

# SA: Towards a Co-operative State Unleashing Social and Economic Prosperity

#thinkers #coop #purpose @DonDunstan @GuyTurnbull1

**DON DUNSTAN  
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BUSINESS COUNCIL  
OF CO-OPERATIVES AND MUTUALS

# Welcome to Country

Mickey Kumatpi Marrutya O'Brien

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# Master of Ceremonies

Lainie Anderson

The Advertiser

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# Introduction

**David Pearson**

Executive Director, Don Dunstan Foundation

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# Dr Guy Turnbull (UK)

## Thinker in Residence



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**SA:**

## **Towards A Co-operative State**

September 2018

Dr Guy Turnbull  
A Co-operative Consultant



**Co-operatives:**

**Too Important To Leave To Luck?**



# Why Too Important: A Personal Story

## Geographer



## UK EY Entrepreneur of the Year

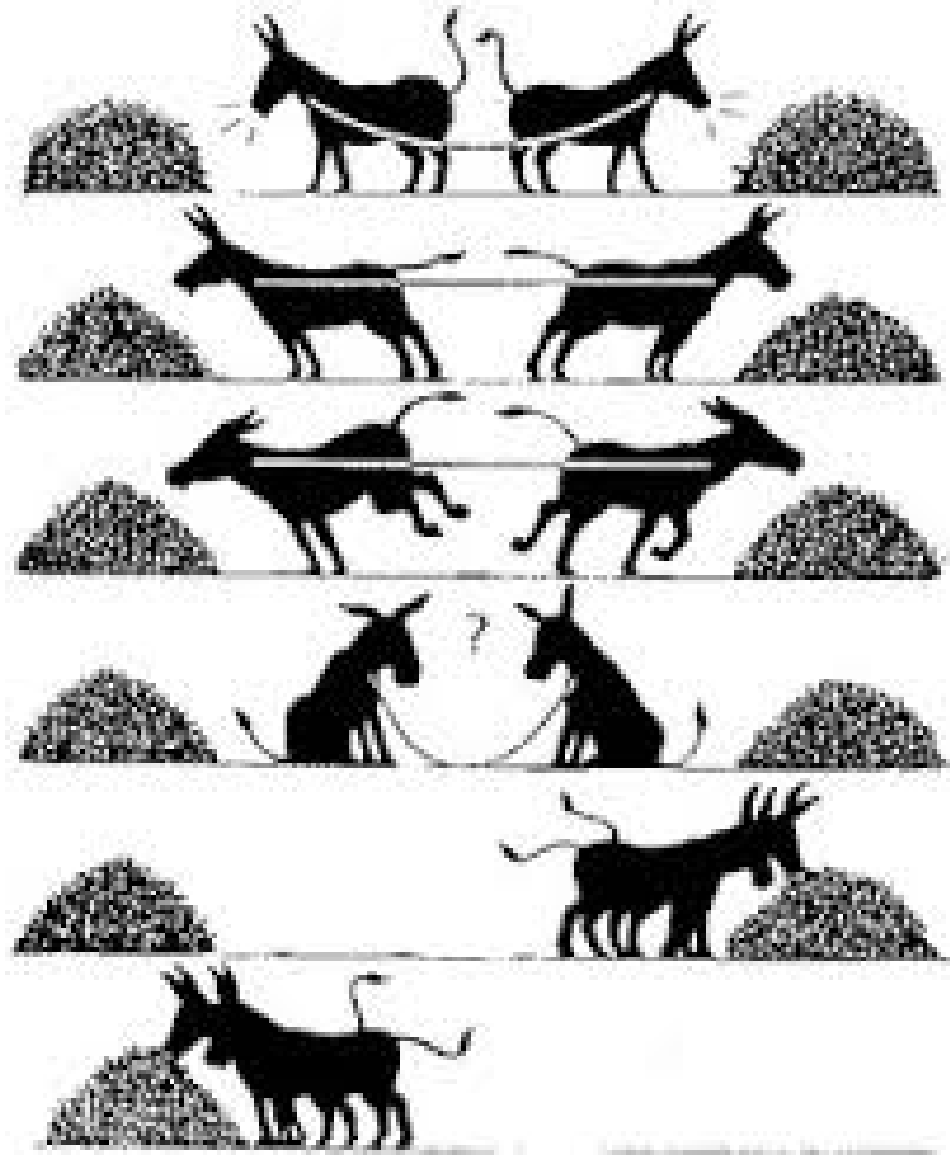


## Great British Care Awards – Outstanding Contribution To Social Care





# Co-operation In A Nutshell





# TEAM FOSTERING

Putting Children's Futures First



**CO-OPERATIVE & COMMUNITY FINANCE**  
the lender for social purpose



# CASA

CARE AND SHARE ASSOCIATES



**rapid enterprise  
development**









# CASA: Key Performance Indicators (2017)

- Vision: A Beacon Of Employee Ownership; A Game Changer In Health & Social Care
- A Leading UK Employee Owned Social Enterprise
- Delivery of 24,000 Hours Of Support Per Week
- Quality - CQC – Hold 5 ‘Goods’ & 1 Uninspected
- Operates Across 9 Territories
- Employ over 1,000 CASA Owners
- Current run rate; £17m







An Accidental Entrepreneur

