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PERSPECTIVE OF A SERVICE PROVIDER

Rick Lawford

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Acknowledgement of Country

I acknowledge the Ancestors, Elders and families of the Wonnorua peoples who are the Traditional Custodians of the land on which we meet. I also lacknowledge the traditional owners of the lands on which my service (LINK) operates; namely the Wurundjeri, Boonwurrung, Woiwurrung and Waddawurrung of the Kulin nation. As we are sharing our knowledge and practices; I pay respect to the deep knowledge within the Aboriginal community and their ownership of, and, on going connection to Country. I pay my respect to their elders past and present and extend my respect to any Elders here today.

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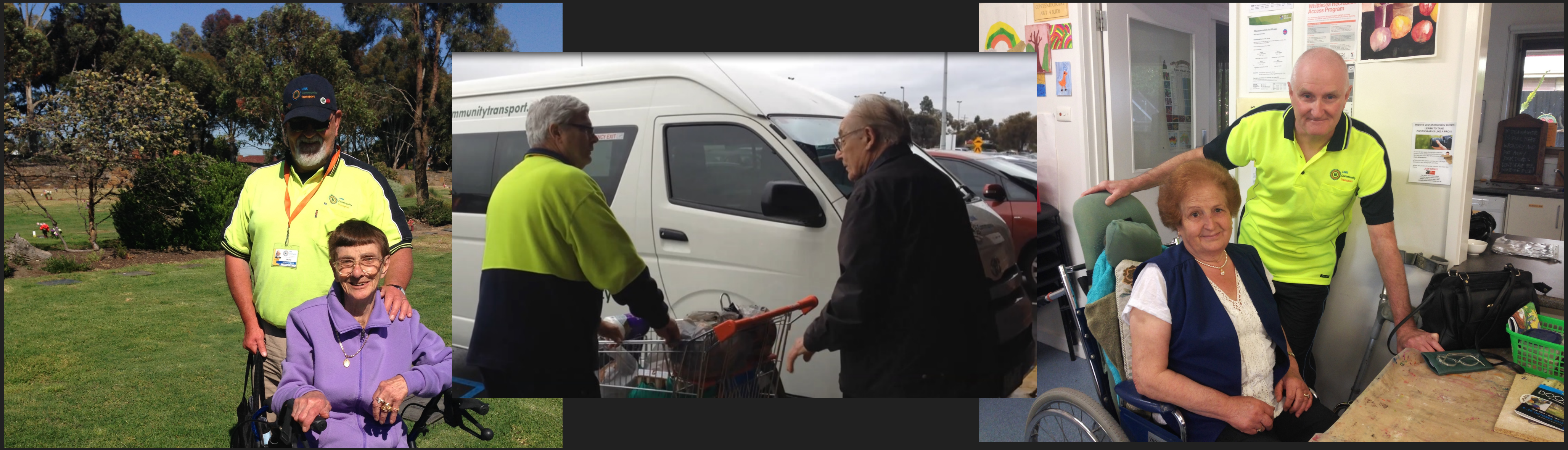

"These outings have saved my life. I now look forward to my future. I have rosy cheeks, my life is so good now. I was referred to LINK by my friend for outings. I now use them for all my transport. I now feel very safe and secure about my future." - **Patricia Mainelli**

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Synopsis

- Federal Government propensity to engage market mechanisms to deliver care services – CDC
- Perceived/Real market forces expediting (designer) trend of service provider rationalisation
- Transition phase to open, contested market is best characterized by;
    - NDIS – poor provisioning; unwillingness to incubate markets & systemic chaos
    - CHSP – capability subsidy to 2020 - then ???; no visibility of demand/funding equation
    - Commercial Passenger Vehicles – major disruption; chaotic landscape; poor visibility; non-level playing field
- Inevitability of large providers of any dimension entering market
- High capital-intensity & asset degradation
- Inadequate arms-reach technology for contemporary markets
- Technology-takers – low ICT platform provider incentives (small market)
- Major cultural transition & commercial upskilling required for human resources
- Prolific public platforms - ignorance & keyboard warfare raising reputational risk exposures

All quite overwhelming !!!!!!!!

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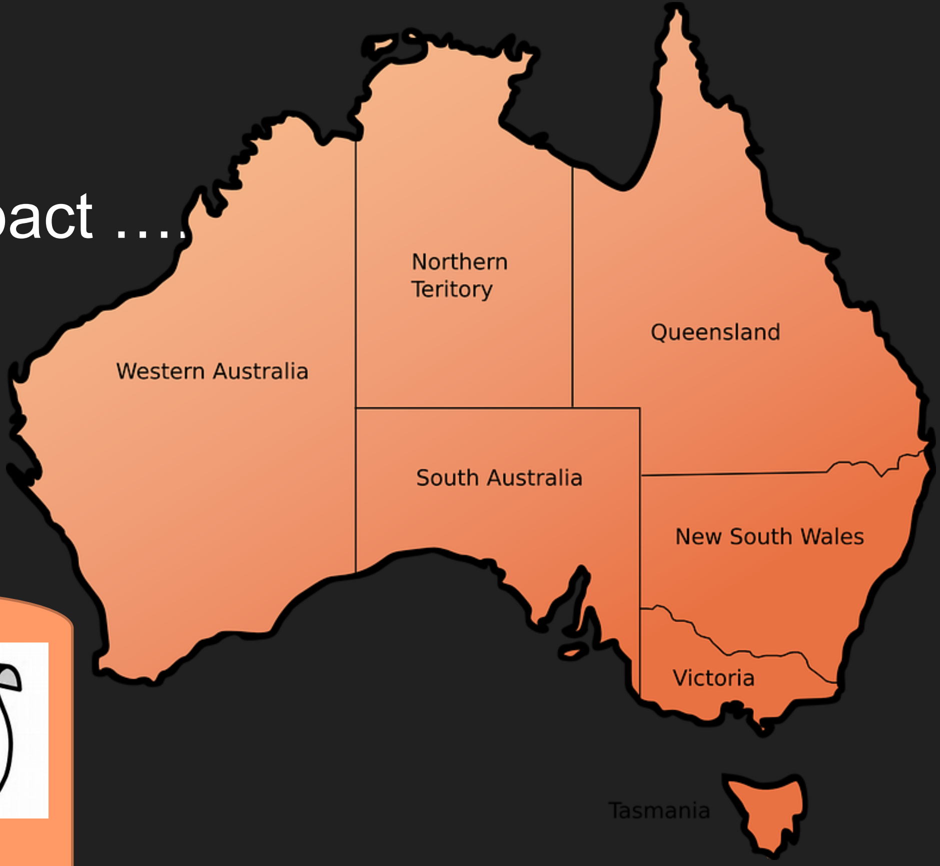
What ought we do?

…for important matters of little immediate ability to impact ….

- Engage State & Federal Peak Sector Bodies seeking united **Activism**
- Engage Stakeholders & Allies seeking united **Activism**
- Engage Politicians & Bureaucrats demanding **Answers**
- Active participation in sector forums to remain **Informed**



- Productivity Commission
- NDIA Management
- Transport Allocations
- More Noise

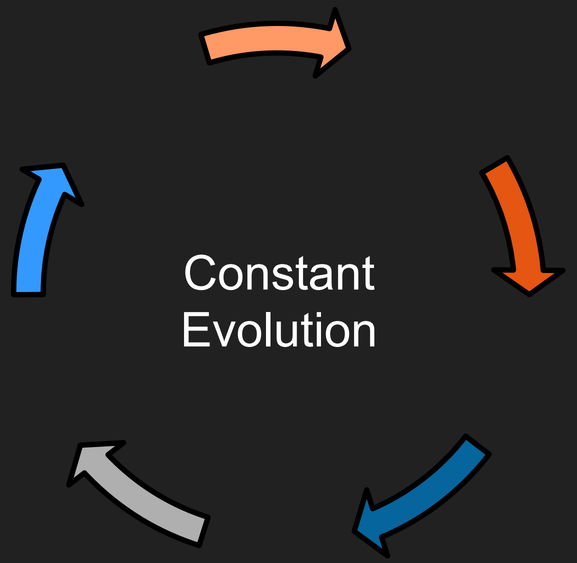
ndis

- CPV Industry Act
- CPV Reform Bill
- New operating Landscape – known Nov 2017

‘Be Considered – Be Heard’

What ought we do?

…about the things we can impact upon readily …..



- Innovate – keep looking to technology for advancement & an 'edge'
- Marketing – cultivate the brand you seek & hardwire your clients accordingly
- Intelligence – fully explore the power of data & its uses – make evidence-based decisions

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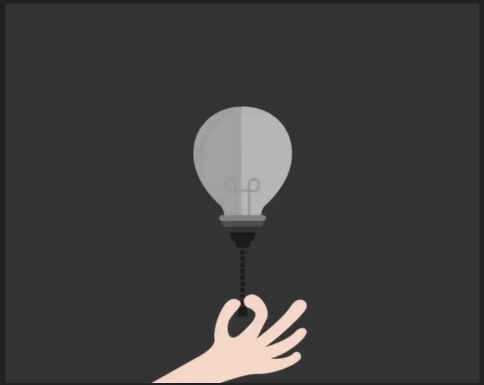
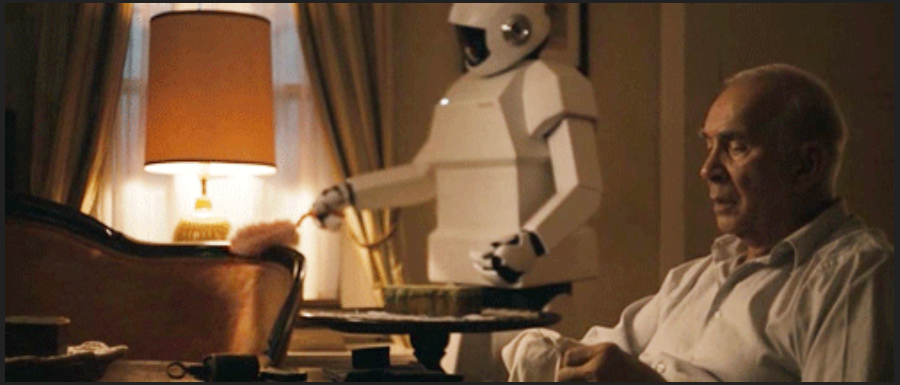
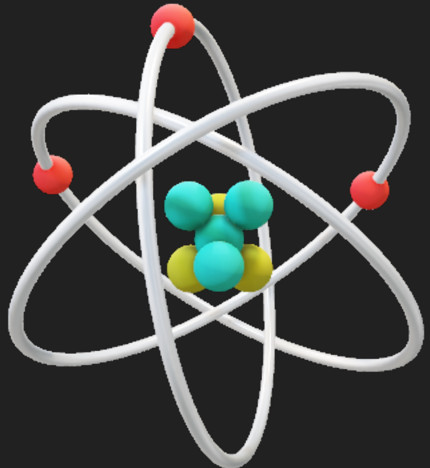
Innovation





MACHINE LEARNING – needed in such uncertain, complex, vast & hugely disruptive times.

