

# Business Council of Co-operatives and Mutuals

17 April 2015



BUSINESS COUNCIL  
OF CO-OPERATIVES AND MUTUALS

# The BCCM

- Who are we?
- Our objectives
- How we achieve them



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OF CO-OPERATIVES AND MUTUALS

# What is a co-operative?

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- A co-operative is a group of people acting together to meet the common needs and aspirations of its members, sharing ownership and making decisions democratically
- Co-operatives are not about making big profits for shareholders, but creating value for members, whether employees, customers, or suppliers – this is what gives co-operatives a unique character, and influences our values and principles

In a co-operative:

- members have equal status and voting rights
- active members can nominate as directors and elect directors
- capital is used for the group's common interest

# Co-operatives and mutuals in Australia

The first Australian consumer co-operative was registered in 1859

Estimated over 1700 co-operative, mutual and member-owned businesses operating nationally

More than 13.5 million memberships generating a turnover of over \$25 billion per annum

Co-operatives and mutuals including member-owned superfunds contribute around 7% of our country's earnings

Motoring organisations are owned by more than 7 million members

Mutual insurers and friendly societies provide insurance to more than 2.3 million Australians

Customer owned banks, credit unions and building societies have 4.5 million members



# Co-operatives and mutuals in Victoria

Delivering social and economic value to the state of Victoria – reinvesting all profits in the state economy

Over 700  
co-  
operative,  
mutual and  
member-  
owned  
businesses  
operating in  
Victoria

Top 10 of  
which  
generate  
annual  
turnover of  
over \$5.3  
billion and  
combined  
assets over  
\$15.7 billion

A great  
co-operative  
state  
Victoria's  
biggest  
exporter

Australia's  
first patient  
owned  
health co-op

Australia's  
first mutual  
bank

Largest  
owner of  
housing of  
all Victorian  
housing  
associations

Hepburn  
Wind  
Murray  
Goulburn  
RACV  
Australian  
Unity  
bankmecu



# Some well-known Australian co-ops and mutuals



Rabobank



# Who are we?

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- The BCCM was formed in 2013 following the United Nations International Year of Co-operatives 2012
- The BCCM is the national peak body representing the co-operative and mutual models of enterprise in Australia
- We represent various sectors in the economy including agriculture, insurance, banking and finance, motoring services, wholesale and purchasing, building supplies, retail, health, energy and housing
- Our members include some of Australia's largest companies including the CBH Group, Murray Goulburn, ME Bank, The Co-op, Australian Unity, RACQ, NRMA and HCF along with smaller organisations across the country



# Our objectives

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- The BCCM is committed to:
- Providing leadership in research, education and advocacy
- Encouraging CMEs across all sectors to share best practice to foster partnerships
- Promoting the role of CMEs in the national economy
- Increasing the number of CMEs in the economy

# How we achieve them

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## Collaboration

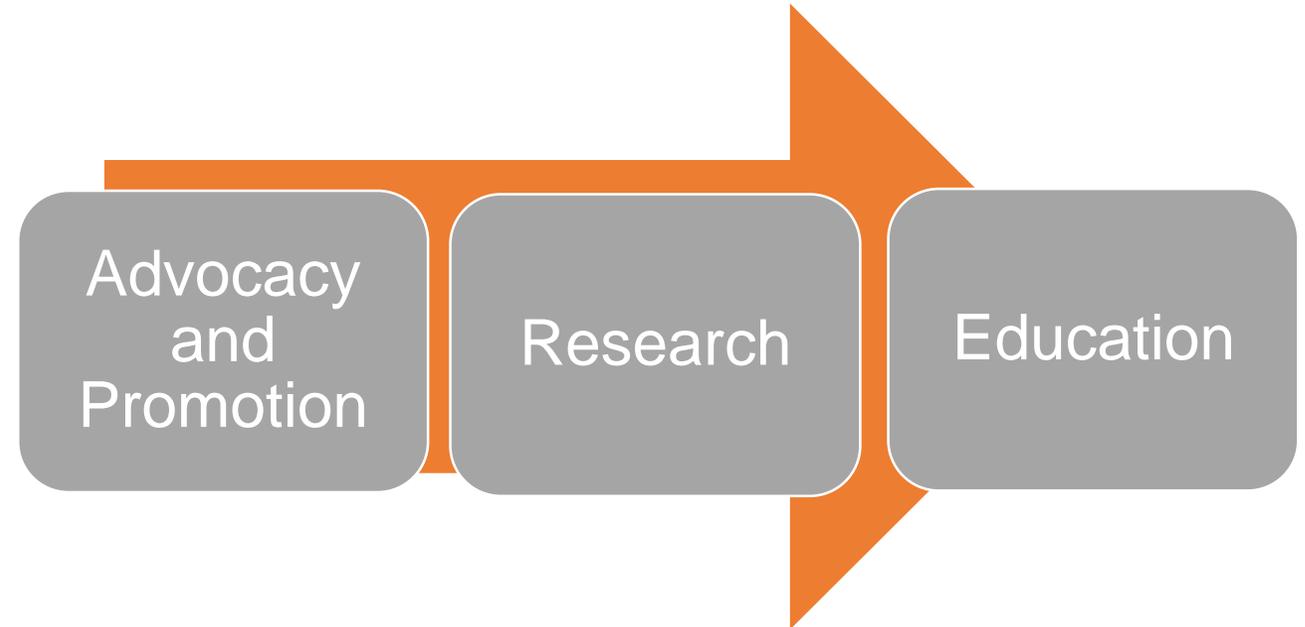
- Grow the sector
- Share best practice
- Cross-sell the brand

