



2022 Annual Report

Our Story.

LONG TERM EFFECTS 2022

The national shortage of GPs and bulk billing have impacted Westgate Health Co-operative resulting in significant financial losses. Introduction of mixed billing to address losses and provide GPs with a viable option with which to continue their career. Continuing to pivot to successfully embrace the challenges of healthcare.

COVID EMERGES 2020

Successfully navigating COVID 19 and looking forward to a strong, healthy future.

REJUVENATION 2019

Review undertaken providing a renewed focus on Westgate Health Co-operative philosophy based on co-operation principles.

REFURBISHMENT COMMENCED 2014

JULY

The buildings of 17 and 19 Vernon Street were refurbished which saw the facilities upgraded. This important work now meant that we could offer to our patients, members and staff; a modern and comfortable environment.

BUSINESS NAME CHANGE 2000

JULY

The decision was made by the Board to change the name to Westgate Health Co-operative. It was felt that with the addition of Newport this name more accurately reflected the scope of the communities that the service was now reaching.

DENTAL SERVICE 1991

SEPTEMBER

Our dental service was established at Vernon Street in order to assist the growing needs of the community.

OPENING OUR DOORS 1980

SEPTEMBER

On September 8th 1980, a medical clinic was registered and started consulting at 23A Vernon Street in December 1980.

2021 JOBKEEPER SUPPORT

Still navigating COVID 19 and very grateful for the contribution of JobKeeper to the finances.

2019 ACHIEVEMENT

DECEMBER

Achieved successful re-accreditation with Australian General Practice Accreditation Limited (AGPAL).

2015 FURTHER EXPANSION

OCTOBER

After many years of leasing 21 Vernon Street, the opportunity became available for us to purchase the building. Fortunately, the Co-operative was in a position to do this and subsequently 21 Vernon Street was refurbished.

2002 ACHIEVEMENT

Become an Accredited General Practice with the Australian General Practice Accreditation Limited (AGPAL).

1993 EXPANSION TO NEWPORT

OCTOBER

We purchased the existing business at 2 Home Road Newport and commenced practicing at a second location.

1986 NEW PLACE TO CALL HOME

SEPTEMBER

On the 26th September 1986, the new co-operative was registered as South Kingsville Health Services. Soon after we moved to our current home at 19 Vernon St.

1978 THE IDEA

JULY

The Western Region Council for Social Development conducted a review and identified that there was a need for bulk billed medical care in South Kingsville and the surrounding areas. We were established by Westgate Baptist Community with seed funding from the Baptist Union of Victoria.

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Chair's report

Jenny Morris



I am pleased to share with you our 2022 Annual Report.

It is said that during times of adversity we are truly tested as an organisation and individuals. In this COVID era, our lives continue to be challenged in ways we previously wouldn't have imagined!

I want to acknowledge and thank our amazing team who, together, continue to pivot and respond to these everchanging challenges with commitment, passion and resilience – remaining committed to the health and wellbeing of you, our members and their colleagues. I want to thank Bev Kennedy for her willingness to utilise her many skills and her commitment to community and co-operative as she has undertaken the role of Transition Manager.

For those that we have farewelled this year, we sincerely thank and acknowledge their contribution to Westgate Health and wish them all the very best in their future endeavours.

It would be remiss of me not to make mention of the contribution Jason Faranda has made over the past 3 years in the role of Treasurer. His counsel and wisdom have been greatly valued as he has led the organisation to compliance with the demands of legislation and accounting standards. Whilst the news that he has delivered hasn't been what we would like to hear ... it has provided the facts on which to base our decisions. We express our gratitude for his contribution to the Co-op and wish him all the very best for the future.

For those who have joined our team, welcome, we are delighted that you have identified a synergy and wish to journey with us.

The harsh reality of managing a medical clinic has been brought into sharp focus many times by the media as it continues to report the many challenges of general practice and the news of yet another clinic closing. With much reflection and a great reluctance, but a commitment to seeing the Co-op being a viable organisation into the future, in October 2022 we undertook the implementation of 'mixed billing' (where most patients will face a gap payment for their appointments).