Co-operatives - An Accidental Enterprise?

Co-operatives – A Mutation Of Free Enterprise?



The  
Rochdale  
Pioneers

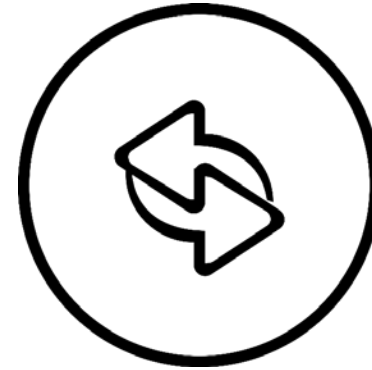


## The Co-operative Model – Ethics and Values

Co-operative members believe in the traditional ethical values of honesty, openness, **social responsibility** and caring for others.

Co-operatives are based on the values of self-help, **self-responsibility**, democracy, equality, equity and **solidarity**.

**SELF-RESPONSIBILITY**



**SOLIDARITY**

# SEVEN COOPERATIVE PRINCIPLES

Education



Training & Information

Concern  
for the  
Community



Member  
Economic



Participation

COOPERATION



Among Cooperatives

AUTONOMY  
&  
INDEPENDENCE



Voluntary  
Open  
Membership



Democratic



MEMBER Control

# US Unemployed Co-operative Relief Organisation

Chance establishment in 1932 by one man trying to exchange his labour for feeding his family

Resulted in support for 150,000 families in California

Groups like UCRO ultimately involved more than 1.3 million people, in more than 30 states. It happened spontaneously, without experts or blueprints

But based on co-op principles of;

Self-help

Solidarity

## What History Books Left Out About Depression Era Co-ops

*It would seem that a movement that provided livelihood for more than 300,000 people in California alone would merit discussion in the history books.*





Mondragon Corporation is a corporation and federation of worker cooperatives based in the Basque region of Spain.

Founded in the town of Mondragon in 1956 by graduates of a local technical college.

Response to poverty, hunger, exile, and tension of the Spanish Civil War.

Revenue: 12.11 billion EUR (2015)



