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National Care and Support Economy Strategy

Submission to Department of Prime Minister and Cabinet

Table of Contents

Care Together: co-operative innovation in social care	3
Response to the draft Strategy	3
International comparisons: co-ops and social care policy	5
About the BCCM.....	7

The Business Council of Co-operatives and Mutuals (BCCM) welcomes the opportunity to make this submission to the Department of Prime Minister and Cabinet on the development of a National Care and Support Economy Strategy.

The BCCM is the national peak body for Australian co-operatives and mutuals. Serving eight in every 10 Australians, co-operatives and mutuals are member-owned and controlled businesses operating in all sectors of the economy including social care, health, housing, banking, insurance, agriculture and retail.

International and local experience demonstrates the significant potential for co-operative and mutuals to support people-centred care while providing quality work. The BCCM would therefore welcome further discussion with the Government on the role the co-operative movement can play in the Strategy, building on existing Commonwealth policy support for social care co-operatives and mutuals through the Care Together Program.

Care Together: co-operative innovation in social care

\$7 million over 2.5 years has been made available to fund the [Care Together Program](#), Australia's first co-operative and mutual enterprises support program in social care. The Program runs until June 2025. The Program is funded by the Australian Government through the Department of Health and Aged Care and is being delivered by the BCCM.

The Care Together Program seeks to demonstrate innovative, community-based solutions for improving the appropriateness and sustainability of services in 'so called' thin markets. When you empower people in community settings to co-operate on the care they receive or build the capacity of care givers and care workers to design how they provide care, then service quality improves, and the care workforce grows.

Social care includes aged care, disability care, veterans' care, Indigenous services, allied health and primary health care. Cross sector, multi-disciplinary models will be an important focus of Care Together and aligned to these high-level program outcomes:

- Supporting the establishment of innovative models of social care delivery in thin markets, including regional, rural and remote areas of Australia.
- Increasing opportunities for providers of social care to transition to co-operative and mutual models to address workforce challenges and improve service delivery.

Response to the draft Strategy

The BCCM welcomes the draft Strategy and believes co-operatives and mutuals are well placed to support all three goals: 1) Quality Care and Support; 2) Decent Jobs; 3) Productive and Sustainable.

We have specific comments and recommendations on each Goal.

Goal 1: Quality Care and Support: person-centred services that recognise those accessing care and support as individuals and deliver quality outcomes

Co-operatives and mutuals are uniquely placed to help the Strategy deliver on “Goal 1: and, in particular, Objective 1.1: “Access to services for all”.

- As member-owned entities, co-operatives and mutuals are, by definition, “person-centred”
- Co-operatives and mutuals offer a proven model of successful operation in locations and sectors of market failure, in particularly in rural and regional Australia and can support the Strategy’s emphasis on “Delivering choice and control in thin markets” (p.16)

Recommendation 1: on p.17 under the heading “How we will get there?”, we recommend the addition of a sentence that says: “As an early step in implementing this strategy, additional trials of integrated care and commissioning will be undertaken with co-operatives and mutuals delivering social care in thin markets”.

Goal 2: Decent Jobs: secure, safe jobs with decent wages, conditions and opportunities for career development

Co-operatives and mutuals provide an effective model that can help the Strategy deliver on this goal, in particular through Objective 2.5 “Improved leadership and management capability across the care and support economy”.

- Co-operatives and mutuals are governed by their members, who can be the consumers (care receivers), workers (care givers), or both.
- All models of co-operatives and mutuals have an in-built focus on people-centred care, which necessitates a focus on worker engagement to deliver long-term results.
- Worker-owned models allow workers to participate in governance and to have an ownership stake, encouraging quality job design and investment in professional development.

Recommendation 2: on p.37 under the heading “How we will get there?”, we recommend the addition of a sentence that says: “In order to drive improved leadership and management across the care and support economy, increased diversity of ownership models in the care and support economy will be encouraged and supported through information and training on establishing and operating co-operative and mutual enterprises (CMEs) in social care”.

Goal 3: Productive and sustainable: a care and support economy that has functioning markets, sustainable funding and generates funding gains.