To those members who attended the Information Meeting and emailed the Co-op regarding their concerns, thank you for giving us the opportunity to explain 'where we landed *and* how we got there'. The general consensus from Members at the meeting was, 'I don't like it, *but* if I want there to be a Westgate Health in the future, I get it!' We reflect on the words of Leonardo da Vinci many centuries ago, who talked about being impressed with the urgency of doing. He said, 'Knowing is not enough, we must apply. Being willing is not enough, we must do.'

In the COVID pandemic that we all are in the same storm. The reality being that each of us, at times, are in very different boats within this storm. The Clinician and Community Mental Health Forums were an opportunity to 'do community' as together we heard from experts and had the timely opportunity to reflect and plan for the challenges that the current world is presenting to each of us.

We remain committed to the key principles underlying the Strategic Plan of Westgate Health Cooperative:

- Our communities are changing rapidly, and Westgate Health needs to be responsive.
- To be financially sustainable, Westgate Health needs to address the changing nature of the environment in which we operate.

- Access and social equality are vital to improving personal and community health outcomes.
- Westgate Health is committed to building effective communication and collaboration with the wider health care system in the delivery of quality health care to our community.

However, the significant challenges of the past year mean that the way in which we prioritise an address these principles needs to evolve. In the coming year we will face more difficult decisions as we seek to stabilise the Co-op from both a service delivery and financial stability perspective.

To my fellow Board Members, thank you for your commitment and support as we have travelled this journey together.

It is the stories of courage, commitment and compassion that make Westgate Health Co-op the unique organisation that it is. Again, thank you to you, our members who have continued to journey with us through these challenging times – your patience, support, trust continues to be greatly appreciated!

Transition Manager's report

Bev Kennedy



This past year has continued to be one of many challenges and changes. Following the departure of Liz Hunter in May 2022, I indicated my willingness to act in the role of Transition Manager whilst the Board assessed the needs of the organisation and the financial viability as to what a 'leadership role' may look like. I applaud our highly skilled, enthusiastic 'Team' of doctors, nurses, receptionists, allied health professionals and administration staff who have demonstrated an ongoing commitment to the health and wellbeing of you, our Members, and their colleagues. I thank them for their support and willingness to share their insights and learnings as I have undertaken a very steep learning curve.

One of my observations as we have worked our way through COVID is that people have reflected on what they want their 'work life' to look like and have been intentional in their decision making.

We have reluctantly farewelled valued team members, wishing them all the very best as their decision-making has been guided by family, hopes and plans for their future. We have welcomed new team members assuring them of our commitment to a 'work life balance' that is a positive addition to their health and wellbeing.

Much has been said and written in the media regarding the national shortage of GPs – it has become very difficult for all medical clinics to replace doctors who leave general practice. Burnout and declining remuneration has made general practice a less attractive career than it once was. The number of GPs working in Australia has been falling for more than a decade – in the 1980's about 40% of all medical graduates went on to be GPs, while today it is just 15%. Key factors contributing to GP under-supply are:

- Medicare rebates for GP consultations have been effectively frozen for nearly 10 years
- Australia's two years of COVID border issues severely restricting the flow of extra GPs between states and from overseas.

This has had very real implications for our Co-op with respect to:

- the ability of members to access GP appointments in a timely manner – for this we apologise and appreciate the sense of frustration
- our long term financial sustainability.

The implementation of mixed billing was undertaken with reluctance but with a sense of commitment to the continuation of the Co-op. As I write this, I am encouraged by the indication of one GP wishing to join our 'Team' post Fellowship Program with another two seriously considering Westgate Health as a viable option – if we were to remain a 'bulk billing only' clinic we will not attract any new GPs. We have appreciated the expressions of support whilst acknowledging it wasn't the situation we wished to find ourselves in. Our priority continues to be that we seek doctors that 'are a fit' with a shared passion for community and our Co-operative principles.

We have also added to our Team with nurses, receptionists and allied health professionals who have identified a synergy with our ethos and values...we say welcome!

Despite these challenging times, there are initiatives to celebrate:

- continuing participation in the Doctors in Schools program, closely aligned to our ethos by supporting student access to quality health care in our community
- facilitating four Community and one GP/Clinician Mental Health Forums
- ongoing health and wellbeing program supporting our staff, promoting a caring and flexible workplace

- partnering with Cooking for Community (an initiative by Westgate Baptist Community) where frozen meals are provided to be given to patients. One of our team members delivered bread, milk and frozen meals to an elderly Co op member, housebound due to COVID
- ongoing identification of business 'risk' (administration and IT) and updating and developing systems to mitigate risk.

