An excerpt from:
Better Health & Social Care: How are Co-ops & Mutuals Boosting Innovation & Access Worldwide?
An International survey of co-ops and mutuals at work in the health and social care sector (CMHSC14)
Volume 2: National Cases

For the research framework, the analysis of the national cases, and other research components, including a description of the research team members, refer to Volume 1: Report.

For information regarding reproduction and distribution of the contents contact the editor and research leader:
Jean-Pierre Girard
LPS Productions
205 Chemin de la Côte Sainte-Catherine, #902
Montréal, Québec H2V 2A9
Canada
info@productionslps.com
URL http://www.productionslps.com

AUSTRALIA[1]

2014

HEALTH SYSTEM

The Australian Government provides a basic universal health insurance called Medicare, a scheme established in 1984.[2] Private health insurance in Australia generally provides services not covered by Medicare or services provided in private hospitals. "While most Australians choose to be covered under Medicare only, many also choose to augment that coverage with private health insurance cover."[3]

In 2011-12, governments provided $90.9 billion USD (97.8 billion AUD) or 69.7% of total health expenditure in Australia. The contribution of the national government to that total was $55.3 billion USD (59.5 billion AUD, 42.4%) and state and territory governments contributed $35.6 billion USD (27.3%). Non-government funding sources (individuals, private health insurance, and other non-government sources) provided the remaining $39.2 billion USD (42.4 billion AUD, 30.3%).[4]

At the federal level, health expenditure by the Australian government increased steadily throughout the period from $25.8 billion USD (27.8 billion AUD) in 2001-02 to $55.3 billion USD (59.5 billion AUD) in 2011-12.[5] The ratio of health expenditure to revenue for the Australian government increased from 22.4% in 2001-02 to 26.4% in 2011-12. At the local level, during the same period, health expenditure by the state and local governments grew from $13.7 billion USD (14.7 billion AUD) to $35.6 billion USD (38.3 billion AUD), an average annual growth rate of 10.1% per year.[6] The ratio of health expenditure to revenue for the state and local governments rose from 16.4% to 24.5% in one decade.

Population (in thousands): 23,050

Population median age (years): 37.08

Population under 15 (%): 18.95

Population over 60 (%): 19.46

Total expenditure on health as a % of Gross Domestic Product: 9.1

General government expenditure on health as a % of total government expenditure: 17.8

Private expenditure on health as a % of total expenditure: 33.1

In 2013, 34 private health insurers were registered in Australia under the Private Health Insurance Act 2007 (PHI Act), including eight for-profit insurers and 26 not-for-profit insurers.[7] It is estimated that 31.6% of hospital treatment policyholders have coverage from a not-for-profit insurer.[8] Besides, not-for-profit insurers make up about 30% of the private health insurance industry, based on policies covered.

From 2001-02 to 2011-12, private health insurance funding per person increased on average between 1.6% and 4.0% each year in all states and territories, with Victoria having the fastest growth (4.0% per year) and the Northern Territory the slowest (1.6% per year).[9] During 2012 and 2013, the number of insured people in the private health insurance industry increased at a rate of 2.9%, and the insured population taking up private health insurance has expanded to 54.9% of the total population.

There are basically two types of private health insurance, namely, hospital policies and general treatment policies (also called ancillary or extras, covering such ancillary treatment as dental, physiotherapy, etc.). Most health insurers offer combined policies that provide a packaged cover for both hospital and general treatment services.[10] At the end of 2012-13, 47.0% of the Australian population was covered for hospital treatment by a private health insurance policy and 54.9% was covered by a general treatment policy. 85.5% of insured persons are insured for both hospital and general treatment policies.[11]

During 2012-13, the total cost of privately-insured services was covered by three main sources: benefits provided by private health insurance ($14.229 billion USD, 68.3%), benefits provided by Medicare ($2.209 billion USD, 10.6%), and payments by patients ($4.391 billion USD, 21.1%).[12]

HEALTH COOPERATIVES[13]

In Australia, there are currently two health cooperatives and 15 not-for-profit health mutual organizations with open access. In addition, it is estimated that there are 30 pharmacy cooperatives providing retail pharmacy stores, and nine cooperative hospitals, of which four are private hospitals and the remaining five are small public hospitals.[14]

The first Australian health cooperative, Westgate Health co-operative, emerged in 1980. It was initiated by a group of residents in the low-income area of South Kingsville/Spottswood, in Melbourne's West. Twenty years later, residents in a disadvantaged outer metropolitan area of Canberra launched a similar initiative, which by 2006 had developed into West Belconnen Health Co-operative Ltd. Since then it has changed its name to the National Health Co-operative.