DATA will drive the extent of Machine Learning (Artificial Intelligence)



Temporal
Spatial
Human
Active
Real Time
Scale

Predict the future?

Analyse Past

Must do it better

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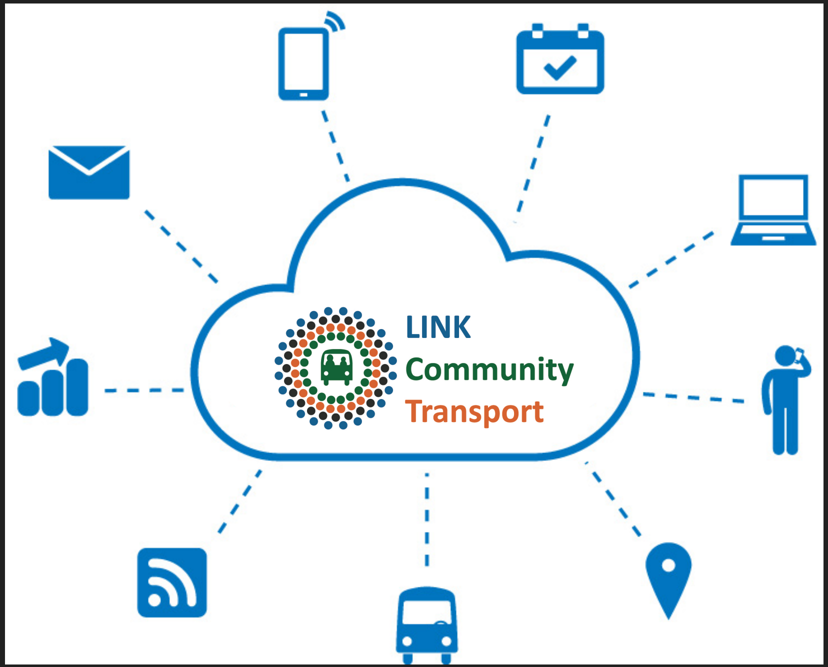
Transport on Demand Trials

- Starting late 2017
- Funding from Equity Trustees
- Partner - Baptcare & Australian Centre for Social Innovation
- Additional Funding – Lord Mayor's Charitable Fund
- Cloud Hosted
- Demand Responsive Service



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Marketing

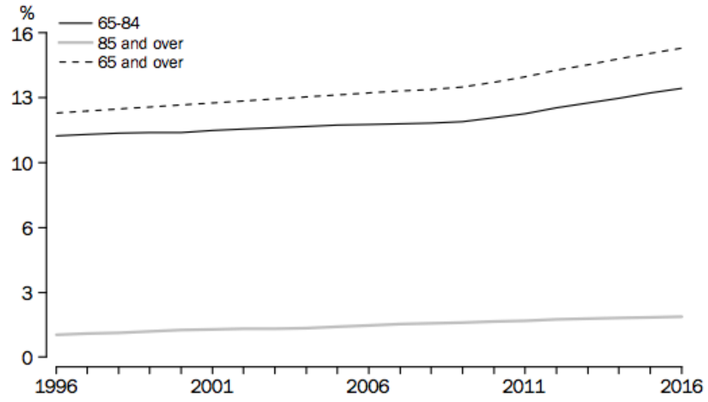
Preparing for the Silver Tsunami !!!!!

- Baby boomer population ageing and progressively retiring. Major impact for transport sector.
- Direct correlation with increasing popularity of smart phones and tablet use.
- Older generations feel increasingly more comfortable with technology.
- We must respond to this new generation of customers - high expectations and technologically savvy

Aging Demographic

- The population aged 65 years and over in Australia has increased from 12% to 15.3% between 1996 and 2016

- This group of people is projected to increase by 12.8 percentage points from 12.4% in 1998 to 25.2% in 2050



Source: *Australia Demographic Statistic*

Trends in aging in selected industrialized countries, 1998–2050.

	1998		2050		Percentage change in 65+ population 1998 to 2050
	Percent of total population 65+	Absolute number 65+ (millions)	Percent of total population 65+	Absolute number 65+ (millions)	
Australia	12.4%	2,307	25.2%	5,756	+149.5%
Austria	15.5	1,260	35.2	2,157	+71.2
Belgium	16.8	1,705	33.3	2,534	+48.6
Canada	12.5	3,821	24.7	10,005	+161.8
Denmark	14.9	797	30.3	1,357	+70.3
France	15.8	9,292	31.8	15,314	+64.8
Germany	15.9	13,048	36.0	20,695	+58.6
Italy	17.6	9,999	37.9	14,511	+45.1
Japan	16.0	20,164	32.1	32,518	+61.3
New Zealand	11.6	421	23.8	1,085	+157.7
United Kingdom	15.7	9,270	27.6	14,958	+61.4
USA	12.7	34,269	20.0	78,859	+130.1

Source: Computed from various tables, US Bureau of Census, International Database.

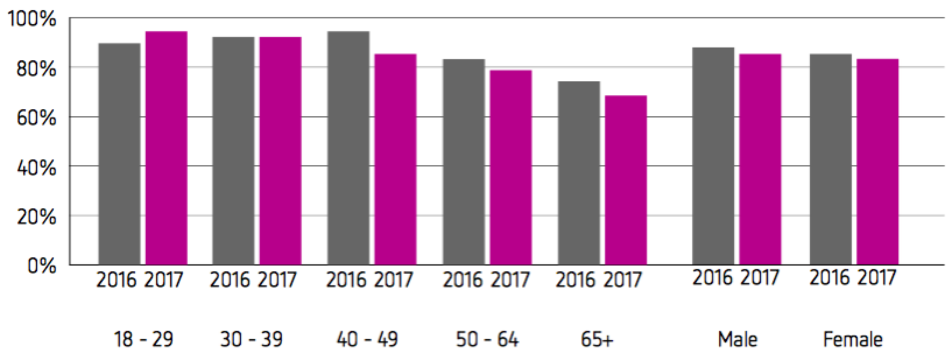
On-line & Social Networking

➢ **Increase in social media usage**

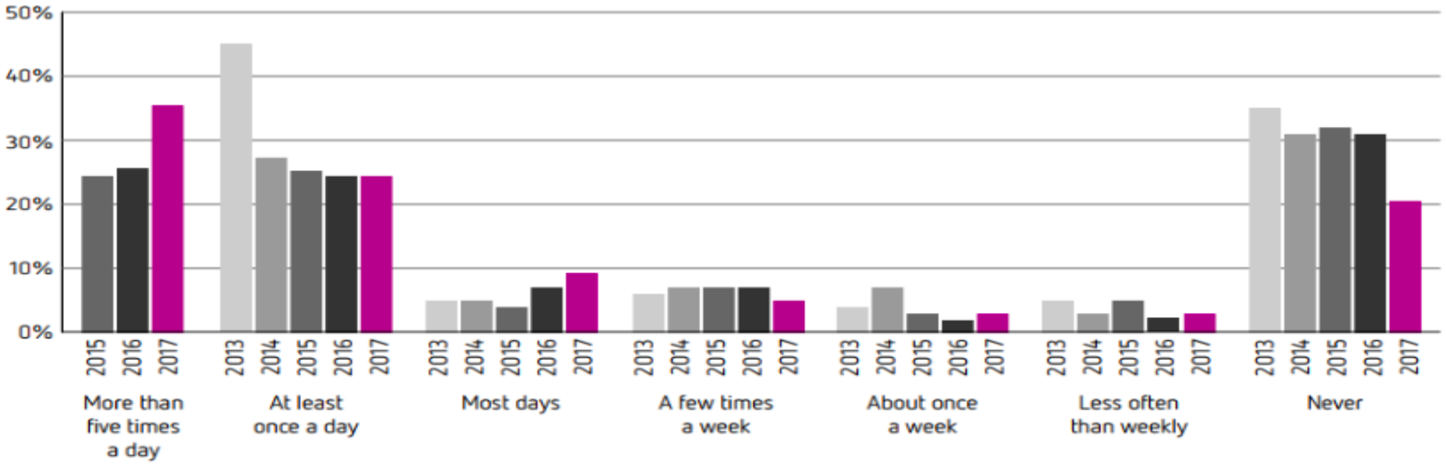
- ❑ the frequency of internet decreased among the group aged 40+
- ❑ the daily use is still prevalent among young adult aged 18 to 39
- ❑ the proportion of daily use among senior people aged 65+ has been decreasing in recent year
- ❑ 79% of internet users now use social networking sites