What of the future? I am excited by the possibilities as I look ahead. The further development of our Health Assessment and Care Planning program that enhances the health and wellbeing of you, our members. The opportunity to further partner with North Western Melbourne Primary Health Network as de-identified clinical data is utilised to develop programs to improve the quality of care to our members, and to address the more significant health needs in our community.

I would like to thank the team, the Board and you, our members, for your support and understanding in these challenging times. The future is not without its challenges. However, we are a resilient organisation and together I believe that Westgate Health has a future worth fighting for.

Co-op at a glance

Staffing as at October '22



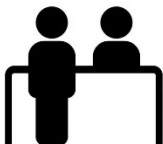
6 doctors



2 registered nurses
3 enrolled nurses



1 dentist
2 dental nurses



7 receptionists



1 dietician
1 podiatrist
1 diabetes educator
1 psychiatrist



2 administration



	FY22	FY21
Co-op members	11,384	11,182



	FY22	FY21
GP consultations ... total	49,711	55,887
... face-to-face	34,725	36,617
... telehealth	14,986	19,720



	FY22	FY21
Nurse consultations	2,743	2,863
Dental consultations	1,068	1,360



	FY22	FY21
Flu vaccinations	149	193
COVID vaccinations	1,311	420

Mixed billing: where we landed and how we got there ...

There are two basic models for remuneration of medical professionals:

- **Bulk billing** – where patients are charged no out-of-pocket fee for most treatments and the clinic is remunerated solely through the Medicare system, which pays doctors according to a standard scale. As of 1 July 2022, the most common form of consultation is standard Consultation B of less than 20 minutes for which Medicare pays \$39.75
- **Mixed billing** – where patients are charged an out-of-pocket fee for most treatments and the clinic is also remunerated through the Medicare system according to a standard scale.

Up until 1 October 2022 Westgate Health Co-op was a 'bulk billing only' clinic and, like many other primary healthcare providers, our Co-op was struggling to survive ... many haven't survived. This is an overview of our journey.

General practitioner doctors (GPs) underpin a medical clinic and are the main source of income. With fewer doctors practicing at the Co-op than was the case two or three years ago, our members find it much more difficult to get an appointment and our revenue is severely diminished.

There is a national shortage of GPs, especially those willing to work in a 'bulk billing only' clinic. Our own observations are:

- Doctors are retiring and choosing not to continue to work with the stressors of COVID.
- Doctors are reviewing their 'work / life balance' and choosing to reduce the number of days they work.
- Doctors who have completed their Fellowship of GP will have a significant HECS debt and financial commitments like any young person. Therefore, they are motivated to earn an income to support them at this phase of their lives.
- International medical graduate (IMG) doctors have difficulty gaining a visa that allows them to work in Australia and, if successful, face challenges as they seek to gain registration with the Australian Health Practitioner Regulation Agency (AHPRA) and a provider number from Medicare (an exemption needs to be obtained to allow work in non-area of need).
- If IMG doctors are successful in gaining a visa and gain registration with AHPRA, there is a 10 year moratorium where they can only work in an designated area of need, regional or rural Australia – Newport / South Kingsville was once an area of need but that is no longer the case.

- COVID / Respiratory Clinics offer relatively high remuneration for doctors and we can't compete.
- The implementation of 'Urgent Care Centres' is again very appealing as a well-paid role with employee benefits as opposed to GP Contractor role.

Some of the observations made by players in the field are as follows:

- Dr Karen Price, President Royal Australian College of General Practitioners, *The Age*, Sept 28, 2022:

15.2% of graduate doctors in 2022 are choosing General Practice compared to 16.1% last year ...

Medicare rebates remained 'frozen' from 2013 to 2018 when they rose 1.6% not keeping pace with inflation, let alone the rising cost of providing healthcare ...

Medicare is rewarding high volume, short consultations, which is not a sustainable way to practice good-quality medicine.

- Mark Butler, Federal Health Minister, *The Age*, Sept 28, 2022:

General practice is in the most parlous state in the almost 40 year history [of Medicare]' ...