# Australian Co-Operative 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



# Co-operatives Generated As A Response To Pressure Or Need



# Or Is Co-operation Natural?

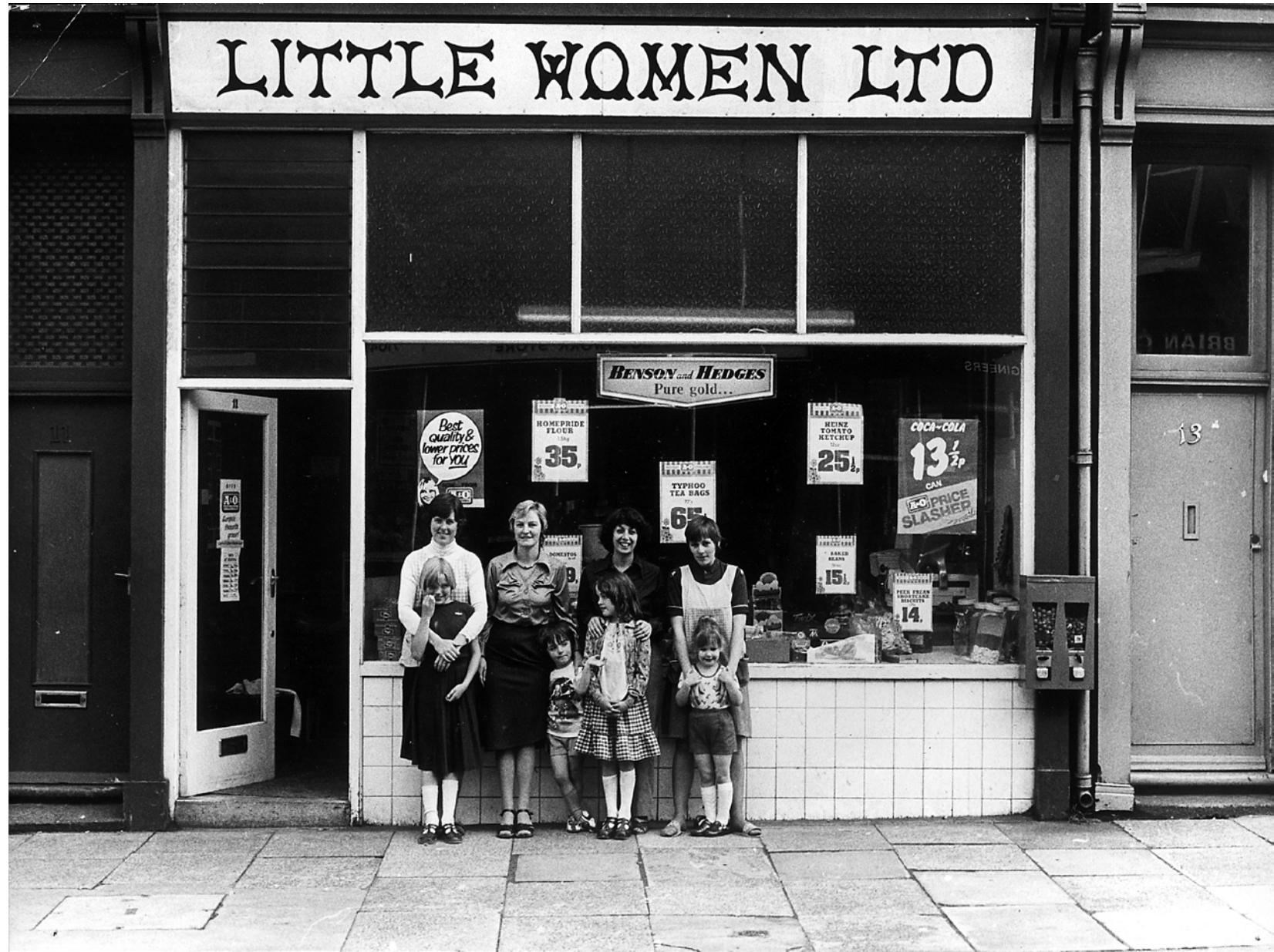


# Ask The Geese



- Fly 70% Further
- Work for common good
- Honk
- Take turns
- Look after each other

# Nature Vs Human Agency





# CASA's Antecedents

## Phases Of Development

- 1976 – Little Woman
  - Fun, Ideological, & Values Based
  - Small loan/Sweat Equity
- 1993 – Sunderland HCA
  - Fun, Ideological, & Values Based
  - Small grant/Sweat Equity
  - Contract – straight-forward/guaranteed
- 2004 – Care & Share Associates
  - Fun, Ideological, & Values Based
  - Sweat equity & Complex mix of grants and loans
  - Contracts – Complex procurement process
- 2010 – CASA One
  - Fun, Ideological, & Values Based meets quasi commercial investment



# Relevance To South Australia?

# Current Challenges In South Australia's Disability & Aged Care Space

- The 'Inevitably Of Demography'
- How will a Care Workforce be recruited, retained, engaged, and 'excited'
- NDIS Pricing Tariff vs Existing/Legacy Cost Base & Operating Model
- Consumer Choice & Control Sometimes Difficult To Articulate
- Under-utilisation of NDIS Dragging Down GDP
- Where's The Spark For Transformation?
- A Sector Ready For 'Consolidation'/Privatisation – both public services and Not For Profit



# Current UK Context

- Financial Crash & Public Austerity
- Brexit Accentuating Workforce Challenge
- Market 'Failure' In The Health & Social Care Sector;
  - £2.6Bn Funding Hole plus storing up future problems as low level/prevention services cut
  - The Demographic Reality/Increasing Demand
  - Increased cost pressures – National Living Wage
  - 90,000 plus vacancies in the NHS alone
  - Children's service at tipping point

# Why Is This Important?

- 1948/NHS Born – Life Expectancy 66 years/ now 81 (Oz = 82)

## UK – Health vs Life Span

- 19 Million Over 65s by 2050
- 8 Million Over 80 by 2050
- 1 in 4 of us NOW need help with daily living
- Doubling of people needing 24/7 support
- vacancy rate was 10%, amounting to 53,000 vacant positions at any one time.