- ❑ Frequency of use has also grown with 59% now accessing these sites daily or more which compares with 50% in 2016

The proportion that access the internet daily, by age group



Frequency of using social networking sites - trends



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On-line trends for the 65+ demographic

- ❑ Older Australians - watching television, using the internet, reading newspaper and reading are the top-four sources of entertainment

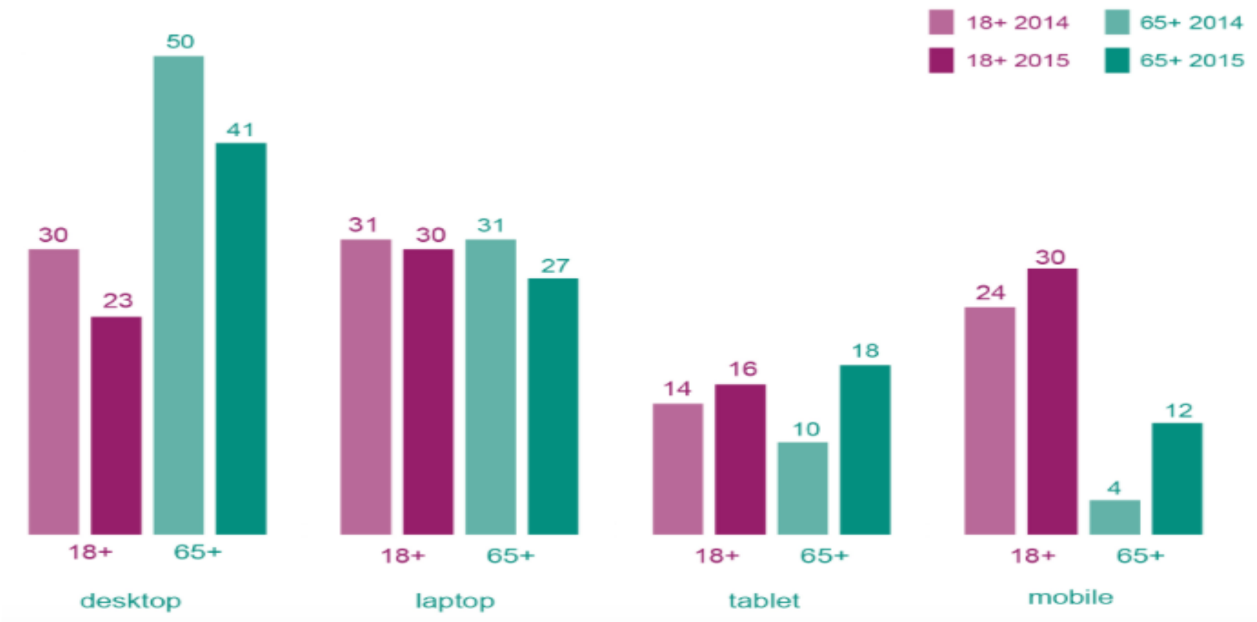
- ❑ Desktop is the most popular device for on-line access among elderly aged 65+.

- ❑ Laptop and mobile are preferred to other devices for online surfing towards young adult aged 18+

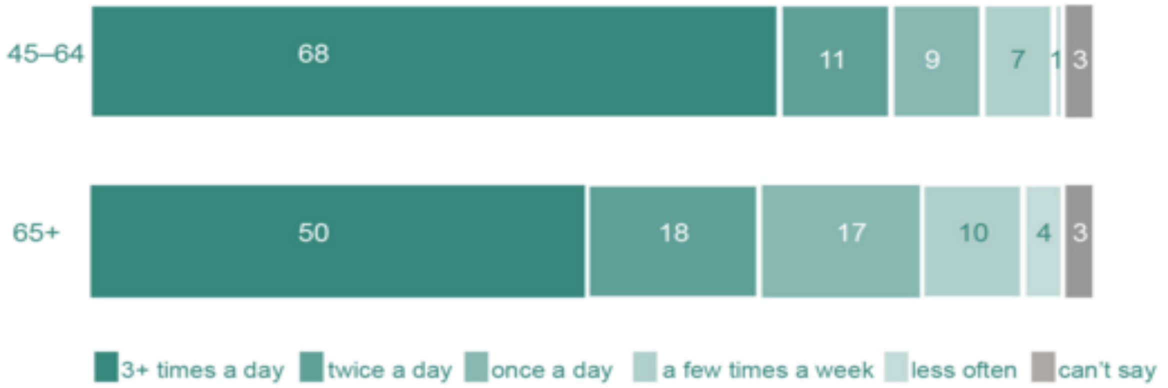
- ❑ **Note emergence of tablet & mobile use in on-line access in 65+ demographic**

65+ responsible for 20% of Australia's total internet traffic.

Devices used most often to go online, 2014-2015

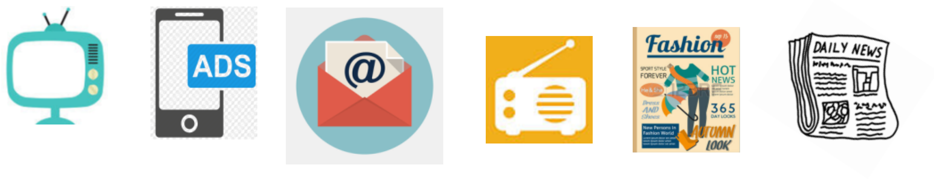


Frequency of internet use, by age, January–June 2015



Potential streams of marketing tactics.

Expand paid (& other) media channels?



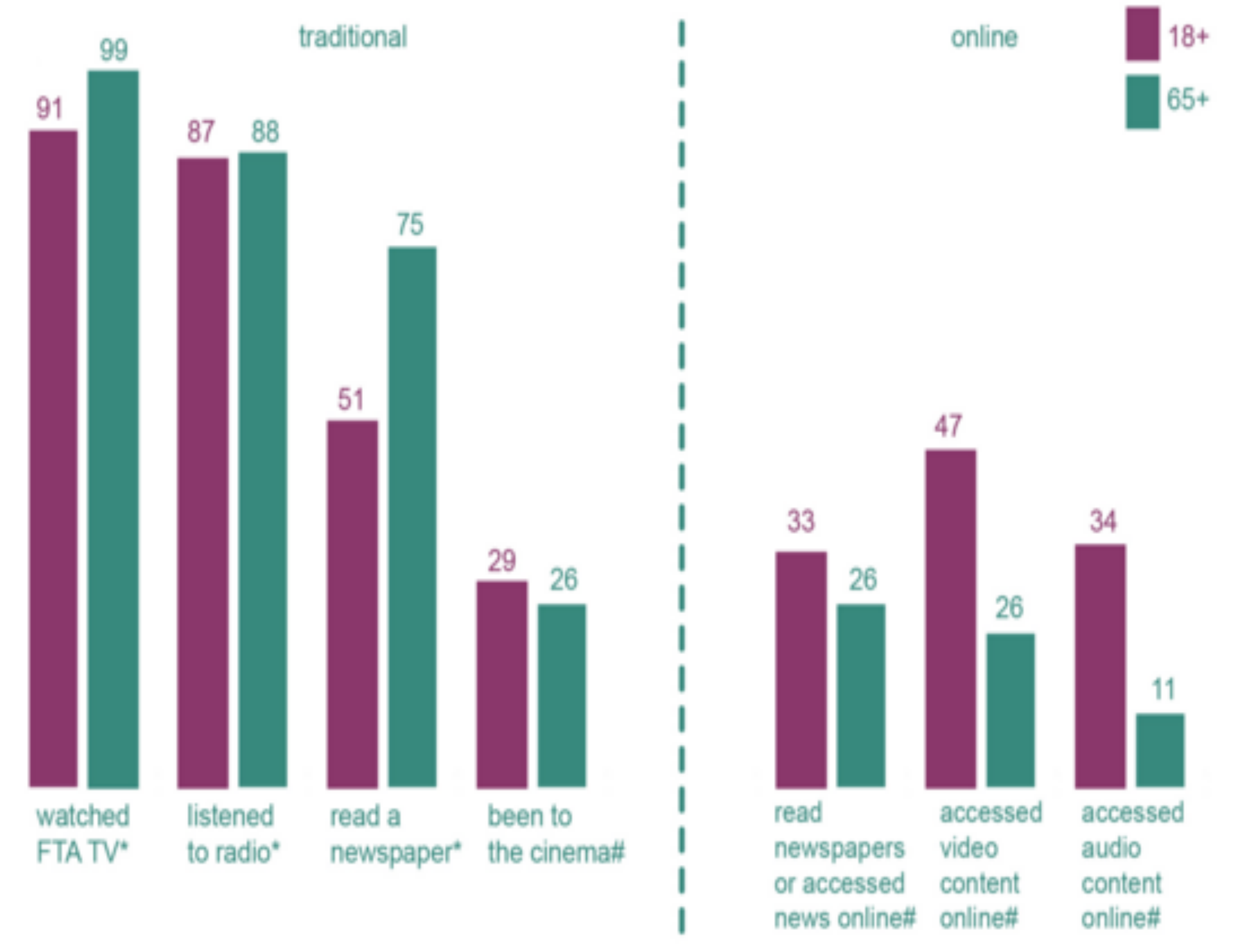
TV : 99%,

Radio : 88%

Email : 76%,

Newspaper : 75%

Media and entertainment activities access,2014-2015



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The Victorian Challenge …………..

- Social Conditioning
  - No transport program (HACC)
  - Low Resource Base
  - No Remedial Efforts to date

LINK's goal is to cultivate and turn data into information,
Information into insight, and
Insight into sound commercial and service outcomes.

That is ultimately in the best interests of the people we serve.

