

NDIS Review: Why Aren't NDIS markets Working?

Care Together Submission to the NDIS Review

**the future
of social care**



1. Introduction

29 August 2023

This submission addresses the fourth challenge from the **NDIS Review: Why Aren't NDIS markets Working?**

Key Messages

- 1. NDIS markets would be improved by growth in the number of co-operative and mutual enterprises delivering NDIS services – that is, service providers that are owned, governed, and managed by their own members who could be individuals, families and/or workers.*
- 2. Evidence from other sectors and other countries demonstrates that co-operatives and mutuals can provide greater efficiency, customer satisfaction and workforce attraction.*

The Business Council of Co-operatives and Mutuals (BCCM) is the national industry body and the voice of Australia's co-operative, mutual and member-owned enterprises. It is a member-funded and driven organisation advocating for co-operatives and mutuals across all industries.

BCCM is funded by the Commonwealth Government to deliver the Care Together Program. This is a co-operative and mutual development and support program, designed to increase the number of co-operative and mutual enterprises in health and social care, with priority in regional, rural, and remote communities, sometimes referred to as “thin markets”, where other models of ownership are not working. Under the Program's guidelines, social care includes aged care, NDIS/disability supports, Veteran's Care, aboriginal and Torres Strait Islander community-controlled services, allied health, and primary health, with an emphasis on place-based, multidisciplinary health and care. Care Together is working closely with some of the Integrated Care and Commissioning sites with potential emerging in Bega Valley in NSW and Longreach in Queensland.

Over 2.5 years to June 30, 2025, the Care Together Program will support 13 projects. These include projects that enable new co-operatives to form, or for existing co-operatives to scale, as well as conversions, where organisations change their ownership structure to become a co-operative or mutual. A user tested prototype for a digitally enabled secondary co-operative will also be co-designed within the Care Together Program. Secondary co-operatives enable smaller place-based co-operatives and organisations to be federated as members of the secondary co-operative, benefiting from the efficiencies in sharing back-office and other value-added services.

For more information on the program visit the [Care Together website](#).



2. Co-operatives provide an alternative where NDIS markets aren't working

The NDIS Review has correctly identified the shortcomings of competition in driving improved quality, innovation, and diversity of services. These deficiencies are particularly evident in regional, rural, and remote areas, where there is limited availability and poor quality of services, limiting choice and control participants have over their supports.

NDIS markets would be improved by growth in the number and diversity of co-operative and mutual enterprises delivering NDIS services – that is, service providers that are owned, governed, and managed by their own members, who could be individuals, families and/or workers.

The co-operative model has been recognised by the Commonwealth Government through support for the Care Together Program, particularly for its potential in thin markets and with marginalised groups.

The ability of co-ops to deliver value for members and communities derives from adherence to person-centred care, the seven international co-operative principles¹, a clear corporate governance framework² and commitment to federation³.

Co-operatives form where a like-minded community, such as a group of NDIS participants or care workers, come together to meet their shared needs or goals through an enterprise they own and run together.

Regardless of who the members are or the types of service the co-operative aims to deliver, the fundamental elements in co-operatives are democracy, reciprocity and mutual aid. Democratic governance ensures that no single member is seen as more important and means the co-op is not simply controlled by the largest capital investor. The board of directors that the members have elected must think about the interests of the co-operative as a whole – all the current and future members, and how the co-operative can meet the needs of members through its services.

Co-operatives operate under seven internationally agreed principles, including the principle of Democratic Member Control⁴. The international co-operative principles provide a framework for delivering sustainable value through a member-based business model based on nearly 200 years of global experience.

Member democracy is the principle of co-ops which fundamentally differentiates the model and its governance from both investor-owned and not-for-profit models of ownership and governance:

- In an investor-owned model, control is based on capital investment and the purpose is profit.
- In a (non-member-based) not-for-profit model, control is with appointees who act like trustees for the public purposes of the entity.