The low proportion of medical graduates choosing general practice was 'frankly terrifying'.

- Respected recruiter speaking of bulk billing:

'As a bulk billing clinic, you don't even get a seat at the doctor recruitment table!'

- *Medical Republic*, 2022:

International Medical Graduates (IMGs) make up 35.1 per cent of the Australian medical workforce in clinical practice ...

Chronic disease expenditure in Australia is heavily weighted towards tertiary healthcare, with 61% of spending going to public and private hospitals compared to 8% to general practices ...

18% of Australian GPs plan to retire in the next five years ...

- Royal Australian College of General Practitioners, Survey 2022:

One in four GPs plan to retire within the next five years (an increase from 18% in 2021).

More than 40% of GPs are aged 55 or older.

So, what are we doing to secure our future?

We met with:

- Tim Watts (Federal MP) and, whilst he 'heard our pain', was unable to offer assistance in the short term but a 'Strengthening Medicare Taskforce' has been convened by Mark Butler (Federal Minister for Health) and is expected to present its recommendation by the end of the year.

- Melissa Horne (State MP) who appreciated the opportunity to hear the reality of our situation and, although general practice is a federal responsibility, she offered to assist as we review the SK site which is an aging, not fit-for-purpose facility.

For GPs, we now provide:

- opportunities to further develop their area of interest
- a funded position in a Balint Group¹ or professional development program
- a six month placement during the two year GP Registrar training program as a 'pipeline' to employment post program.

To further support the GP role we are also:

- updating our IT systems
- implementing nurse led programs
- developing the allied health team.

Despite these efforts, in the past three years the Westgate Health Co-op has lost seven doctors due to a range of reasons including: retirement; maternity leave; relocation to a clinic closer to home; and work-life balance. In the same period, we have successfully recruited just one new doctor ... but not for the want of trying!

In the 2020-21 financial year we made a \$101,000 profit due to the support provided by the Commonwealth Government's JobKeeper scheme. In the 2021-22 financial year we made a loss of \$231,000.

Co-op revenue has fallen to the extent that if we were to continue with our existing roster of doctors and make no other changes in the practice, we would be looking at loss for the 2022-23 financial year exceeding \$500,000. Clearly, this is not a sustainable position.

To survive we need to address both our expenditure and revenue.

We have had to make cuts to non-clinical staff and delay expenditure on some parts of our infrastructure that needs updating because it will not remain fit-for-purpose over the long term.

It was after much reflection, consideration of many options, and with great reluctance that the Board introduced mixed billing on 3 October 2022 to ensure that there would continue to be a Westgate Health Co-op in the future.

¹ The Balint method provides a (facilitated) safe and confidential space for group members to reflect, imagine and be curious about the interaction between the clinician and the patient.

Mental health forums

Westgate Health was successful in gaining funding that allowed us to facilitate four community and one GP/clinician *Mental Health Forums* over the period March to June 2022. These forums addressed the global COVID pandemic that has created rupture and fragmentation in the community on many levels, whether it is within an individual, a family or the broader community.

We committed to making the four community forums a platform that promoted community cohesion, providing information and connectedness as we journeyed together in these unprecedented times.

We were very fortunate to have experts that spoke to their areas of knowledge and then, as part of a panel, answered questions from the audience both in person and online.

Topics covered in the forums were:

- mental health and wellbeing
- adolescent mental health
- anxiety and depression
- drugs, alcohol and gambling issues – in a global pandemic.



**Interesting | Informative | Energising |
Reflective | Wondering | Caring |
Informative | Insightful**



Sponsored by Westgate Neighbourhood Fund –
a Victorian Government initiative

Treasurer's report

Jason Faranda



Below are the abridged financials for the Westgate Health Co-operative, for the 2021-22 financial year (FY22).

FY22 was extremely challenging for the Co-op as we made our way out of the COVID lockdown periods and started to return to the new normal. With the removal of government support including the end of March 2021, the Co-op continued to see revenue fall with 6,000 fewer patient visits seen than in the prior year, resulting in a loss of \$231,350.

In FY22 we were running up to four doctors fewer than in the previous year, with some doctors taking extended leave to see family overseas, leaving to work remotely and one doctor taking maternity leave, which saw service income fall by 11%.