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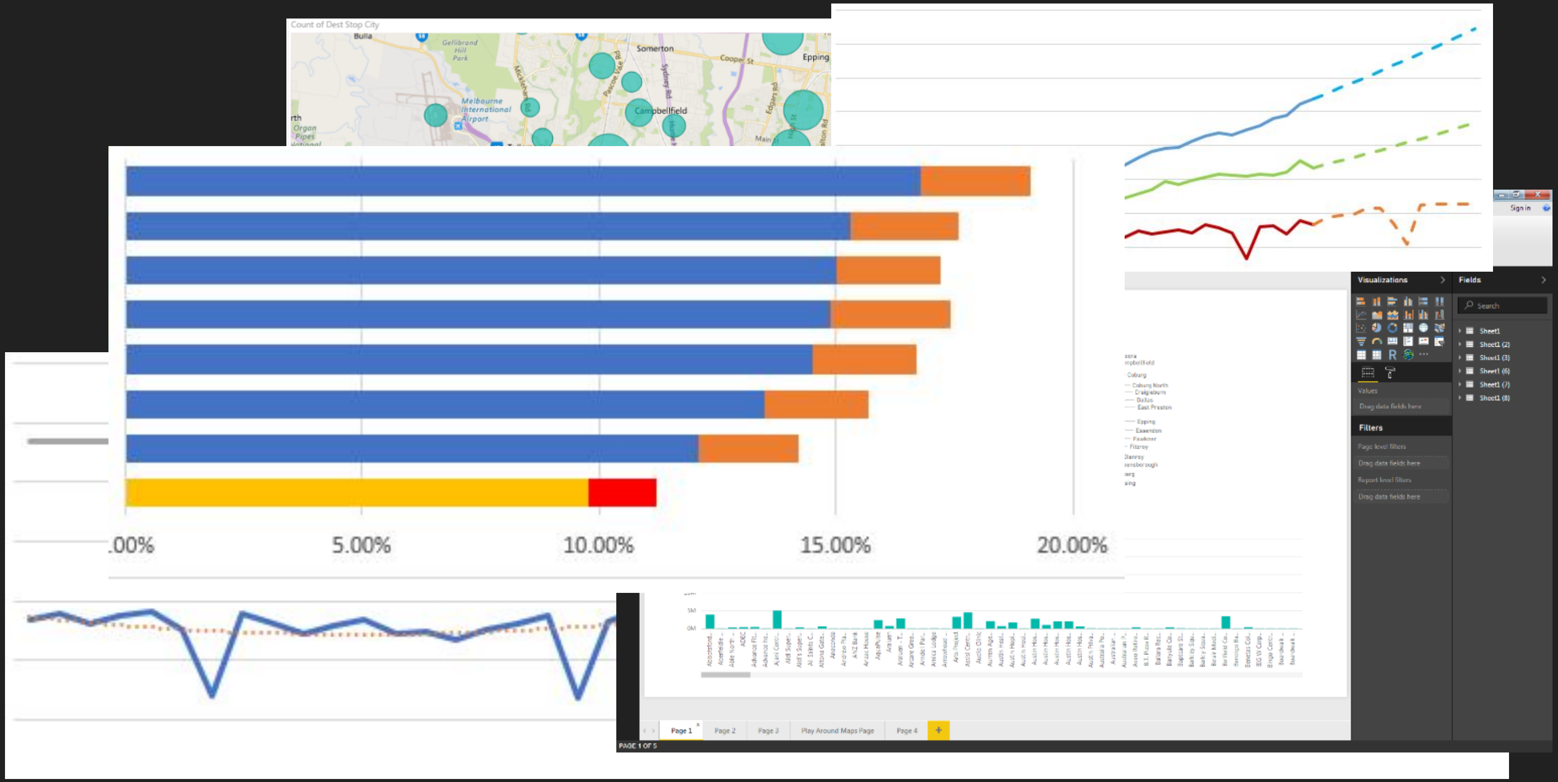
Understanding Our Business

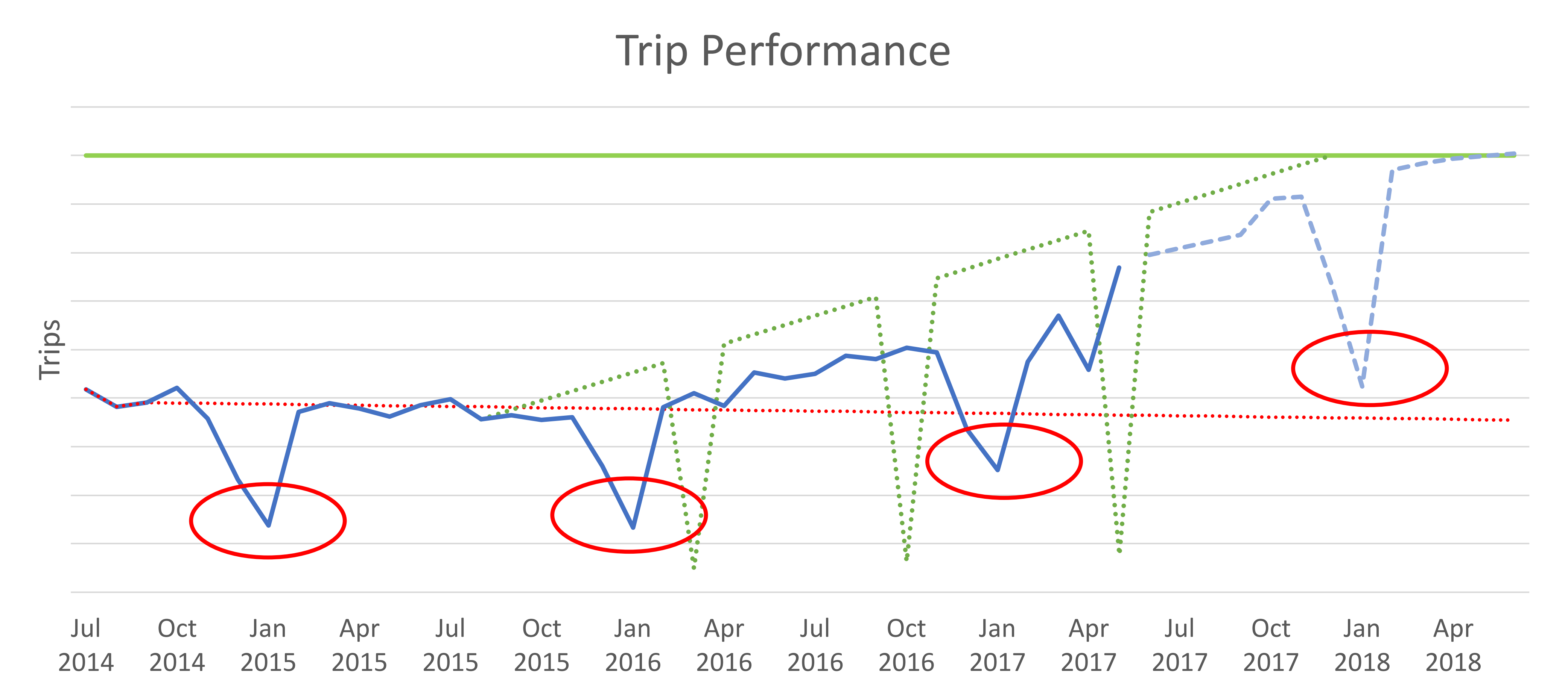
- Operational Performance
- Client Growth
- Financial Performance
- Provider Comparison
- Operating Environment



OPERATIONAL PERFORMANCE

Data, I think, is one of the most powerful mechanisms for telling stories. I take a huge pile of data and I try to get it to tell stories.

- Steven Levitt, Economist


Trip Performance
Trips
Jul 2014
Oct 2014
Jan 2015
Apr 2015
Jul 2015
Oct 2015
Jan 2016
Apr 2016
Jul 2016
Oct 2016
Jan 2017
Apr 2017
Jul 2017
Oct 2017
Jan 2018
Apr 2018

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CLIENT GROWTH

Growth is never by mere chance; it is the result of forces working together.

- James Cash, founder JC Penny

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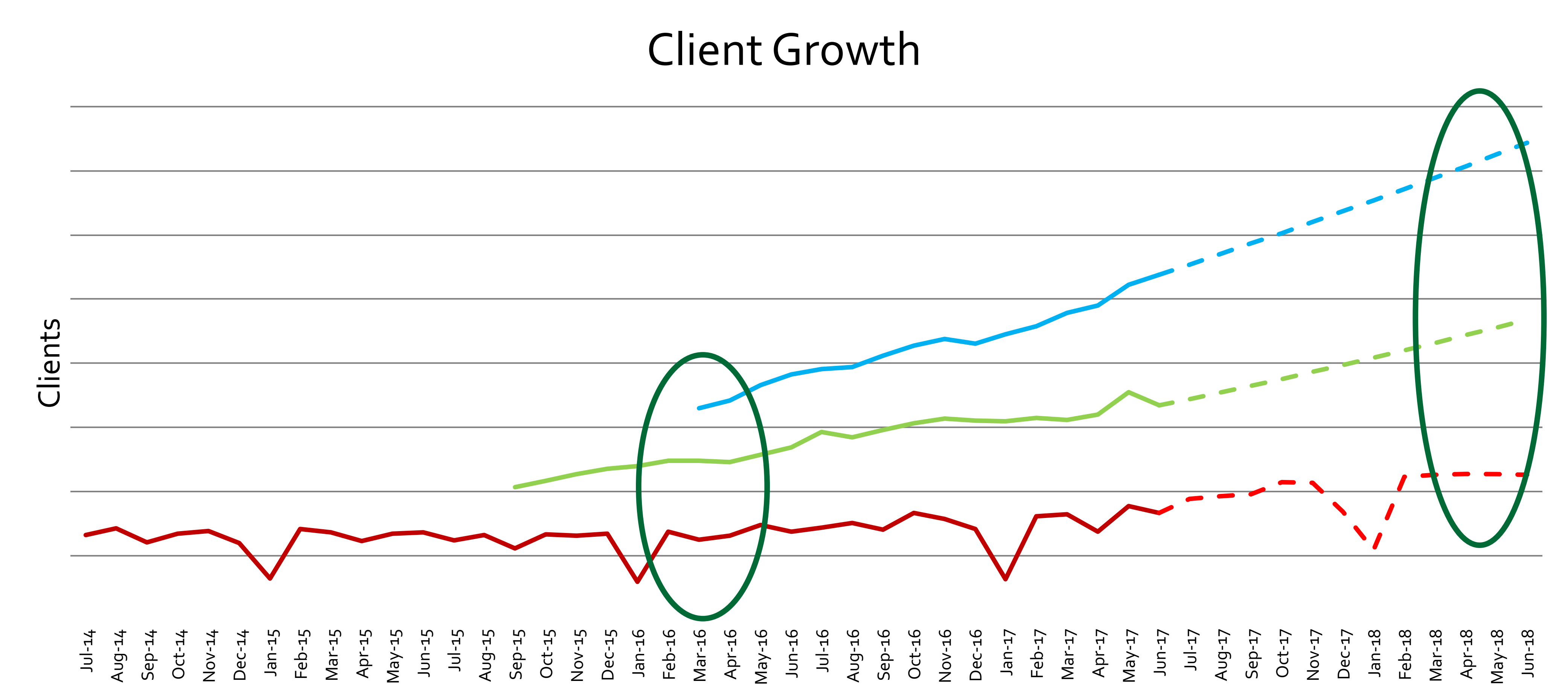

