



BUSINESS COUNCIL
OF CO-OPERATIVES AND MUTUALS

Co-operatives Forum - Opportunities for Care Services

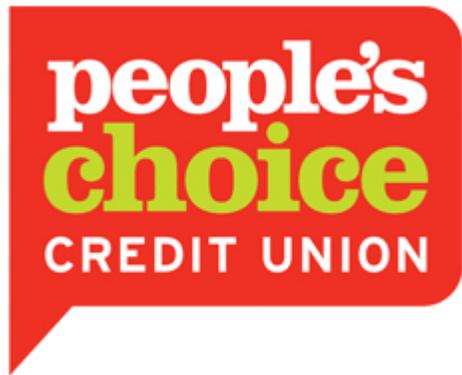


Thursday 27 June 2018



Business Council of Co-operatives and Mutuals

The voice of co-ops and mutuals.



Sector Snapshot



THERE ARE AT LEAST

2,135

active CMEs in Australia



AUSTRALIAN CMEs HAVE A TOTAL

29 MILLION+ MEMBERS



AUSTRALIA'S CMEs PROVIDE

\$140 BILLION

in Total Value Added to Aus economy



TOTAL REVENUE OF TOP 100 CMEs IS

\$30 BILLION

excluding superannuation funds



COMBINED THEY HAVE MORE THAN

\$713.6 BILLION

in gross assets



TOTAL CME GDP IS

8.3%

as a percentage of Australia's GDP



ARE EMPLOYERS OF

146,000 EMPLOYEES



CORE BUSINESS SUPPORT FOR OVER

174,000 BUSINESSES

including 13,610 farmers and fishers





The most important difference
between co-ops and mutuals and
other organisation forms is
member ownership and control

What is a Co-op?



Growing attention in public policy

“There are a large number of providers that could provide social housing services, whether they are not-for-profit, co-operatives and mutuals, or for-profit providers.”

Reforms to Human Services (Productivity Commission, 2018)

“In developing intergenerational self-reliance, co-operatives help to reduce welfare dependency... provide jobs for local people, offer goods and services and use procurement practices that support local business.”

A New System for Better Employment and Social Outcomes (McClure Report 2015)

“Raising awareness of co-operatives, will promote their use and potentially strengthen the bargaining position of small businesses dealing with large businesses.”

Competition Policy Review, Final Report (Harper Review 2016)



Growing evidence & support

“In an Australian first, South Australian Government staff currently working in Child and Youth Services will form a Public Service Mutual, also known as an employee-led mutual, to deliver the NDIS ECEI services for South Australia.

The creation of the South Australian employee-led mutual is an example of the innovation and creativity required to deliver the NDIS, a world-first, ground-breaking scheme.”

The Hon Dan Tehan MP, Minister for Social Services

“I’m confident the mutual will be another important part of our State’s vital non-government disability sector, which is working hard to deliver life-changing outcomes in a rapidly changing environment.”

The Hon Katrina Hildyard MP, Former SA Minister for Disabilities



Co-operative and Mutual enterprises are businesses owned by or governed to benefit their members.

Co-operatives are autonomous associations of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise – *International Co-operative Alliance*



A defining feature of co-operatives is their democratic value.

They are owned and controlled by their members.

International Co-operative Principles

1. Open voluntary membership
2. Democratic member control
3. Member economic participation
4. Autonomy and independence
5. Education, training and information
6. Co-operation among co-operatives
7. Concern for community

Legal models

1. Co-operative National Law (unified/state based)
2. Incorporated Association Act (State)
3. Corporations Act (FP/NFP/Federal)



How the motivations of mutuals compare to other organisation forms

For profit

Primary motivation

- Maximise profits
- Profits distributed to owners
- Efficiency – least cost
- Can be risk to quality

Co-operatives & Mutuals

Primary motivation

- Owned and run to benefit members
- Democratic governance
- Active membership requirement
- Balance economic and social needs
- Community benefit – reinvest surpluses
- Innovative

Not-for-profit

Primary motivation

- Driven by a mission or community purpose
- Can have members but not usual
- Provider led
- Uses excess funds on services
- Often charitable purpose
- Mission can compromise efficiency

Alternative organisation forms

Regulation:

- Corporations Act

Regulation:

- Co-operative National Law
- Corporations Act

Regulation

- ACNC
- Company Limited by Guarantee
- Incorporated Association

Source: BCCM White Paper and Productivity Commission Human Services Inquiry.