Health Cooperative Data (as of June 2014)

Number of cooperatives	2
Types of co-operative	User
Number of members	＞32,000
Number of employees	105 Doctors and nurses: 58 Other health professionals: 10 Others: 37
Users	N/A
Services	Includes primary care, immunization, minor surgical procedures, dental care, allied health Illness/accident prevention (1) Wellness and health promotion (0) Treatment and cure (2) Rehabilitation (2)
Facilities	7 clinics
Annual turnover:	N/A

Case Study

The first Australian health cooperative, **Westgate Health co-operative**,[15] was initiated in 1980 by a group of residents of the low-income area of South Kingsville/Spottswood, in Melbourne's West. Their main motivation was concern over a lack of bulk-billing medical services in their neighbourhood. They were soon able to attract a general practitioner[16] and decided to develop their own health service. It is a registered community cooperative. For Westgate, the principle of cooperation is the organization philosophy. This refers to cooperation between patients and health professionals on the one hand, and on the other hand, cooperation in the governance and support of the organization between staff, management, and members.

Over the last 30 years, the organization has grown substantially. Up until 2013 there were over 8,000 members, and Westgate operated two centres, South Kingsville and Newport. The organization provides a wide range of health services by employing over 30 staff and doctors, as well as other practitioners of allied health (including psychology, physiotherapy, acupuncture, podiatry, diabetes education, mental health, and nutrition).

People in Westgate regard their organization as unique. In particular, they believe the cooperative model of operation makes it possible for the organization to provide user-owners with high-quality health care. For the same reason, they have recently carried out a patient survey with the purpose of improving the services provided. In 2012, the board also made a commitment to improve communication with its members. One year later, a new website had been launched, offering members personalized logins and a wider range of online services (such as online payments). By putting members first, Westgate has experienced a steady growth in membership. In 2013, an additional 406 members joined the organization, for a total of 8,112. It is also worth noting that Westgate offers four membership types: family concession (accounting for 13% of total members in 2013), family waged (35%), single concession (22%), and single waged (30%). Normally, Westgate members pay a one-off joining fee of $27.90 USD per family, then an annual fee of up to $46.50 USD per person or $83.70 USD per family.[17]

As members of Westgate, the clients can benefit from a wide range of personal supports, such as one free dental check-up per year, discounts on dental services and allied health services, bulk-billing for medical services, etc. Besides, they become able to engage in local community health issues and in strengthening community supports for healthy lifestyles. With the involvement of its members, Westgate supplies other services for community development from time to time, such as free transport, counselling, and a "casserole bank" for patients, particularly mothers.[18] In this way, they also can enjoy a sense of community ownership and control, which is another way to show the uniqueness of Westgate. As the first medical service of its kind in the country, Westgate was "crucial to the subsequent formation of Canberra's West Belconnen Health Co-operative and remains willing to support other communities looking to follow its example."[19]

As a non-profit organization, Westgate does not divide any surplus, which is used to develop the mission and services of the cooperative. Finally, it should be mentioned that Westgate receives no public funding. It relies on membership fees, bulk-billing rebates, and fees for service. Membership fees are further structured to optimize access to health services for low-income clients and members.

SOCIAL COOPERATIVES

Social cooperatives have been developing rapidly in Australia. Nowadays there are numerous social cooperatives providing a wide range of services and activities to their members or their communities, such as primary health care, home care, aged care, disability support services, and community support services.

One type of social cooperative peculiar to Australia is the aboriginal medical services cooperative. Since its emergence in the early 1970s, the first aboriginal medical service cooperative in Australia now has already more than 40 years of history. Although indigenous Australians have typically more health problems than non-indigenous Australians, 40 years ago it was recorded that they were poorly treated and the medical services available or open to them were rather limited. During the past four decades of development, Aboriginal Medical Service has been "joined by 200 aboriginal medical services throughout Australia."[20] They provide affordable and professional services to local indigenous communities, ranging from clinical and primary health care and home care to health promotion and community aged care. In many cases, they provide combined services. In this sense, they should also be regarded as multipurpose cooperatives.