FINANCIAL PERFORMANCE

Excellence is the gradual result of always striving to do better.

- Pat Riley, NBA Coach

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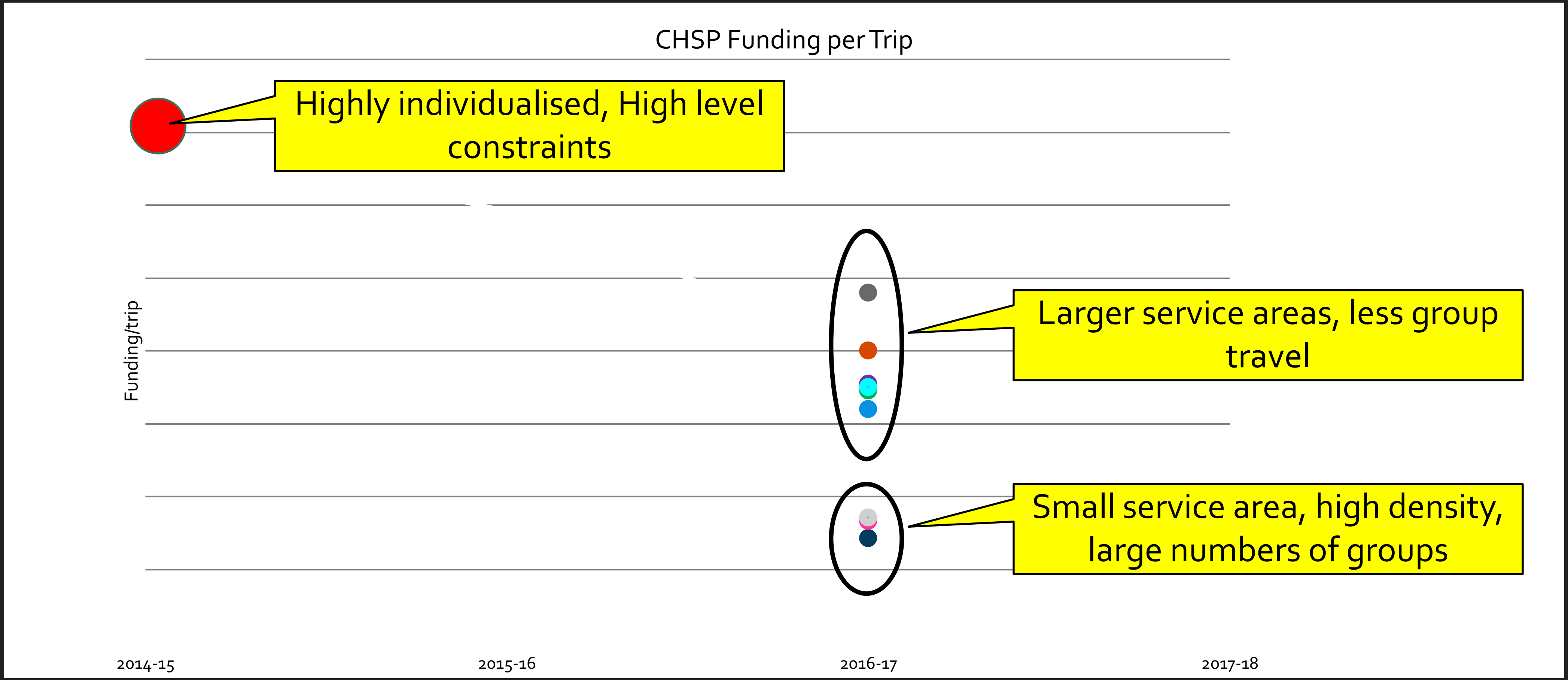

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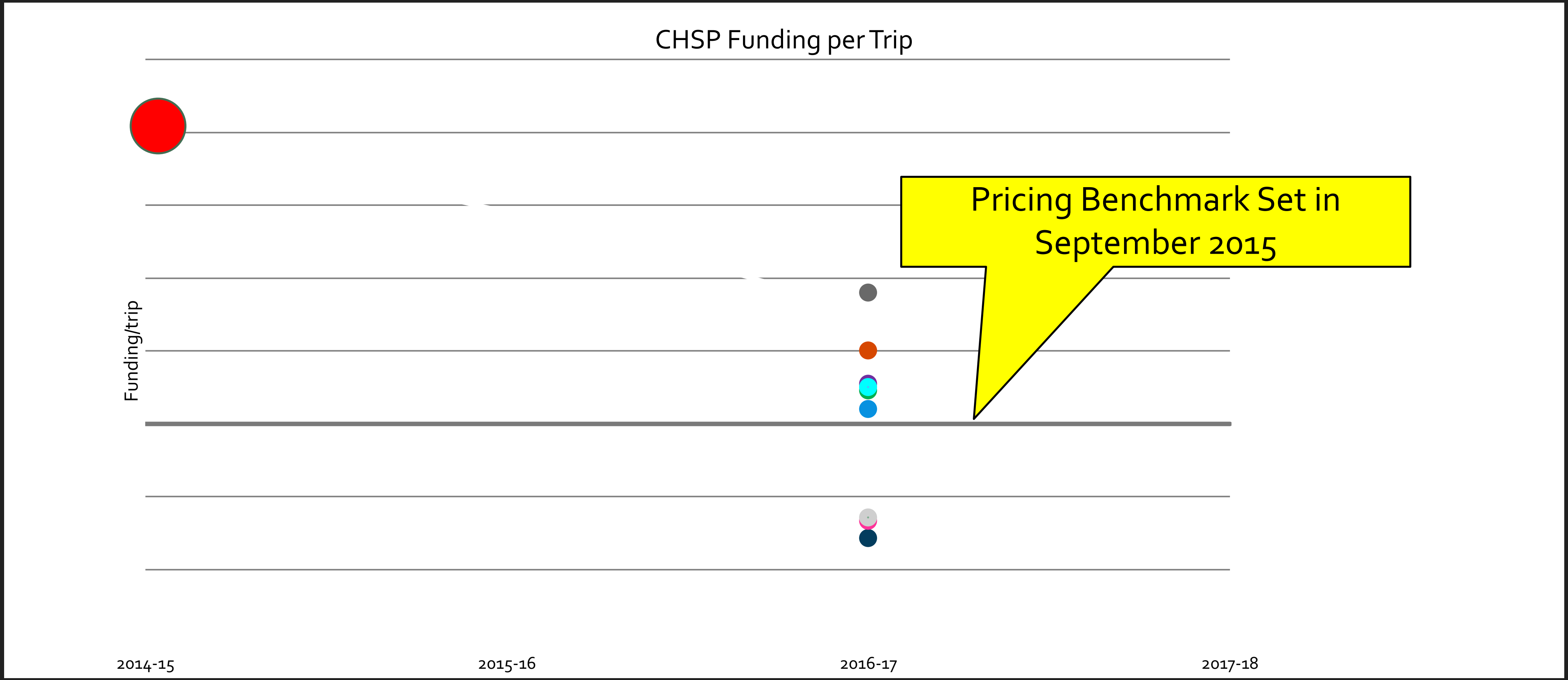