¹ [International Co-operative Values and Principles](#)

² [Co-operative Governance Principles](#)

³ [Federated Co-operatives in Australia: A Discussion Paper](#)

⁴ The principles are stewarded by the International Co-operative Alliance, of which BCCM is a member. The International Labor Organization Recommendation 193 on the promotion of cooperatives recommends that government policies recognise co-ops and that they operate under these principles.



- In a co-operative or member-based model, control is with members and the purpose is benefit to members.

3. Co-operative Case Studies in Social Care

In Australia and around the world, co-operatives and mutuals provide NDIS and disability services through ethical, effective and sustainable businesses that are member owned and controlled.

[SILC - Supporting Independent Living Co-operative](#) is an example of a secondary co-operative providing back-office functions and mutual aid for the members which are small, family governed co-operatives providing housing and support for their adult children with a disability.

[Nundah Community Enterprises Co-operative](#) is a worker owned co-operative enterprise providing sustainable employment for over 20 years for their members who have a disability. The Nundah co-operative is based in Queensland where it operates two cafes and a maintenance and gardening service in Brisbane CBD and Nundah.

[The Co-operative Life](#) is a worker owned co-operative providing home care services and NDIS supports, operating in Sydney and New England in NSW.

[The Elevate Co-operative](#) is a secondary co-operative where its members are worker owned home care co-operatives across the US, sharing the costs of back-office services and other value-added services. Many of these member co-operatives are in rural and remote locations.

[Co-operative Home Care Associates](#) is a large worker owned co-operative in the US whose members are frontline care and support workers.

4. Emerging examples of projects in the Care Together Program

Since commencing the Care Together program in January 2023, BCCM has developed a pipeline of over 22 projects with three projects approved to commence. The project pipeline as of 25 August is **attached**.

Examples of projects that include the NDIS are:

[The Summer Foundation](#) has proposed a 3-stage project to demonstrate the feasibility of establishing a place-based tenant-led buyers co-operative where the members are younger people with a disability where 24x 7-hour services are required, enabling them to pool resources to receive the supports they need whilst having choice and control where and with whom they live.

[SILC](#) has proposed a staged project to extend their successful family governed co-operative model in response to families wanting to establish similar co-operatives providing supported independent living and housing for their adult children in Victoria and South Australia.



The Community Disability Alliance in the Hunter, has proposed forming a worker co-operative to operate in the NDIS and across other care sectors, where the workers have lived experience of disability, with a focus on the deaf and blind community.

There are examples of other projects in regional and rural areas (e.g., Bega Valley, Western NSW, Barcardine, near Longreach in Western Queensland, and the Western Australian Wheatbelt) where projects are under discussion involving place-based Care and Support Hubs, worker co-operatives for independent workers and co-operative housing solutions.

Care Together Program Advisory Committee

Because of the cross-sector design of the Care Together program, there is a Program Advisory Committee that includes senior representatives from health and social care Government agencies and co-operative experts.

The Department of Prime Minister and Cabinet, through the Care and Support Economy Task Force, is included on the Advisory Committee, leading some work on helping the program identify the main barriers to achieving sustainable place based, cross-sector social care services, with guidance about strategies to remedy some of these barriers.

The NDIA has been represented on this Advisory Committee by Chris Oppert, Acting Branch Manager Market Intervention and Commissioning Branch.

Conclusion

BCCM would welcome the opportunity to meet with the NDIA to discuss the Care Together Program and explore how the NDIA could support sustainable service delivery in care and support economy sectors in markets where current ownership models are failing.

Contact for further information:



Melina Morrison | CEO

Business Council of Co-operatives and Mutuals (BCCM)

GPO Box 5166, Sydney, NSW 2000

E: caretogether@bccm.coop | P: +61 (02) 8279 6050 | www.caretogether.com.au

Attention: Gillian McFee

Attachment: Project Pipeline as at 25 August 2023