
Good Life Cooperative

Proposal for a national multi-stakeholder social enterprise in self-direction

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Vision

By 2018, 100,000 Australians in disability, aged care, mental health and chronic illness will self-direct their supports through the Good Life Cooperative as holders of an individual support package without relying on a service provider to 'deliver' services to them.

Goal

To be a financially independent, national, multi-stakeholder social enterprise that enables 100,000 Australians to self-direct their supports by 2018 in association with member organizations and support workers.

Model

The Good Life Cooperative will be a "multi-stakeholder" model, because it is oriented to various stakeholders who collaborate through the cooperative to pursue their goals:

- individuals and families in receipt of packages;
- mentoring, coordination and brokerage organizations who support individual package holders;
- support workers who are committed to working in a personalised way; and
- individuals and families not currently in receipt of a package.

It will be a "social enterprise" model, because the project aims to be a self-sufficient business, not reliant on grant funding.

It will be a “national” venture, because the demand from individuals and families for an easy-to-find and easy-to-use method of self-direction is national in scope.

It will be a “membership-based” model, because membership is a tried and tested method of structuring shared ownership and mutuality in a collaborative venture.

The Good Life Cooperative will be a **multi-stakeholder trading cooperative** registered under the Cooperatives Act.

A trading cooperative is recognized in legislation as a particular type of cooperative structure which enables members to trade with each other, and links membership fees and benefits to the volume of their business conducted through the cooperative.

Assumptions

a. In the next three years, many hundreds of thousands of Australians in disability, aged care, mental health and chronic illness, will have an opportunity to self-direct their supports through an individual support package;

b. To realise this opportunity, an easy-to-find and easy-to-use method of self-direction that can be taken up by Australians in every part of the country, is needed;

c. No single organisation has the capacity to harness this potential on its own, therefore a method of collaboration between groups and organisations which have a serious commitment to personalisation and self-direction, on a national basis, is needed;

d. In the next three years, large service providers in disability, aged care, and other areas will merge and form mega-agencies operating on a national basis to take advantage of the NDIS and other reforms – small and innovative groups will need to collaborate in order to compete with these mega-agencies;

e. Small and innovative groups have major competitive advantages over large service providers on price (taking considerably less from packages in fees and charges) and personalized service, but have competitive disadvantages in systems, capacity and marketing;

f. Mutual and peer-support mechanisms in self-direction will be sought by increasing numbers of individuals and families as integral parts of a DIY method of self-direction – a means of hosting and facilitating these support mechanisms is needed.

Purpose

The Cooperative will be:

1. a **provider of shared services** for members (24 hour telephone support for package holders; a request line for sourcing of support workers in emergencies);
2. a **quality assurance mechanism** for members in accessing support coordinators and support workers;
3. **provider of training** options in self-direction;
4. an **innovation and development** mechanism for members in developing new tools and products;
5. a **host and facilitator of peer and mutual support options** for members;
6. a **marketing arm** of the members, enabling large-scale competition with service providers.

Membership

The cooperative will have four categories of membership:

1. **Package holders** (individuals or families);
2. **Support coordinators** (organizations/businesses offering mentoring, brokerage, coordination, but not service provision);
3. **Support workers** (individual workers committed to working for individuals and families in personalized ways); and
4. **Individuals and families** (not currently in receipt of a package).

Support coordinators (organisations/businesses offering mentoring, brokerage and coordination) exist around Australia in various forms. Additional organizations and businesses will emerge in the next three years offering these functions, often highly localized in character and specializing in particular categories of impairment or disadvantage. Some will be very small in scale, run by one or two people with a small number of clients. Membership of the cooperative will allow these support coordinators to conduct their business as they wish while enabling them to derive benefits from collaboration through the cooperative.

Support workers (individual workers who access support work through the cooperative and who use the web2care platform to record their hours of work and work plans, generate and supply invoices for their work and receive payments, make arrangements with other support workers directly concerning availability and shifts).

Membership fees

The cooperative's membership fees will be:

1. **Package holders** - 1% of packages;
2. **Support coordinators** - 0.25% of packages which are accessed through the cooperative (excluding packages accessed independently of the cooperative);
3. **Support workers** - 5% of gross income accessed through the cooperative;

The more packages that a support coordinator accesses through the cooperative, the more it pays in membership fees to the cooperative.

The more income a support worker accesses through the cooperative, the more it pays in membership fees to the cooperative.

In addition, one-off joining fees for cooperative membership will be:

1. **Package holders** - \$20
2. **Support coordinators** - \$500
3. **Support workers** - \$20

Products

The cooperative will offer a product range along these lines:

1. **Self-Management for Individuals and Families** - 1% of a package managed through web2care

2. **Online Platform for Support Coordinators** - 0.25% of packages managed through web2care

3. **Self-Management for Support Workers** - 5% of gross income accessed through the Cooperative and managed through web2care

Case Study

An individual or family in receipt of a support package of, say, \$50,000 may wish to exercise maximum control over this package and self-direct, but not know how to go about it or who to seek information and advice from about their options.

On approaching the Good Life Cooperative, they are informed of options for member Support Coordinator organizations in their area, and they are informed of options in fund-holding and payroll.

On deciding that they will proceed with *Self-Management for Individuals and Families*, an agreement is made between the individual/family and the cooperative that the package will be administered by the individual/family directly using web2care, with 1% of the package payable to the cooperative as a package holder membership fee.

If a Support Coordinator accessed this work through the cooperative, the Support Coordinator pays 0.25% of the package to the cooperative as a membership fee.

If the package holder employs support workers who are accessed through the cooperative, these support workers pay 5% of gross income earned through the cooperative as Support Worker membership fees.

Financial Scenario based on 100 package holders

Based on the membership fees, products and their pricing outlined above, a membership of 100 package holders will generate the following annual revenue for the cooperative:

Financial Scenario Assumptions:

- a. 100 package holders based on the following mix: 20% \$100,000, 20% \$50,000, 20% \$30,000, 40% \$10,000.
- b. Support workers each earning gross income of \$10,000 from 50 package holders
- c. 50% of package holders will take up Self-Management for Individuals and Families.
- d. 50% of package holders will use a Support Coordinator.

Membership income:

Package holders \$40,000

Support coordinators \$5,000

Support workers \$25,000

Sub Total \$70,000

Joining Fees:

Package holders - \$20 x 100 = \$2,000

Support coordinators - \$500 x 5 = \$2,500

Support workers - \$20 x 20 = \$400

Sub Total \$4,900

Total \$74,900

Governance:

Members will constitute the cooperative's governing board of 10 directors as follows:

1. **Package holders** - 3 members of the board elected by all members
2. **Support coordinators** - 2 members of the board elected by all members
3. **Support workers** - 2 members of the board elected by all members
4. **Individuals and families** - 2 member of the board elected by all members
5. **Independent** - 1 appointed by the board.

The member governance model allows the cooperative, and its members, to lead the self-direction process in Australia as the only instrument that is mutually owned by its stakeholders.

It is proposed that the cooperative will not seek government funding in order to establish its independence from government service systems, and to ensure that it remains accountable only to its members.

Process and timeline

July 2015

Invitation to membership

September 2015

Formation meeting and establishment of the cooperative's board.

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