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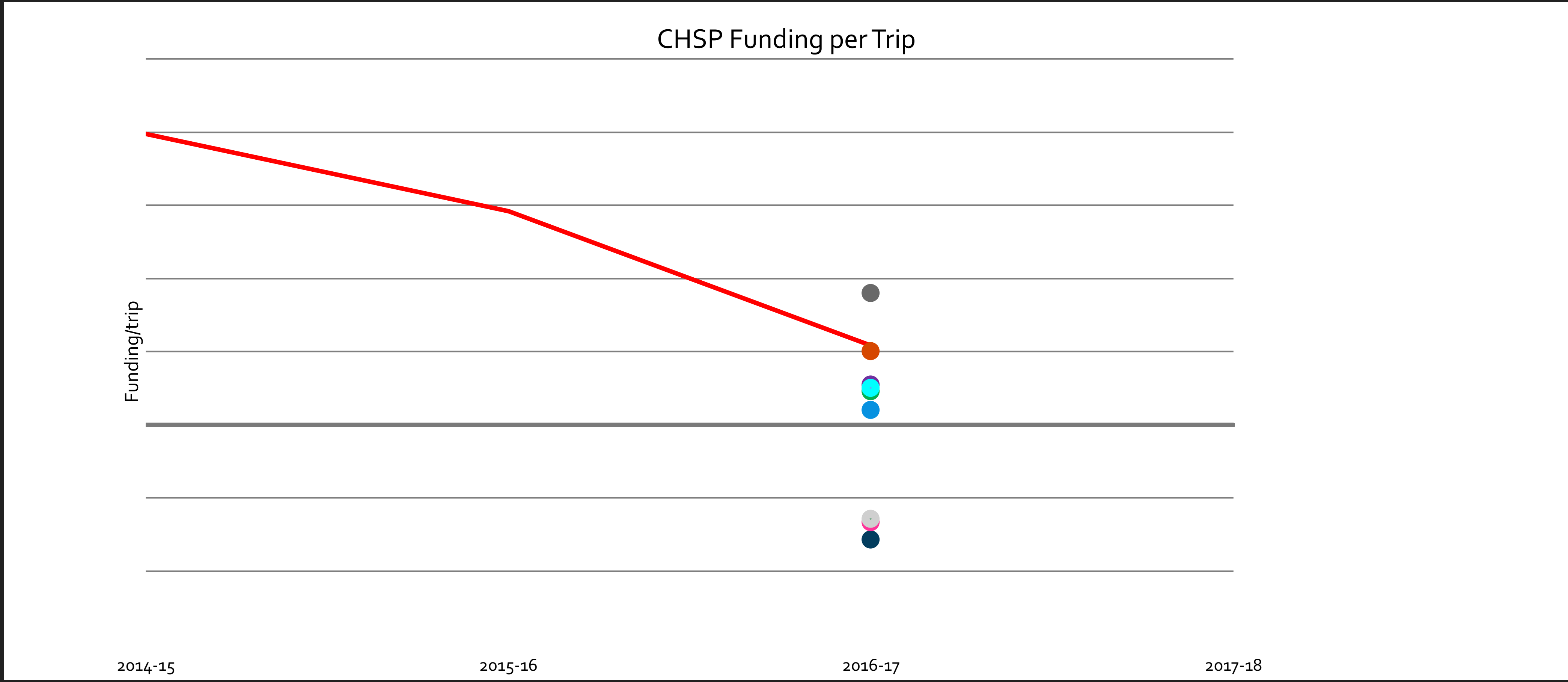

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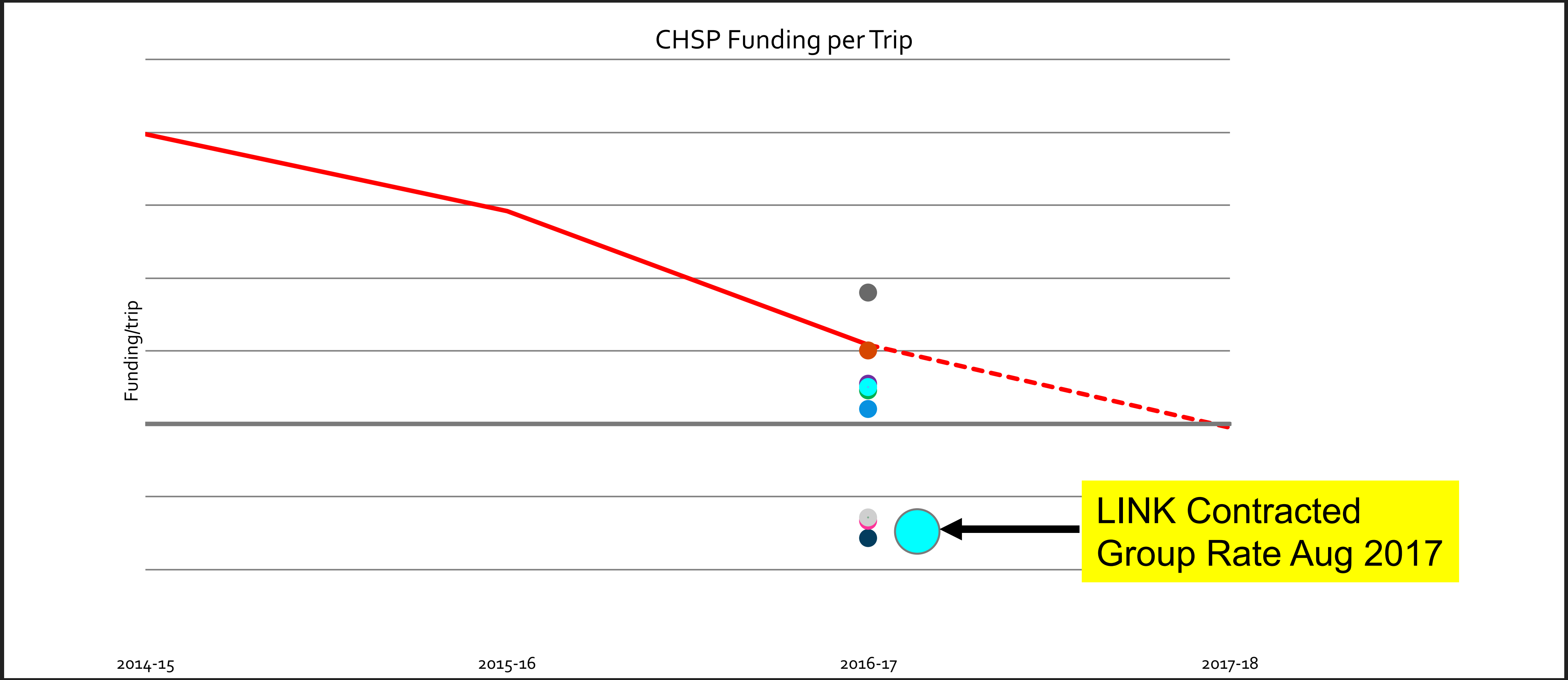

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PROVIDER COMPARISION

A horse never runs so fast as when he has other horses to catch up and outpace.

- Ovid

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	Funding/ Trip Rank	Funding/ Trip Km Rank	Pop'n Density Rank	Trip Density Rank	Funding/ Pop'n Rank	Support Hrs/Trip Rank	Level of Group Travel	Accessibility	Demographic Complexity	Operational Dead Running
LP	12	11	9	12	12	12	Low	High	High	High
LN	7	[illegible]	[illegible]	[illegible]	11	9	Low	High	High	High
LT	5	[illegible]	[illegible]	[illegible]	10	7	Medium	High	High	Medium
LC	2	[illegible]	[illegible]	[illegible]	5	1	High	Low	Medium	Low
A	3	11	4	3	9	[illegible]	[illegible]	[illegible]	[illegible]	Medium
B	8	5	8	7	2	[illegible]	[illegible]	[illegible]	[illegible]	Medium
C	8	8	2	2	3	[illegible]	[illegible]	[illegible]	[illegible]	Low
D	11	7	3	9	13	3	High	Low	Medium	Medium
E	13	6	5	6	6	9	Low	Low	Medium	Medium
F	4	2	6	8	8	5	High	Low	Medium	Low
G	1	10	1	1	7	2	Medium	Low	Medium	Medium
H	8	3	12	5	1	8	High	High	Medium	Medium
I	6	4	13	13	4	13	Medium	High	High	High

Level of group travel effects trip cost performance

Strong correlation between cost performance and population density

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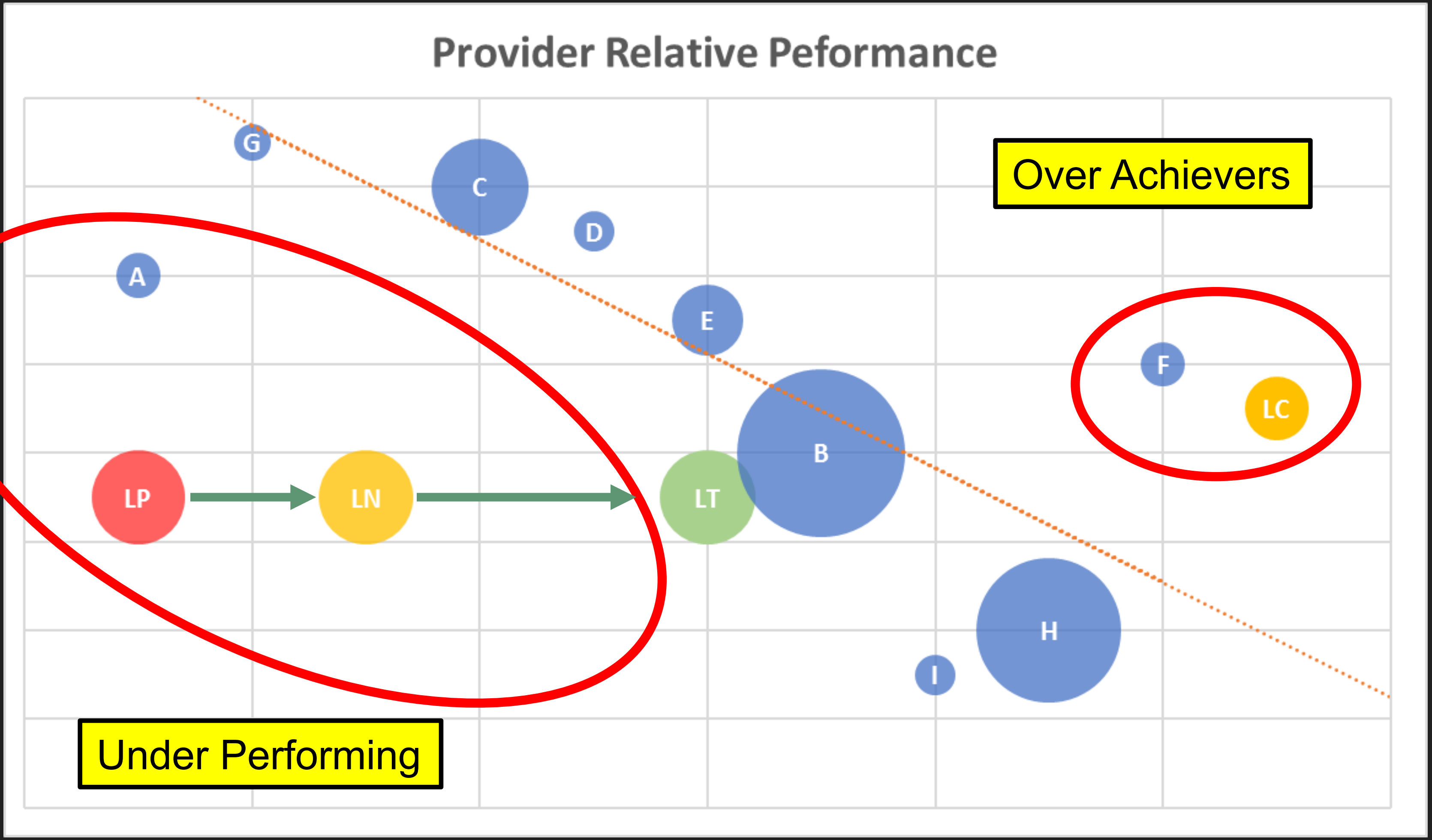

