

### **Submission**

#### **Review of Reforms for Cooperatives, Mutuals and Member-Owned Firms**

Dear Chair,

As an addendum to the information provided in the National Health Co-op's (NHC) submission to the Senate Economics Reference Committee and supplementary responses to committee members' Questions on Notice, we are providing an update on the impact greater access to capital would have on our co-operative.

The NHC is a rapidly growing co-operative working to address a significant market need for accessible and affordable healthcare. Since our submission to the Senate Committee, the NHC has been focused on building the internal capability and capacity required to enable a national expansion. If sufficient capital is able to be acquired, the NHC has the real potential to develop into the largest provider of primary healthcare services in the country; significantly increasing access to healthcare and substantially lowering the cost of delivery. This outcome will deliver considerable social and economic dividends to communities and governments alike.

A recent example that illustrates the NHC's capability with access to sufficient capital is its recent selection by the Australian National University (ANU) as its provider of primary healthcare services to its 22,000 students and 5,000 staff. Through this partnership, the ANU will utilise its access to capital to construct a new, purpose built, four story medical building in the heart of the University's campus. The partnership initially spans through to 2059 and unlocks the NHC's proven ability to deliver high quality, multidisciplinary healthcare, to the ANU's student and staff population. Without the ANU's capital, this project would be currently unachievable by the NHC.

In addition to the ANU development, the NHC is working with private equity partners and modest debt funding arrangements to continue its expansion; however, our pace of development is significantly constrained by a lack of access to more traditional capital raising activities.

If the NHC were a traditional company, opposed to a co-operative, we would have likely undertaken capital raising through sale of equity or bonds to fund an internal capital pool directed at organisational expansion. Our inability to do this significantly curtails the speed of our growth.

There is a strong argument in support of Government action to level the 'access to capital playing field' for Cooperatives, Mutuals and Member-Owned Firms such as the NHC. By enabling the NHC to rapidly respond to market demands, the Government, at no additional cost, can help deliver significant improvements to the healthcare of all Australians.

Yours sincerely,



Adrian Watts  
CEO and Managing Director



Blake Wilson  
General Manager and Deputy CEO