Other income fell by 49% due to the end of JobKeeper payments (which provided \$780,000 in revenue in FY21). The loss in JobKeeper payments was partially offset by an increase in dental revenue facilitated by an end to lockdowns.

Employment costs fell by 21%, with doctors' wages falling in line with medical income due to earning a percentage of fees. Other employment costs were reduced due to streamlined staffing. All other costs remained stable. Because of the overall difficulties facing the Co-op, no donations were made during FY22 as the focus currently was on keeping the Co-op financially sustainable.

Our balance sheet shows strong reserves, providing a good base for the Co-op to support itself in these challenging times.

Major changes in the balance sheet year-on-year have seen 'cash at bank' fall by \$569,000, due to current losses, transfers to the charity fund and continuation of investment in the Co-op with new equipment. As well as assets declining, our liabilities also fell by \$359,000.

Our charity fund was established in 2016 as an avenue to increase income on excess cash. This year, \$102,000 was transferred into the fund from the Co-op and as of 30 June 2022 the fund balance was \$571,444.

Our partnerships with our accountants and auditors have continued this year to ensure our reports are in line with contemporary financial management practices and good governance. Our financial accounts have been reviewed and endorsed by our independent auditors and will be submitted to our governing body (the Australian Charities and Not-for-profit Commission) without delay.

Profit and loss

	FY2022	FY2021
Income		
Service income	\$1,699,622	\$1,906,725
Total income	\$1,699,622	\$1,906,725
Other income		
Net rent	\$236,466	\$233,703
Other investment income	\$780	\$2,655
Other income	\$723,618	\$1,432,365
Total other income	\$960,865	\$1,668,724
Total income	\$2,660,487	\$3,575,449
Expenses		
Depreciation & amortisation	\$89,483	\$96,225
Employment expenses	\$2,105,650	\$2,659,621
Entertainment	\$2,203	\$780
Interest & finance	\$8,397	\$713
Motor vehicle	-	-
Occupancy expenses	\$48,896	\$97,397
Travel & accommodation	\$41	\$27
Other expenses	\$637,168	\$619,410
Total expenses	\$2,891,837	\$3,474,173
Profit / (loss)	(\$231,350)	\$101,276

Balance sheet

	FY2022	FY2021
Assets		
Cash	\$460,842	\$1,030,128
Trade and other receivables	\$84,036	\$94,764
Plant & equipment and vehicles	\$2,429,149	\$2,429,565
Intangibles	\$180,415	\$190,483
Total assets	\$3,154,444	\$3,744,940
Liabilities		
Trade and other payables	\$51,799	\$242,946
GST payable	\$5,853	\$5,796
Provisions	\$240	\$55,478
Employee entitlements	\$75,445	\$141,143
Lease liability	\$150,450	\$197,572
Total liabilities	\$283,787	\$642,935
Net assets	\$2,870,657	\$3,102,005
Member's funds		
Capital reserve	\$2,370,614	\$2,601,964
Reserves	\$500,042	\$500,042
Total members' funds	\$2,870,656	\$3,102,006

Charity fund

	FY2022	FY2021
Beginning balance	\$504,020.83	\$433,012.54
Investments		
Investment gains/(losses)	(\$26,041.94)	\$78,182.03
Contributions	\$102,000.00	-
Investment management fee	(\$1,888.05)	(\$1,960.89)
Total investments	\$74,070.01	\$76,221.14
Disbursements		
Donor admin & support fee	(\$6,646.27)	(\$5,212.85)
Total disbursements	(\$6,646.27)	(\$5,212.85)
Ending balance	\$571,444.57	\$504,020.83

Westgate Health Co-op Board Oct '22



Jenny Morris
Chair
Commenced May 2019,
renominated October 2022,
re-elected.



Allison Crunden
Deputy Chair
Commenced June 2019,
renominated October 2022,
re-elected



Beverley Kennedy
Secretary /
Transition Manager
Commenced October 2020



Jason Faranda
Treasurer
Commenced October 2019,
retiring



Clare Rocznik
Director
Commenced June 2019



Ross Williamson
Director
Commenced October 2019



Stuart James
Chair: Governance
Sub-Committee
Commenced October 2021



Simon Oldham
Director
Co-opted October 2022,
nominated October 2022,
elected