PROVIDER FLEET ANALYSIS

You can have data without information, but you cannot have information without data.

- Daniel Keys Moran

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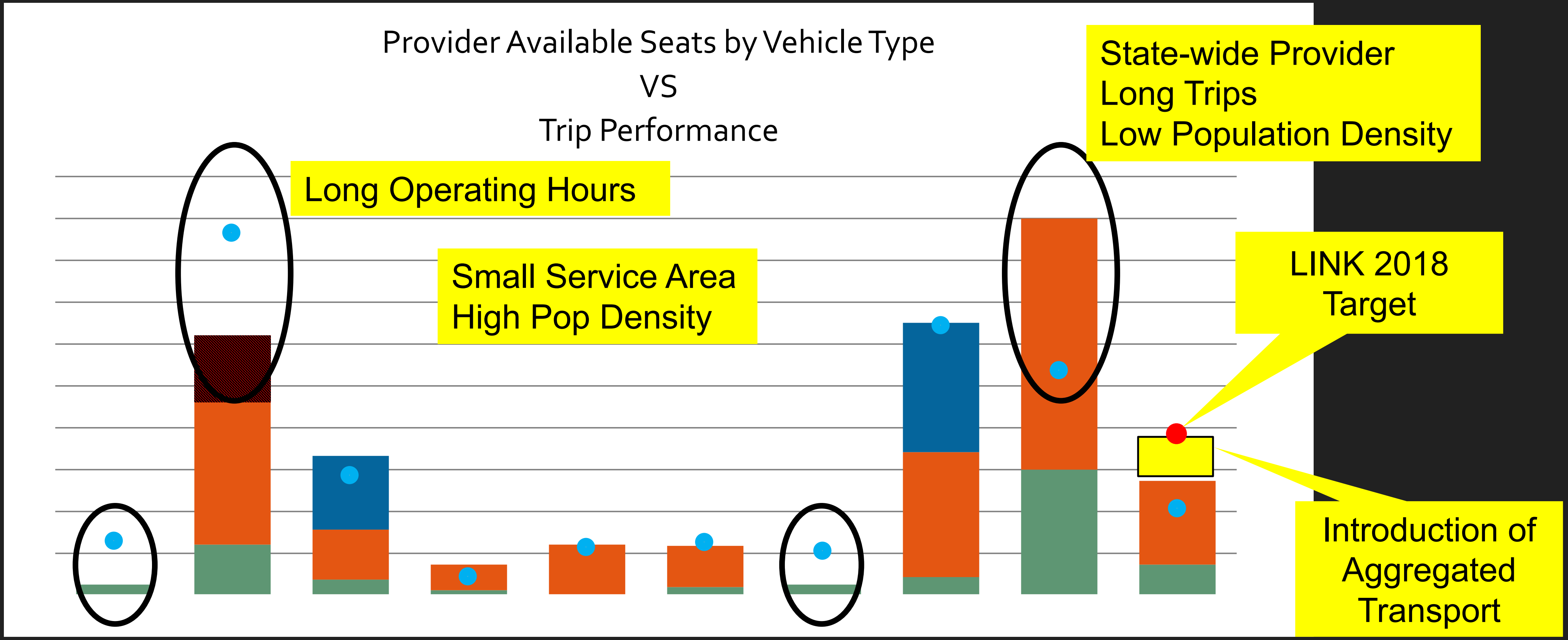

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OPERATING ENVIRONMENT: REGIONAL COMPARISON OF ABS DATA

Information is the oil of the 21st century, and analytics is the combustion engine.

- Peter Sondergaard, Gartner Research

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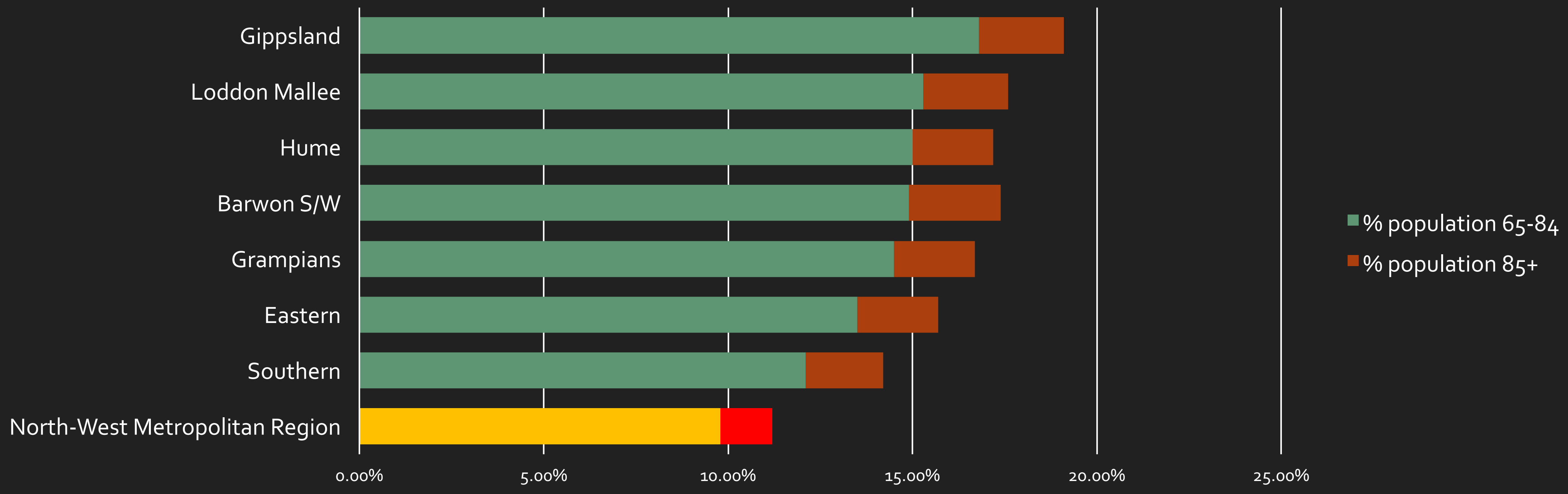
Density of Older Persons by Region



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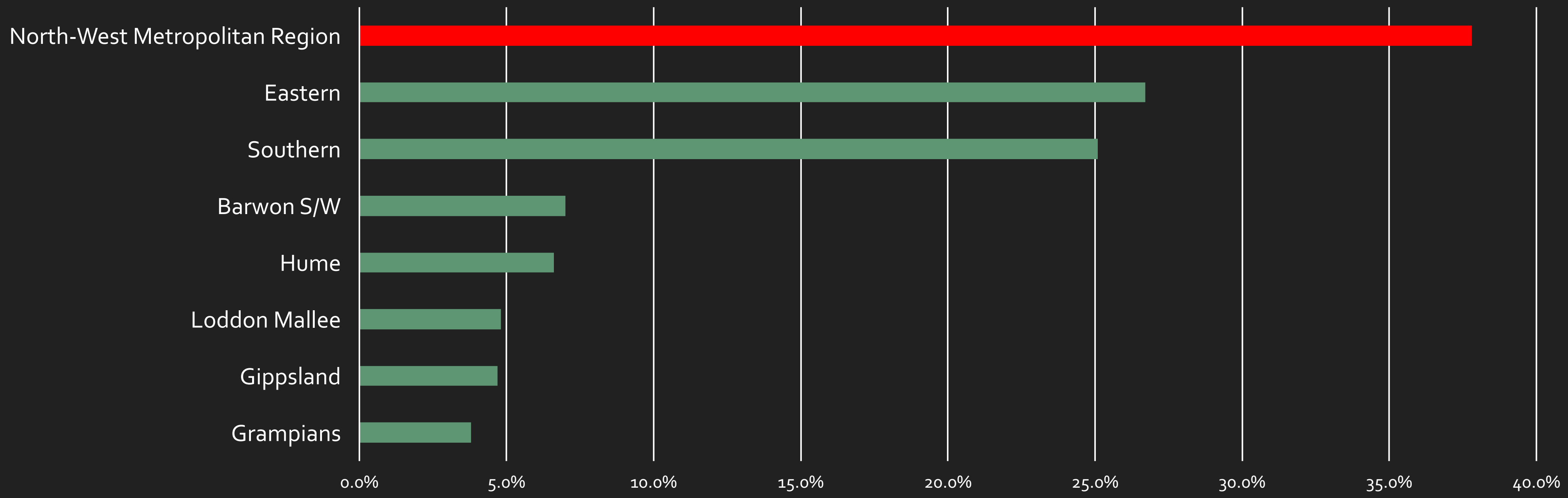
Speaks Language Other Than English @ Home



