged residents in North Sydney. Council's continued and substantial financial support reflects its ongoing commitment to community wellbeing, particularly for services not covered under the CHSP.

Despite significant structural changes in aged care and community transport following the introduction of CHSP, Council has continued to invest significantly, both financially and administratively in community transport service delivery. As demonstrated in Figure 1, Council's annual direct funding contribution of \$260,150 significantly exceeds the financial contributions of neighbouring Councils.

As such, Council must consider transitioning to a more cost-effective and sustainable funding model, one that preserves its valuable partnership with CCT and supports community transport users, while allowing Council to reallocate funds to other critical projects and services.

Council officers have worked with CCT in developing the options contained within this report to ensure the most vulnerable members of the community are not impacted and to ensure appropriate time for transition.

Proposed funding model

North Sydney Council remains committed to its long-standing partnership with CCT and to supporting community transport in North Sydney. As the primary CHSP-funded community transport provider in North Sydney, CCT provides a valuable and essential service to the community. Council is committed to working closely with CCT to ensure any funding transition is smooth and does not compromise CCT's ongoing operational stability.

This report recommends a grant funding model including:

- provide CCT with targeted financial support through grants, rather than fixed service contracts;
- maintain North Sydney Council's role in addressing service gaps not covered under CHSP; and
- allow greater flexibility, sustainability, and better alignment with contemporary community transport funding structures;

Short Term (FY 2025-2026)

To allow time to transition, it is proposed that the current contract terms be extended on a pro-rata basis until 31 December 2025.

Commencing 1 January 2026, it is proposed that an annual grant of \$50k (pro-rata), be provided to CCT. This funding will support the continued delivery of the Flexi Cab individual transport service and Easy Rider shopping service for transport disadvantaged residents.

By 1 January 2026, it is proposed that Council transfer ownership of one of its buses to Community Connect Transport (CCT has indicated that the 24-seater is of best utility which has an estimated re-sale value of \$120K) to support the continued delivery of services and some cost reduction for those transport services previously provided in schedule 1B.

It is further proposed that Council support annual grant funding of \$50K (pro-rata) commencing 1 January 2026 for the purposes of providing community transport, to ensure

the continuation of services for high-need users of the service. This funding will support the continued delivery of the weekly Friday lunch service and the monthly social outing service currently being provided through Council's contract.

This proposal will equate to a saving for Council of approximately \$135K annually.

Longer Term (from 2026/27 onwards)

As per Council's recent resolution, Council officers will undertake a comprehensive review of community grants and subsidies and develop a Community Investment Framework.

In recognition that community transport is often a direct cost of providing broader community support such as those that contribute to environmental, social and cultural and creative outcomes, community transport needs should be considered as part of this review.

This would allow community groups to apply for grants for community transport needs.

Current beneficiaries of CCT

To ensure any reduction in funding does not disadvantage the most vulnerable members of the community, Council officers have worked with CCT officers to understand potential impacts and consider mitigating actions.

Community Organisations

Schedule 1A services provide a benefit to local community organisations.

In FY 2024/25, of the 3,068 individual passenger trips, 1,731 were provided to vulnerable and socially isolated clients of the Crows Nest Centre to access its Tuesday Social outings and Friday lunches.

To mitigate the impact on Crows Nest Centre activities, it has been proposed that a grant of \$50k be provided to Crows Nest Centre. This grant will allow the centre to work directly with CCT within this budget to cater for transport needs.

Other groups listed for eligible community transport include Gowry vacation care services, Chinese Christian Church, Greenway Tenants Group, Kelly's Place, and Family Day Care. This list is historical and has not been reviewed for some years. Over the years, there has been a general underutilisation resulting in a low return on investment (high transport cost per person).

In FY 2024/25, Council's community transport services were not utilised by Kelly's Place, while the Family Day Care program only accounted for 27 individual passenger trips. Discontinuing funding to these services will have little to no impact on these groups.

Greenway Tenants Group made 250 individual passenger trips to conduct social outings. However, Greenway Tenants Group has recently been donated its own bus which they are

already using to make similar social outings. Additionally, Greenway residents are significant users of the Schedule 2 Easy Rider and Flexi Cab services which will be supported through the proposed funding model outlined in this report.