CMEs have made a difference in the UK

#100 Mutuals 21st Century Public Services

Mutuals are growing and creating jobs



Delivering **over £1.5bn** of public services



35,000 people are employed by mutuals



3,000 additional jobs created in the last **3 years**



Staff Absenteeism is down **20%** and staff turnover down **16%**

The Public Service Mutual: A revolution in the making? – Professor Julian Le Grand, Chair UK Public Service Mutuals Task Force



UK Public Service Mutuals – key findings

Benefits

- Improved organisational performance & efficiency
- Employee and user engagement led to service improvement
- Citizen empowerment and shared responsibility

Formation

- Not a lineal process
- Deep staff engagement and leadership required

Three models

- Employee owned organisations
- Community ownership
- Employee plus other stakeholders

Role of government and commissioners

- Crucial to success
- Can't be forced
- Supportive policy environment helps
- Remove barriers & manage risks

Source: OPM UK (2010) New Models of public service ownership. A guide to commissioning, policy and practice. Public interest research report.



Australian case studies

Health



- National Health Co-operative (NHC) is a consumer owned co-operative
- Formed in response to a shortage of affordable health care in Canberra
- Community steering committee formed that settled on a co-operative solution
- Registered in 2008 under ACT Co-operatives Act 2002 and opened first clinic
- Provides primary health care and allied health; re-invests surpluses

Home and Community Care



- Worker co-operative providing support services in aged care and NDIS
- Began in suburban Sydney in 2013, largely by support workers who were not satisfied with the quality of services and their previous working conditions
- Registered initially as a non-distributing co-operative under the NSW Co-operatives Act 1992 (now Co-operative National Law)
- Recently changed Constitution and re-structured as a distributing co-operative so employees as owners benefit from surpluses created
- This has improved salary and working conditions and resulted in higher levels of engagement
- Since the NDIS and CDC in aged care, the enterprise has grown significantly



Australian case studies

Disability



PaRA

- SILC is a family governance model and operates as an enterprise co-operative
- Family governed houses like PaRA are the members of SILC
- SILC is a registered NDIS service provider (NSW) and has systems and processes in place to enable families to form individual family governed homes under NDIS Specialist Disability Accommodation
- SILC employ the staff in each house and provides required quality assurances
- There has been overwhelming demand and interest in the model
- Supported by a grant from DSS, capital raising has been a challenge in order to scale the business

Community Housing



- CEHL in NSW and Victoria operate as co-operatives empowering tenants and supporting co-ownership affordable housing models.
- Both are registered community housing providers
- CE NSW is an enterprise co-operative and its members are smaller tenant-managed housing co-operatives.
- The model provides choice for tenants and is suited to some groups such as older people, people with a shared interest (e.g. diversity/NESB)
- The co-operative model is more efficient than other forms because the tenants share in management and are more engaged
- The co-operative model is well-suited for housing management transfers



Australian case studies

Disability



- ***“Other businesses employ people to mow parks or make coffee. We mow parks and make coffee to employ people.”***
- Nundah Community Enterprises Cooperative (NCEC) creates long-term employment for people with intellectual disabilities and mental health issues, as well as opening up employment pathways for other marginalised groups.
- NCEC is a pioneering social enterprise recognised for creating sustainable employment opportunities with people, when funded services had not worked.
- NCEC members are actively involved in all aspects of the cooperative from designing a supportive workplace to being an elected Director of the Co-op.
- The members with a disability are employed on award wages, have job security and participate in the mainstream workforce, a number substantially reducing their reliance on social welfare.
- 80% of original members have been long-term employed for over a decade.
- Leveraging 17 years of experience supporting other disadvantaged communities in enterprise development, Nundah now runs workshops helping other start-up co-operatives thrive and grow.

UK Case Studies

Social Housing



- A Tenant (consumer) owned social housing mutual Rochdale Bouroughwide Housing (RBH) is great example of how Local Government enabled the formation of co-operatives when it was struggling to maintain standards and choice in social housing
- The co-operative model in the UK has been important where government owned stock is transferred to the non-government sector.
- Enables shared equity models to emerge and greater focus on meaningful economic engagement of tenants
- The Welsh Government has adopted the co-operative mutual model in its transfer of social housing stock to non-government sector.
- Mutuo UK is working with Welsh community housing providers to form place-based housing co-operatives e.g. Methyr Valley Homes
- These models operate as multi-stakeholder co-operatives



Free resources, case studies & start up help - getmutual.coop

GET MUTUAL How to set up and run a co-operative

What is a Coop? What is a Public Service Mutual? Case studies Getting started Resources Advisors News Search

This business model offers a pathway toward economic, social and political justice for all - Ban Ki-moon

It's time to Get Mutual

Get Mutual is an initiative of the [Business Council of Co-operatives and Mutuals](#), Australia's cross sector peak body for all forms of member owned business. Get Mutual is a self-help website to provide information and resources on setting up and running a co-operative.