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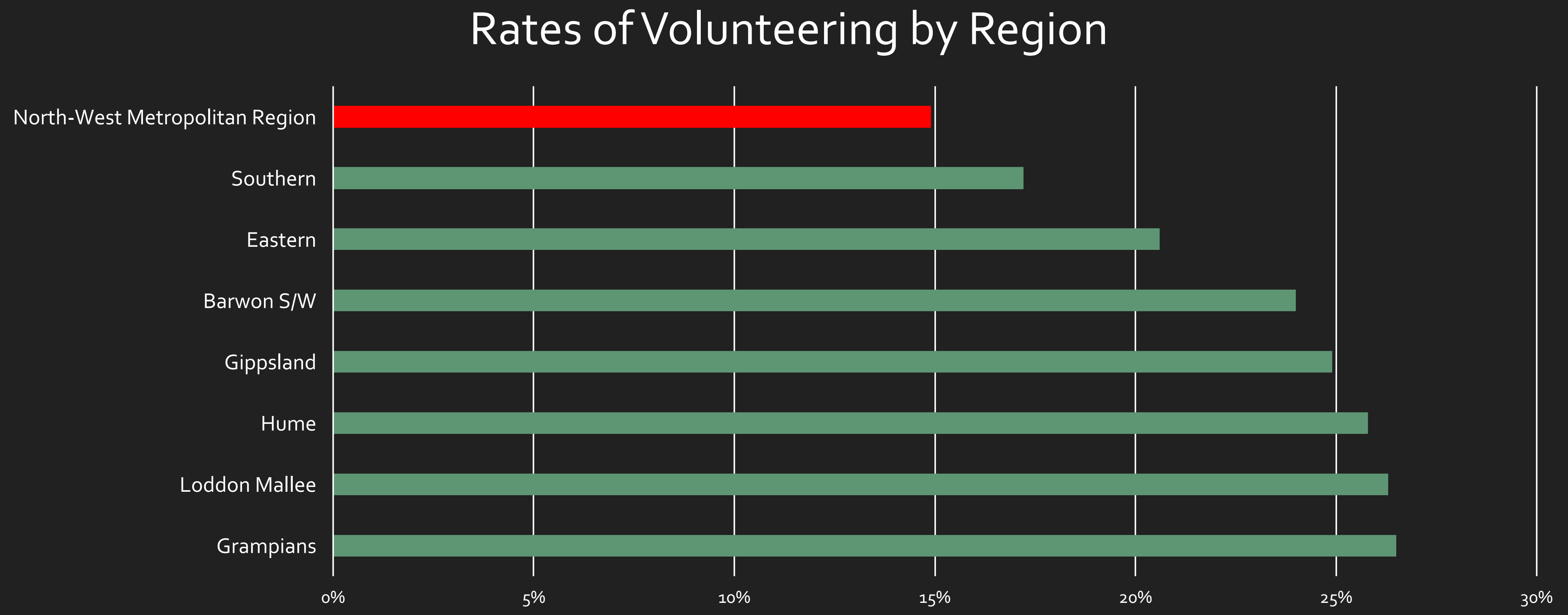

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Aboriginal and Torres Strait Islander Clients

.7%

of Victorians are Aboriginal or Torres Strait Islander

1.3%

of LINK Clients are Aboriginal or Torres Strait Islander

.6%

of LINK's Service Area are Aboriginal or Torres Strait Islander

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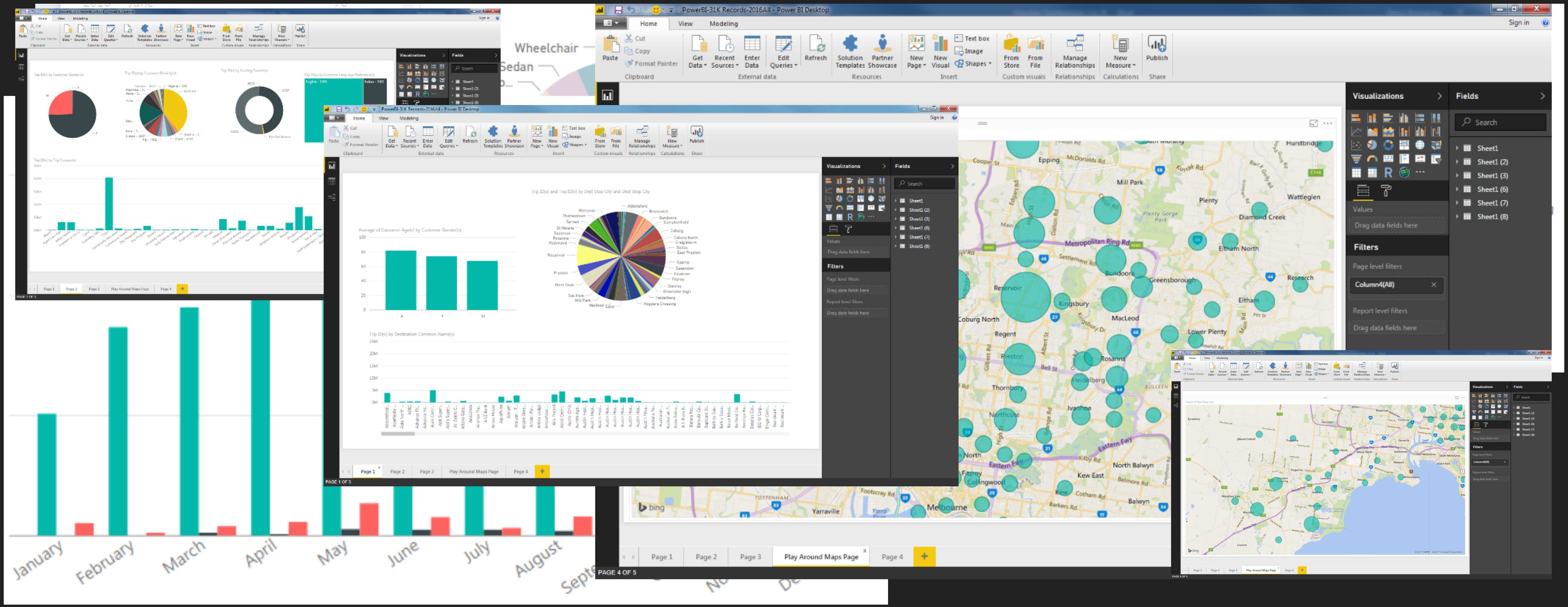
The future of data at LINK



The bottom line….

- Real need for greater data and analysis sophistication
- Services will experience greater stress with increased service provision and disproportionately increased client numbers
- Market-based competitive environment
- Not enough to carry the right motive – now need to carry the right performance levels

- …and prove it to critical stakeholders

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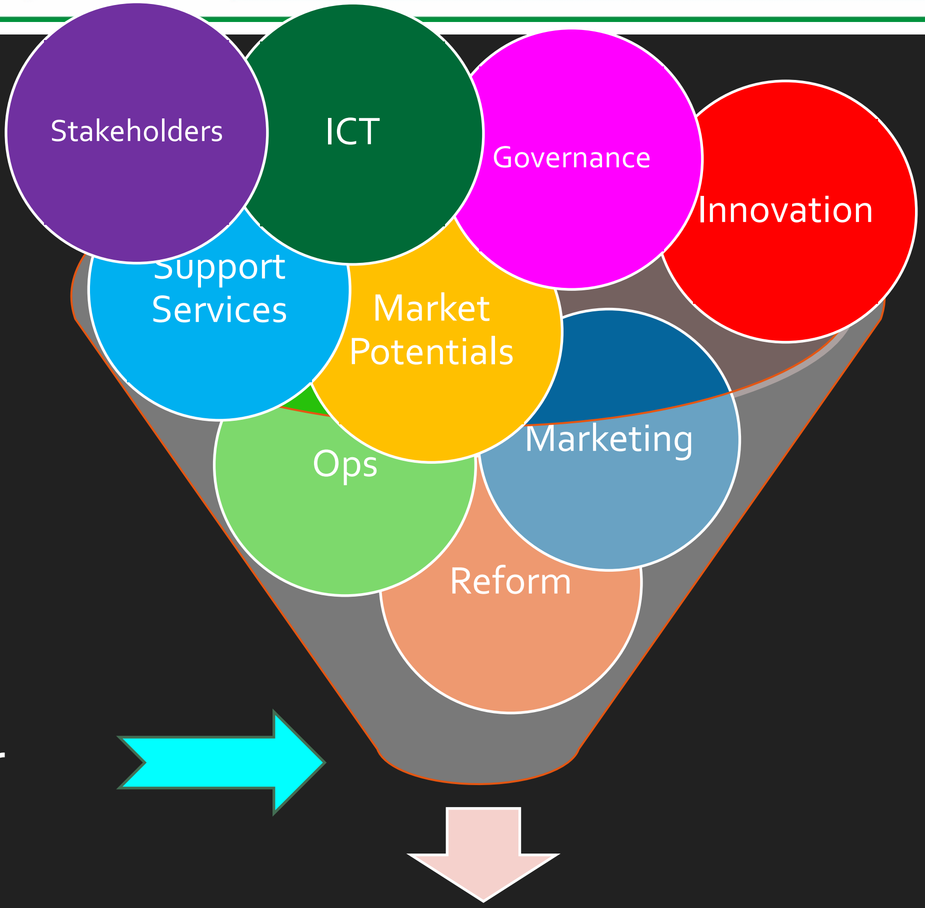
Ultimately

….. the devil will be in the detail



Evidentiary Filter

Evidence-based Strategies

?

?

Questions?

?