

## Response to Questions on Notice

Senate Economics Reference Committee  
Inquiry into Cooperative, Mutual and Member-Owned Firms

Dear Committee members

The National Health Co-op (NHC) would like to thank the Senate Economics Reference Committee for the opportunity to provide evidence to its Inquiry into Cooperative, Mutual and Member-Owned Firms on Friday 26 February 2016.

Presented below is additional information requested by Committee members during this hearing.

### **1. Examples of finance programs, such as revolving loans funds, targeted at the co-operative organisations. Requested by Senator McKenzie.**

The NHC is aware of at least three such programs operating in the UK, USA and Italy the details of which are presented below.

- **UK** - [coopfinance.coop](http://coopfinance.coop)  
“We exclusively serve the co-operative and social enterprise sector. Over the last 40 years we’ve supported hundreds of businesses, from small community-led enterprises to large award-winning organisations. All of our funds are democratically owned and controlled by our members. We lend to those that practice the principles of co-operation, social ownership and sustainable development. Our rates are competitive and we don’t require personal guarantees.”
- **USA** - [www.rd.usda.gov/programs-services/all-programs/cooperative-programs](http://www.rd.usda.gov/programs-services/all-programs/cooperative-programs)  
“Funding for Cooperatives - In conjunction with other Rural Development program areas, we provide financial assistance opportunities that are available to assist rural businesses, including cooperatives, and agricultural producers.”
- **Italy** - Italy has passed legislation that enables unemployment benefits to be redirected as seed capital to enable workers to buyout a firm that they have been working for which will otherwise close. Information is available from: The Italian Road to Creating Worker Cooperatives from Worker Buyouts: Italy’s Worker-Recuperated Enterprises and the Legge Marcora Framework  
([www.academia.edu/14824265/The Italian Road to Creating Worker Cooperatives from Worker Buyouts Italy s Worker-Recuperated Enterprises and the Legge Marcora Framework](http://www.academia.edu/14824265/The_Italian_Road_to_Creating_Worker_Cooperatives_from_Worker_Buyouts_Italy_s_Worker-Recuperated_Enterprises_and_the_Legge_Marcora_Framework))

## **2. Additional information regarding the funding of ACT Super Clinic. Requested by Senator Xenophon.**

In August 2014, under the Australian Government's GP Super Clinics Program, the Commonwealth Department of Health, provided funding of up to \$15m to Ochre Health Pty Ltd to establish the ACT GP Super Clinic.

The GP Super Clinics Program committed approximately \$544 million to build 60 GP Super Clinics around Australia. The stated objectives of the Program were that the Super Clinics would "...bring together general practitioners, practice nurses, allied health professionals, visiting medical specialists and other health care providers to deliver primary health care services aimed at addressing the health care needs and priorities of their local communities"

Additional information on the Super Clinics Program is available from:

- <http://www.health.gov.au/internet/main/publishing.nsf/Content/pacd-gpsuperclinic-about>
- <http://www.health.gov.au/internet/main/publishing.nsf/Content/pacd-gpsuperclinics-latestnews-act>

The NHC is aware that the ACT Super Clinic has employed approximately 16 FTE general practitioners across three clinics, with one clinic operating with only 1 FTE GP. Of these 16 GPs, over half have moved from practices formerly operating in other Canberra suburbs. These clinics are private and mixed billing facilities.

Over the same period, the NHC has received one special grant of \$200,000 that, along with matching contributions from the ACT Government and private investment, facilitated the establishment of our first clinic. This seed investment has now resulted in the establishment of six current clinics and the recruitment of approximately 50 primary health practitioners including 26 general practitioners, 3 nurse practitioners, 7 practice nurses, 7 psychologists, 1 physiotherapist, 1 pharmacist and 2 dietitians. Three additional clinics will commence operation by 30 June 2016, including the NHC's first clinic in NSW.

The NHC's model ensures the reinvestment of all surplus earnings into the continued expansion of the organisation and activities that contribute to the health of the communities where we operate.

## **3. Governance model to maintain responsiveness to local community needs. Requested by Senator Xenophon.**

To ensure the NHC remains responsive to changing community needs as it continues its expansion across Australia, Local Community Committees (LCC) are being established in each region where the NHC operates. The LCCs enables the local community to provide direct advice on the services needed most in their respective regions. This information directly informs the NHC's strategic business plan and regional service delivery agendas.

The NHC is committed to the provision of affordable primary health care services to all communities where it operates with the overarching goal of significantly reducing instances of preventable diseases and lessening the personal, societal and economic impact of chronic conditions. The LCCs are an important part of ensuring this outcome.

## Summary

The NHC's co-operative structure ensures all earnings are retained and reinvested in the continued growth and enhancement of the organisation's capacity for the benefit of its members.

The Board and Management of the NHC is pursuing an ambitious expansion plan that will see the establishment of NHC clinics in all Australian states and territories in the early 2020s. This objective supports the NHC's goal of making a substantive positive contribution to the health of all Australians.

There is enormous long-lasting social and economic benefits through the realisation of the NHC's objectives. The strong growth of the NHC to date is a testament to the existing communities support

for the model and positions the organisation well to achieve its objectives and change the delivery of primary health care services in Australia.

Australian Governments can unlock significant social and economic returns by adopting politics that encourage the founding and expansion of co-operative and mutual organisations. As demonstrated by the NHC, there is particular benefit from co-operative and mutual organisations participation in the delivery of human services due to the complete alignment of incentives with consumers and governments.

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