Get Mutual has case studies, toolkits, reports, resources and links to supportive organisations to help you get started on your co-operative journey. We want to inform and educate people about this important economic sector.

[Find out more](#)



UK Study Tour of care services mutuals

17-28 September, 2018

info@bccm.coop



BUSINESS COUNCIL
of CO-OPERATIVES AND MUTUALS

in association with



Social
Enterprise UK

The Business Council of Co-operatives and Mutuals
in association with Social Enterprise UK

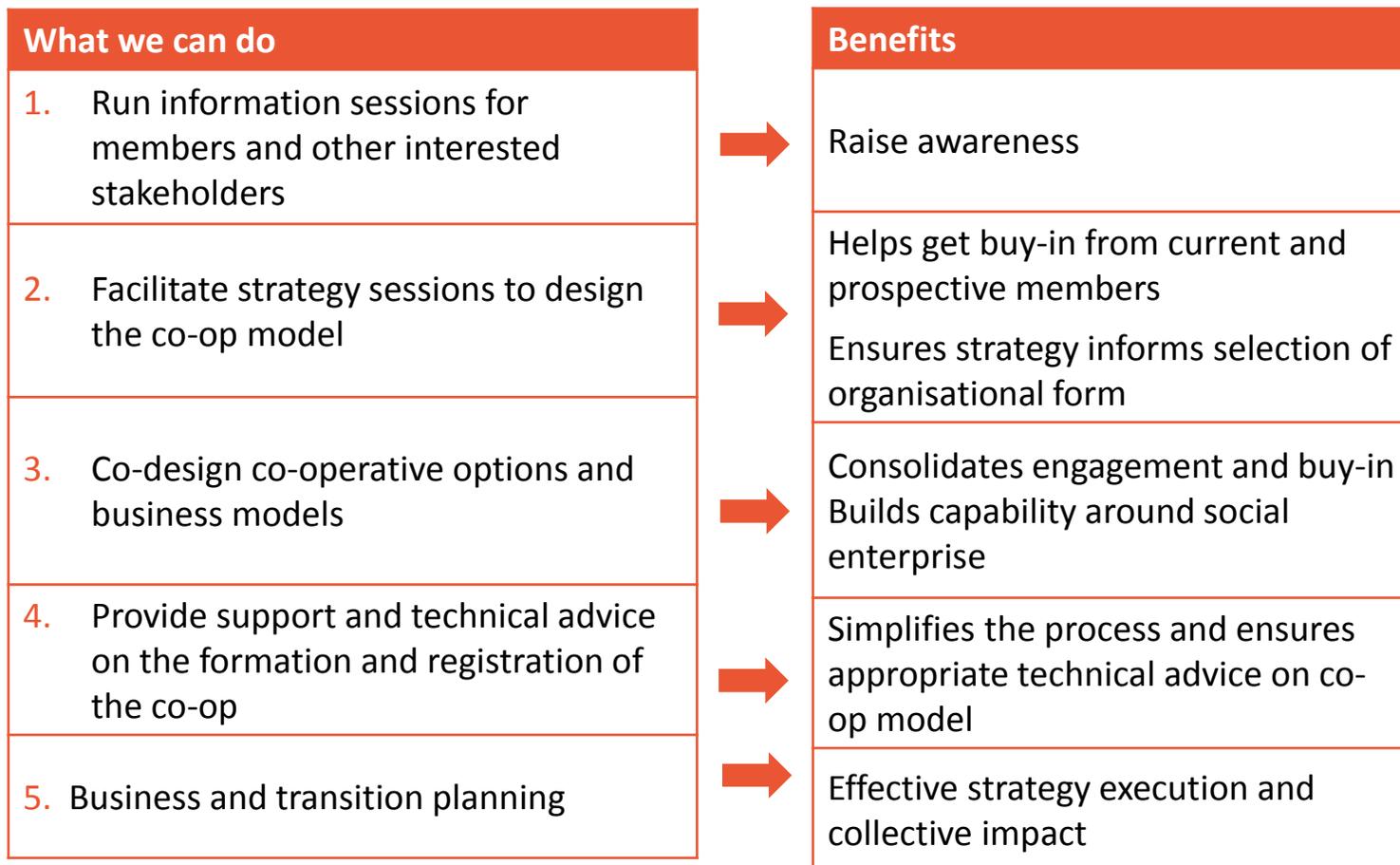
Study Tour of the UK Mutuals

17-28 September 2018 London · Surrey · Manchester

A unique opportunity to learn about mutuals and co-operatives and how successive UK Governments have incorporated member ownership into the delivery of health and human services to increase diversity and choice in the market, improve the quality and productivity of services and create better jobs.



The BCCM works with our members and other partners in co-operative development



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NME 2017 Report