Field of activity	Aboriginal medical services, primary health care, home care, aged care, disability support services, community support, etc.
Number of cooperatives	34
Type of cooperative	N/A
Number of members	N/A
Number of users	N/A
Annual turnover	N/A

Another type of social cooperative focuses on providing aged care or disability support. These organizations operate both in a classical and an innovative way of cooperation. One innovative example is Radio for the Print Handicapped Co-operative. Formally registered in 1979, this cooperative provides a radio reading service for people who cannot see, handle, or understand printed material. It provides its service 17 hours a day from seven stations around Australia (Melbourne, Canberra, Sydney, Brisbane, Adelaide, Perth, and Hobart). As part of this organization, Radio for the Print Handicapped of New South Wales has been broadcasting in Sydney since 1983. According to its website,[21] besides the print handicapped, people from a non-English speaking background are among the listeners.

Finally, although not classified as health cooperatives, some social cooperatives also specialize in providing medical and other health care services. Some examples are Sydney Medical Service Co-operative Ltd and Wollongong Medical Service Co-operative Ltd, which offer doctor home visits and/or treatment of acute illnesses after hours to their members and clients.

MUTUALS

In Australia, there were 26 registered not-for-profit insurers at the end of June 2013, including 15 with open access and 11 with restricted access.[22] It is estimated that 92.9% of hospital treatment policyholders in Australia have coverage provided by insurers with open access.[23]

SOURCES

[1] A more detailed version of this case is available upon request.
[2] Previously, another arrangement called "Medibank" was introduced in 1975 to provide universal funding for public hospital treatment and medical costs. It was abolished in 1978. See Private Health Insurance Administration Council (PHIAC). 2013a. "The Operations of Private Health Insurers Annual Report 2012-2013." Canberra: PHIAC. (http://phiac.gov.au/wp-content/uploads/2013/12/2012-13-accessible-pdf.pdf). P. 4.
[3] PHIAC 2013a:4.
[4] Australian Institute of Health and Welfare (AIHW). 2013. *Health Expenditure Australia 2011-2013*. Health and expenditure series 50. Canberra: AIHW. Cat. no. HWE 59. (http://www.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=60129544656). P. 31.
[5] AIHW 2013:15.
[6] AIHW 2013:16.
[7] Not-for-profit insurers face a different tax environment, being exempt from company tax and retaining the GST-exempt status applying within the industry as a whole. But there are much stronger restrictions on the nature and type of investments that may be made by not-for-profit insurers. PHIAC. 2013b. "Competition in the Australian Private Health Insurance Market." Canberra: PHIAC. Research Paper 1. (http://phiac.gov.au/wp-content/uploads/2013/12/PHIAC_Research_Paper_No1-new-format.pdf). P. 31.
[8] PHIAC 2013a:13.
[9] AIHW 2013:51.
[10] Australian Government, Department of Health. 2014. "What is Private Insurance?" (http://www.health.gov.au/internet/main/publishing.nsf/Content/health-privatehealth-whatisPHI).
[11] PHIAC 2013a:20.
[12] PHIAC 2013a:8.
[13] We would like to acknowledge the generous support of Ms. Melina Morrison (CEO of BCCM, Business Council of Co-operatives and Mutuals) and Mr. Mitchell O'Gorman (BCCM) for providing useful documents and web links, which facilitated the process of data collection in Australia.
[14] Information provided by Mr. Vern Hughes, Director of the Centre for Civil Society in Australia, http://www.civilsociety.org.au/Director.htm.)
[15] Unless otherwise noted, information for this case study is gathered from Westgate Health co-op ltd. 2014. Website. (http://www.westgatehealth.coop/); and Westgate Health co-op ltd. 2013. "Annual Report 2012-2013. (http://www.westgatehealth.coop/index.php/what-s-new).

[16] That was sponsored by the social services department of Victoria's Baptist Union Church. See Derby, Mark. 2012. *Building a better Australia: 50+ stories of co-operation.* North Sydney, NSW: Focus, Toro Media. P. 89. Document provided by Mr. Mitchell O'Gorman (BCCM) by email.
[17] Derby 2012.
[18] Derby 2012.
[19] Derby 2012.
[20] Derby, Mark. 2014. "The kinship tradition." International Co-op Alliance. (http://ica.coop/en/media/co-operative-stories/kinship-tradition).
[21] R2PH Mobile. 2014. Website. (http://2rphv2.gingerfever.com/index.php/faq/about-us/item/what-is-radio-2rph-3).
[22] In Australia, private health insurers can be registered as an open or restricted fund, and as a for-profit or not-for-profit fund. According to PHIAC (2013a:13), "An open access insurer allows anyone to join, whereas the products of a restricted access insurer are limited to people belonging to a particular group, which are usually employer, trade, industry, professional association or union based." The first for-profit private health insurers began operation in 1989 (PHIAC 2013b:30).
[23] PHIAC 2013a:13.