## Education and research

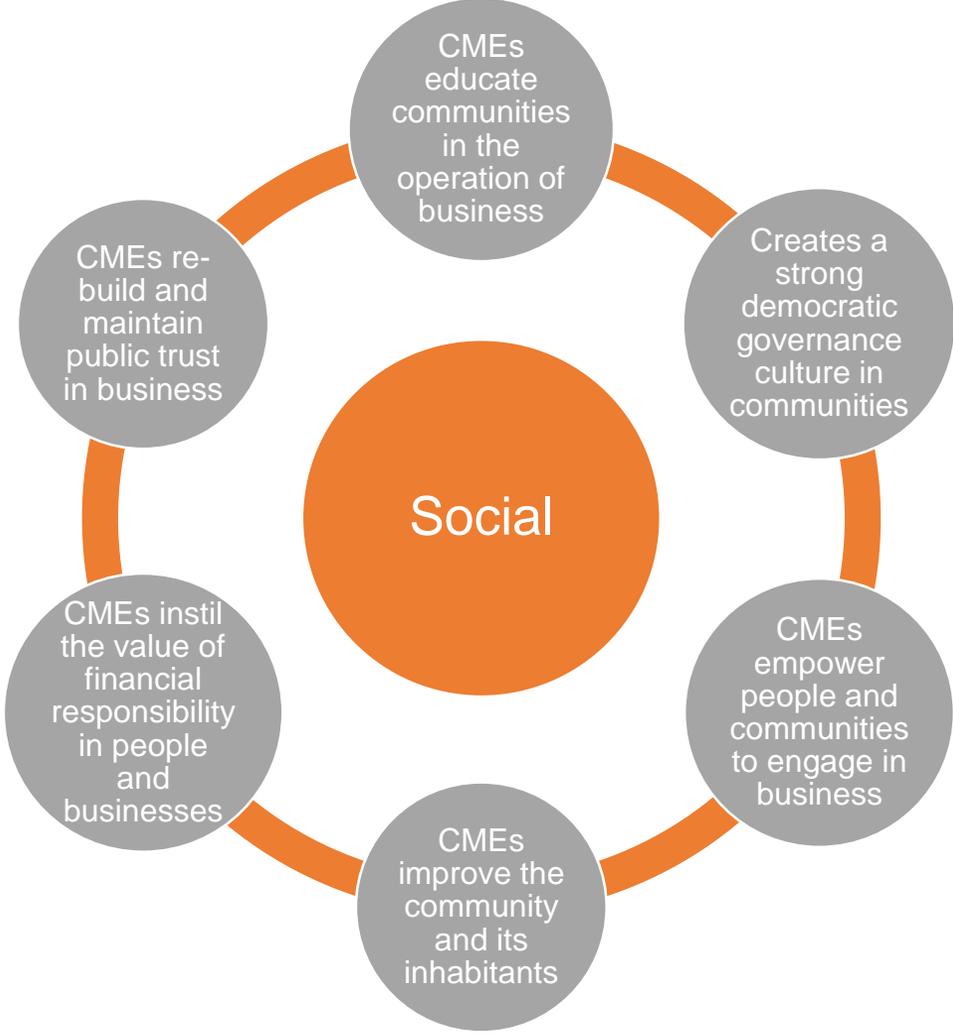
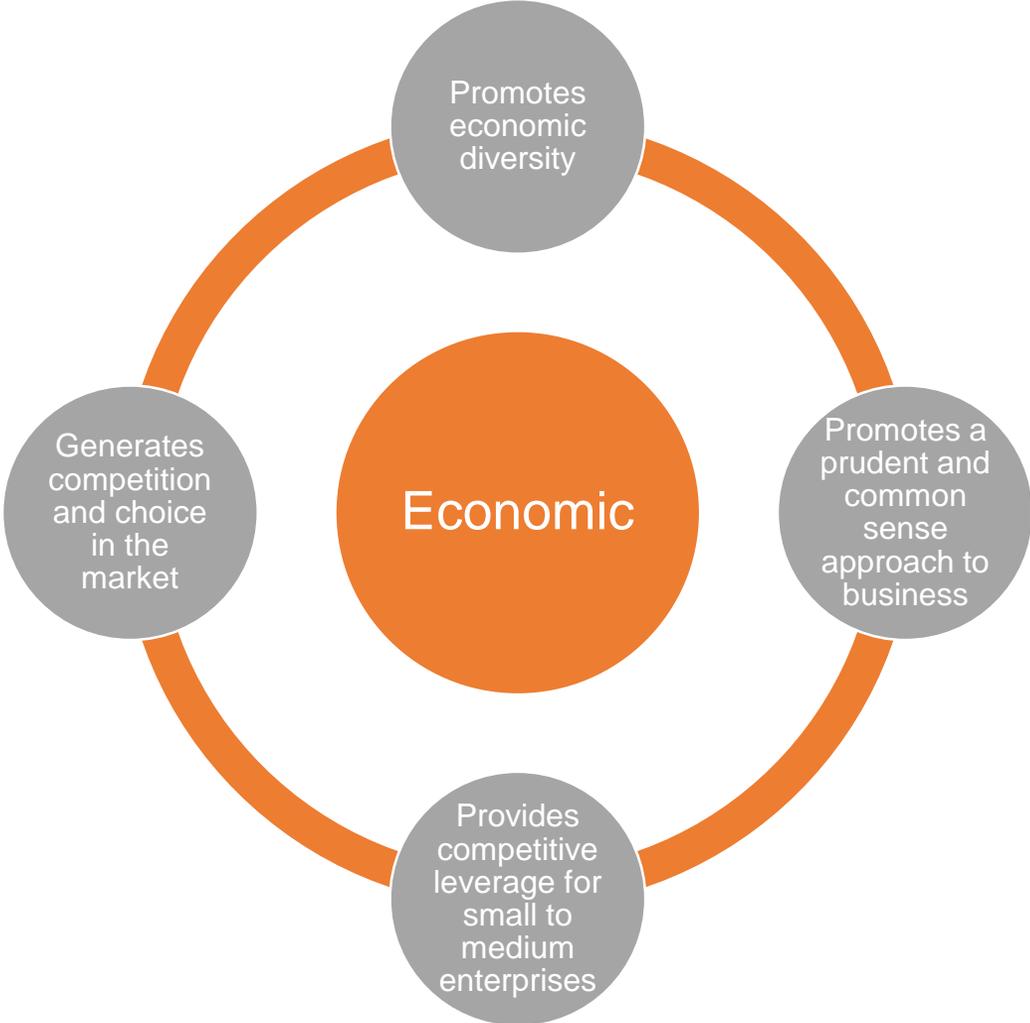
- Promote success of co-op mutual sector
- Research to provide evidence base
- Co-op/mutual toolkits
- Co-op/mutual education and training

## Advocacy and promotion

- Legislative improvements
- Policy recognition of mutuals
- Policy on co-ops and mutuals
- Thought leadership and media coverage



# Benefits of our sector



# What can we do for local government?



# Benefits of our sector to local government



\*CMEs – Co-operative and mutual enterprises

# Case study: The Barossa Co-op

- Operating since 1944, The Co-op is a 100% community owned retail co-operative
- The co-operative has 17,000 members and 300 employees and acts as an incubator for business in the region
- Due to its continued success, The Co-op plans to construct a new supermarket with construction to begin in late 2015
- The development is part of The Co-op's commitment to re-invest in the Barossa community and support the region's growth
- It means employment for over 100 people during construction and over 200 jobs ongoing
- For shoppers, there will be a much greater range and choice of retail shopping options plus the added benefit of more space for the community to share and enjoy



