



PRESS RELEASE

Budget 2015: Aged care reforms get co-operative green tick

13 May, Sydney: The Business Council of Co-operatives and Mutuals (BCCM), which represents some of the country's largest providers of healthcare, risk protection and personal services, said the aged care reforms announced in last night's Federal Budget were a positive step towards older Australians having a greater say and control over the care services they receive.

The Government has announced the provision of \$73.7 million over four years to increase consumer choice and flexibility for older Australians who receive a Commonwealth funded Home Care Package.

From 1 February 2017, funding formerly allocated to service providers will be allocated to the consumer based on their care needs.

"The co-operative and mutual sector supports the principle of consumer directed care," said BCCM CEO, Melina Morrison.

"The challenge for government is how you ensure that there is sufficient competition and choice in care markets for consumers to get the benefits of individualised funding."

"Co-operatives and mutuals can provide solutions on both the supply and the demand side of the market. For example smaller providers of home care services can combine back office functions to reduce operating costs and to scale to compete against larger providers. Consumers may also need to come together in a co-operative structure to strengthen their bargaining position, especially in low profit or low service markets in rural and regional areas.

Both the McClure Welfare Review and the Harper Competition Review have recognised the important role that co-operatives and mutuals play in delivering social services in Australia. They help to increase the level of competition as well as lessening the burden on the taxpayer through self-help solutions.

The Department of Social Services will be consulting with stakeholders on potential programme and funding models, as well as options for implementation and transition to the new aged care arrangements. The BCCM urges government to respond to the findings of its recent reviews into the welfare system and competition policy which found that mutual aid and co-operation can help consumers, including older Australians, to gain control over choices that impact their lives.

Ends.

Notes for editors

1. For further information, please contact:
 - Melina Morrison, CEO (0410 902 656 or melina.morrison@bccm.coop)
 - Padraic Varley, Communications and Media Officer (0456 558 680 or padraic.varley@bccm.coop)
2. You can also receive the BCCM's news and press releases by following us on Twitter @BCCM_AU or signing up to our newsletters at www.bccm.coop
3. The Business Council of Co-operatives and Mutuals (BCCM) is the national peak body representing the co-operative and mutual models of enterprise in Australia. Formed in 2013, the BCCM is led by the chief executives of Australia's leading co-operative and mutual businesses and is the only organisation uniting the entire, diverse range of member owned business. Eight in ten Australians is a member of a co-operatively owned organisation. The sector represents 7 per cent of GDP.