



30 September 2024

Aged Care Bill 2024 [Provisions]

Submission to the Senate Community Affairs Legislation Committee

Introduction

The Business Council of Co-operatives and Mutuals (BCCM) welcomes the opportunity to make this submission about the Aged Care Bill 2024 to the Senate Community Affairs Legislation Committee.

The BCCM is the national peak body representing the co-operative and mutual enterprise movement across all sectors including aged care.

Co-operatives and mutuals are businesses that are owned and democratically controlled by consumers, workers, producers (SMEs), a community of interest or a combination of these stakeholders. Their corporate purpose is to provide economic, social and cultural benefits to their members and communities, rather than maximisation of profits to shareholders.

There are 1,800 co-ops and mutuals in Australia with a combined turnover of more than \$43bn (National Mutual Economy Report 2024).

The BCCM is currently delivering the [Care Together Program](#) on behalf of the Commonwealth Department of Health and Aged Care. This program is focused on fostering innovative co-operative social care models that empower workers and consumers and can address the unique challenges of sustainable care delivery in regional, rural and remote communities, or so-called “thin markets.”

Comments on the Bill

The BCCM believes the Bill is permissive of co-operatives and mutuals to operate in aged care.

As such the new Bill is a necessary but insufficient step towards an enabling policy environment where older Australians and their families looking for transformative change in aged care using a co-operative or mutual model.

The Bill will only effectively support a diverse, innovative and consumer-focused aged care sector if the rules that will support this Bill and the wider array of aged care sector policies and programs recognise and encourage formation and growth of co-operative and mutual social care.

We note that this is especially the case in relation to the two following aspects of the Bill:

Clause 157: Membership of governing bodies

Clause 157(2)(a) provides that under the Bill, only registered providers of kinds prescribed in the rules will need to comply with the governing body composition requirement.

The BCCM welcomes this change in drafting from the current Act, where all providers not expressly exempted are required to comply. This has caused significant issues for co-operatives registered under state and territory legislation because they must have a majority member-directors on their governing body by law and in accordance with the international co-operative principles.¹ The only

¹ See s10 and s174(2) Co-operatives National Law

way for a co-operative to currently resolve this conflict is to seek a determination from the regulator, providing a major disincentive to growth in co-operative aged care.

Provided that the rules supporting the Bill are appropriately drafted to recognise the distinct member-based governance model of co-operatives, clause 157 will represent a significant improvement on the equivalent provision in the current Act.

Provisions defining registered providers, associated providers and digital platforms

The BCCM has reviewed the provisions that deal with registered providers, associated providers and digital platforms. We believe they will permit a range of different provider models, including innovative co-operative structures such as a shared services co-operative or a platform co-operative. The rules and the wider policy and program environment will be important in whether innovative co-operative models do emerge alongside the better-known investor-led aggregation models.

The BCCM would be pleased to provide further information on any matters raised in this submission.

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 60,000 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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