# More Australian examples

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- Ethnic Community Services Co-operative – services for Multicultural Respite Services (MRS) and Culturally and Linguistically Diverse (CALD) children
- Co-operative Home Care – provides high quality aged, disability and respite care for families and supports high quality jobs for care workers
- Reverse Garbage – Australia's largest creative reuse centre
- Nundah – worker-owned disability employment co-operative providing garden maintenance for Brisbane City Council
- National Health Co-operative – largest patient owned primary health care practice providing bulk billed GP services to 7% of the ACT population

# Case study: Greenwich Leisure Limited (UK)

- In 1993, Greenwich Council needed to find a new way to run its leisure centres because of public spending cuts
- Instead of service reductions, closures and redundancies, they decided to set up a co-operative model and a community company
- Seven centres were transferred to GLL, and success quickly followed
- The GLL has created jobs and added new services to existing leisure centres. Since then, they've built lots of new facilities (currently operate 115 facilities) in the UK and membership has gone from about 7,000 to nearly 450,000 with tens of millions of visitors every year
- Council no longer controls the service and is a single focused organisation where employee empowerment is key

Owned by the  
contracted staff

One person, one  
share, one vote

80 % take up  
from eligible  
staff

Shares £25 each

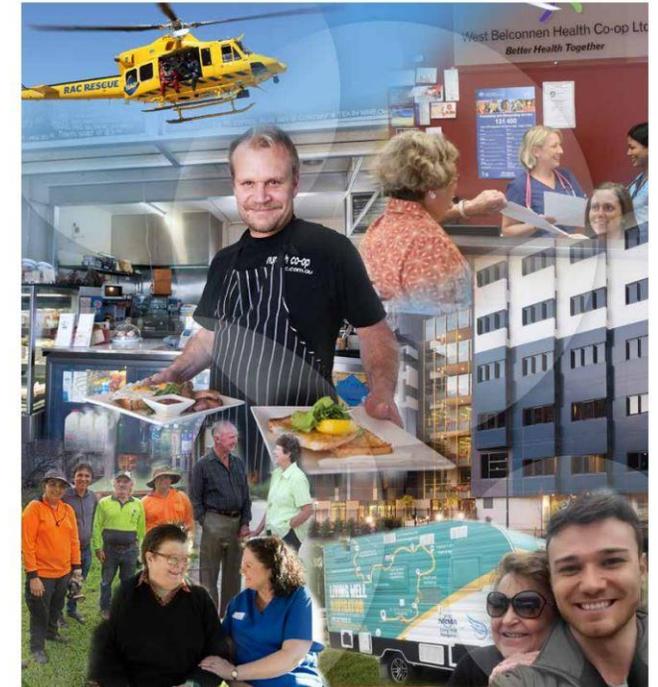
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*I believe that social enterprise is the future for effective public services, but it is really important that we share the knowledge about how this works. If not, public authorities just get stuck in a simplistic model of privatization*

**Mark Sesnan, GLL (Greenwich Leisure Limited)**

# Public Service Mutuals White Paper

- The context for delivering public services in Australia is fundamentally changing and radical reform will be required to address the immediate and emerging challenges
- In response to this, the BCCM launched a White Paper, which calls for the recognition and realisation of a third way of delivering public services based on an expanding role for co-operative and mutual member based businesses. This includes the opportunity to explore the potential for staff run mutuals
- The purpose of the White Paper is to highlight the benefits of this way of delivering services and foster growth and support the growth of public service mutuals



Public Service Mutuals:  
A third way for delivering public services in Australia  
WHITE PAPER



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August 2014

# NSW Community Transport co-op project

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- Following cuts to funding, 3 community groups in Western Sydney have decided to come together to form the first community transport co-operative
  - Greater Western Sydney Community Care Co-operative (GWSCCC)
- The BCCM is assisting this project (with the support of Transport for NSW) as a flagship example of how to form a co-operative social enterprise
- This will enable them to re-shape how community transport is delivered in their communities of interest and to provide a case study to inform possible replication in other areas
- Transport for NSW has signalled to community transport providers across NSW that to survive in this new policy environment, they will have to increase their productivity, improve efficiency and grow service capacity.
- This project will provide a case study to inform possible replication in other areas and showcase how co-operatives can aid local government in providing public services to communities across the nation.
- Project is at the early stage of developments with a proposed completion date of September 2015

# McClure Report on Welfare Reform

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- Co-operatives and mutuals are:

*...a great example of social and economic participation... premised on self-help and empowerment rather than aid and charity.*

# Thank you for your time!

## For more information:



Melina Morrison  
Chief Executive Officer

T: (+61) 02 9239 5931

E: [info@bccm.coop](mailto:info@bccm.coop)



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