Co-operatives and mutuals contribute to market diversification and build in consumer and worker voice into the heart of social care in a way that aligns with objective 3.3, “Funding models support market sustainability, job quality for workers, and quality care and support, including consumer choice and control.”

- As market steward, the Government should expressly recognise co-operatives and mutuals as a type of social care provider with unique features and potential benefits.

- Innovative co-op service models, information and research from the Care Together program can assist the Government to develop an optimal market stewardship approach in relation to co-operatives and mutuals. For example, research may demonstrate an alignment between social policy outcomes the Government wants to prioritise and the social goals that co-ops embed on behalf of their members.
- The [European Union Care Strategy](#) on pg.19 states that "Social economy actors [i.e. co-ops and other democratic organisations] bring an added-value to the provision of high-quality care services due to their person-centred approach and the reinvestment of profits into their mission and local communities...policy and legal frameworks should create the right environment for the social economy to optimise its contribution to care services. The systematic use of socially responsible public procurement could boost the potential of social economy to contribute to high-quality standards in care and to provide fair working conditions."
- The largest study comparing the productivity of worker co-operatives with that of conventional businesses [What do we really know about worker co-operatives?](#) finds that in several industries, conventional companies would produce more with their current levels of employment and capital if they behaved like employee-owned firms. Compared to other countries, Australia does not have as many employee-owned firms. This is particularly evident in the care and support economy sectors where attraction and retention of workers is critical.

Recommendation 3: Include a dot point on pg.45 in the examples of good market stewardship as follows: "Ensuring legal and policy settings recognise different types of providers and their unique characteristics, such as co-operatives and mutuals."

International comparisons: co-ops and social care policy

The following table provides examples of jurisdictions with notable social care co-operative sectors. Social care public policy in these jurisdictions has supported social innovation through co-operatives.

The Australian Government's commitment to Care Together represents a positive first step towards an enabling policy environment for co-operatives and mutuals to play a strategic role in the delivery of social care in Australia, similar to these jurisdictions.

Jurisdiction	Role of co-ops and mutuals in social care	Policy environment comments
Italy	<p>14,000 co-operatives provide care to 12% of the population.</p> <p>Higher staff retention and higher rate of permanent employment.</p>	<p>Special legislation for social co-operatives since the 1990s.</p> <p>Constitutional and tax policy recognition.</p> <p>Procurements settings align with co-operative model.</p>

		Strong local networks of co-ops support new entrants.
Spain	1,000 worker-owned co-operatives provide care services, half residential and half in-home.	Minister for Social Economy (responsible for co-operatives, associations, social enterprises) sponsoring new social economy legislation in 2023. Social welfare policy supports worker co-op formation. Public procurement reserved for social economy in some cases.
Japan	Elder care co-ops emerged in the 1990s and generally have a hybrid consumer-worker structure. Hundreds of thousands of members. Mutual aid model that aims to keep older people independent in their homes.	Special legislation for worker co-operatives introduced in 2020. Receives aged care system funding despite not being a traditional service delivery model.
United States (New York State)	Formed in 1985, Cooperative Home Care Associates employs 2,000 care workers. Co-operatives like CHCA are majority owned by people of colour.	Co-operatives partner with unions to advocate for increased wage levels in aged care sector.
United States (National)	Elevate Co-operative A co-operative of co-operatives providing value added services to support a thriving network of worker-owned home care co-operatives across the US, who are its members.	Enabled by Government, philanthropic and member investment. Developed by the ICA Group and the US Co-operative Development Foundation

United Kingdom	More than 100 employee-owned social and healthcare mutuals.	<p>Development of mutual care providers has been largely driven by policy programs in the last 15 years.</p> <p>UK policy has been criticised for not promoting democratic governance and concomitant poor performance in some mutuals.</p>
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About the BCCM

The BCCM is the national industry peak body for co-operatives and mutuals, working with governments, regulators and policymakers to ensure the Australian economic landscape is fully able to benefit from a competitive co-op and mutual movement.

Through its member co-ops and mutuals, the BCCM represents 11 million individuals and 160,000 businesses.

The BCCM has supported new co-operatives and mutuals to form in a range of sectors and is a member of the International Co-operative Alliance (ICA) with access to world-wide networks.

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