The community groups most impacted by the cessation of funding for Schedule 1A services would be the Chinese Christian Church and Gowry Vacation Care Services. These services account for 10% and 24% respectively of all passenger trips made through Schedule 1A services in FY 2024/25. In order for these services to continue, they would transition to a user-pays model. The community organisations would need to seek commercial rates either through Community Connect Transport or another transport provider pass these costs through to users of the transport service.

Schedule 1B non-contracted services allowed CCT to use Council's bus fleet to deliver ad hoc group trips and after school care. This arrangement enabled CCT to offer subsidised transport services to a variety of local community groups. With the reduction of access to Council's fleet, CCT may not be able to continue to offer this service at current levels. As a result, the community groups that utilise these services may face an increase in transport costs.

The greatest impact will be on after-school care services for local schools including Cammeraygal, Anzac Park, and North Sydney Demonstration Schools. While not reducing the full impact of the proposed change, to reduce the scale of any impact, it is recommended that Council allocate in perpetuity through transfer of ownership, the largest (24-seater) for the exclusive use of Community Connect Transport and retain the third for Council operations.

Transport-Disadvantaged Residents

Easy Rider and Flexi Cab services (outlined in Schedule 2) will continue under the proposed funding model.

Additionally, Council will engage with CCT to monitor which, if any of the existing group-based services continue at a commercial rate, and will work with these groups to explore alternate funding sources such as community grants or sponsorships.

Council Staff and Volunteers

Through the current arrangements, Council staff and volunteers have access to the Council-owned buses on an ad hoc basis, to support the delivery of Council services. This includes bush care volunteer initiatives and the North Sydney Local Planning Panel's site visits. Upon the conclusion of the CCT contract, it is proposed that one bus be retained in Council's fleet management to maintain internal service continuity and capacity to continue providing group transport for Council staff and volunteers.

Funding Options

Option 1: No Funding - not recommended

Under this option, Council would cease all funding and provision of fleet for community transport. Residents and community organisations requiring community transport would be required to independently fund (either privately or through CHSP/other funding streams) transport services and engaging directly with Community Connect Transport or another provider.

Option 2: Funding CHSP gap only

Under this option, Council would provide ongoing yearly lump sum grant funding of \$50,000 to a community transport provider to support the provision of community transport. The grant funding provided in this option would be required to be used to address gaps in CHSP-funded community transport service delivery only.

Option 3: CHSP plus community support

Under this option, Council would provide:

1. A grant of \$50,000 to CTC to address the genuine gaps in CHSP-funded service delivery. This funding will continue to deliver services in Schedule 2 of the current contract, including the Flexi Cab individual transport service and the Easy Rider shopping service.
2. In perpetuity through transfer of ownership, the largest (24-seater, valued at \$120K) for the exclusive use of Community Connect Transport, and retain the third for Council operations.
3. A grant of \$50,000 to Crows Nest Centre for the delivery of transport services. This funding will continue to deliver the weekly Friday lunch service and the monthly social outings identified in Schedule 1A and Schedule 1B of the current contract.

In addition, consideration of community needs would be considered as part of the grants and contributions comprehensive review and development of a Community Investment Framework to allow opportunities in the future for community groups to apply for funding to support their activities.

This option retains one bus for Council's ongoing use. The third bus in the fleet would be sold, providing immediate revenue and reducing ongoing maintenance and other associated costs to Council.

Option 4: Contract is re-tendered based upon current service schedule

Under this option, Council would initiative procurement through tender for historical community transport services.

Consultation requirements

Council has consulted with CCT on developing this recommendation.

Financial/Resource Implications

Financial Implications

The current cost/budget for community transport as outlined in Figure 1 is \$260,150.

Under the recommendation, the budget would reduce as follows:

CTC grant	\$ 50,000
Crows Nest Community Centre Grant	\$ 50,000
Council bus	<u>\$ 25,000</u>
TOTAL	\$125,000

The upfront cost of transferring ownership of the 24-seater bus is estimated at \$120k, which is the estimated carrying value of the asset.

Council is expected to receive approximately \$20K from the sale of one bus.

Annual savings are estimated as follows:

Transport contract	\$ 74,500
Bus outgoings	\$ 25,000 plus
Bus depreciation	<u>\$ 35,650</u>
Total	\$135,150