# The Face Of Market Failure In Health & Social Care





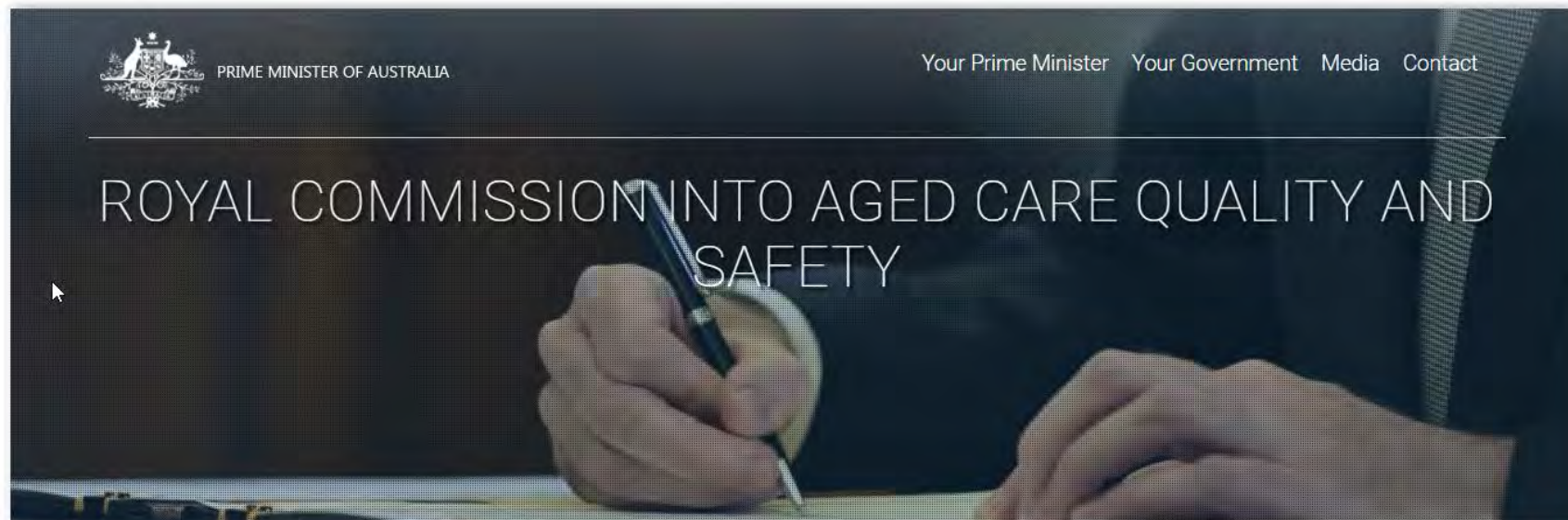






Meanwhile In  
Australia.....

## Morrison to announce royal commission into aged care after string of scandals



## The Aged Care Workforce Taskforce's A matter of care – a strategy for Australia's aged care workforce

- Almost one million workers by 2050 – has been developed by an industry-led expert taskforce.
- Need to almost triple our aged care staff by 2050 which means we must make caring a career of choice, with clear professional pathways, high community appreciation and strong self-respect.
- The Productivity Commission projects the number of Australians receiving aged care will almost triple by 2050, to 3.5 million, requiring staff numbers to grow from 366,000 to almost one million.





# UK Policy Response

- Personalisation/Consumerism
- Rationing – both volume & price
- De-Regulation & De-Skilling
- Increased Complexity - Commissioner/Provider Split
- Brutal Procurement Environment/Out-Sourcing
- Continual Kicking Into The Long Grass

# Unlikely To Touch The Sides

# The Ostrich



- Facts;
- They Don't Put Their Head In The Sand
- They have adapted to their environment:
  - Long neck
  - Small Brain/Big eyes
  - Strong eggs
  - Can kill a lion with a single kick









# CASA's Theory Of Change

- Engaged Employees Deliver Higher Quality Care
- Financial Transparency To All Stake Holders
- Mutuality Is Key To Innovation





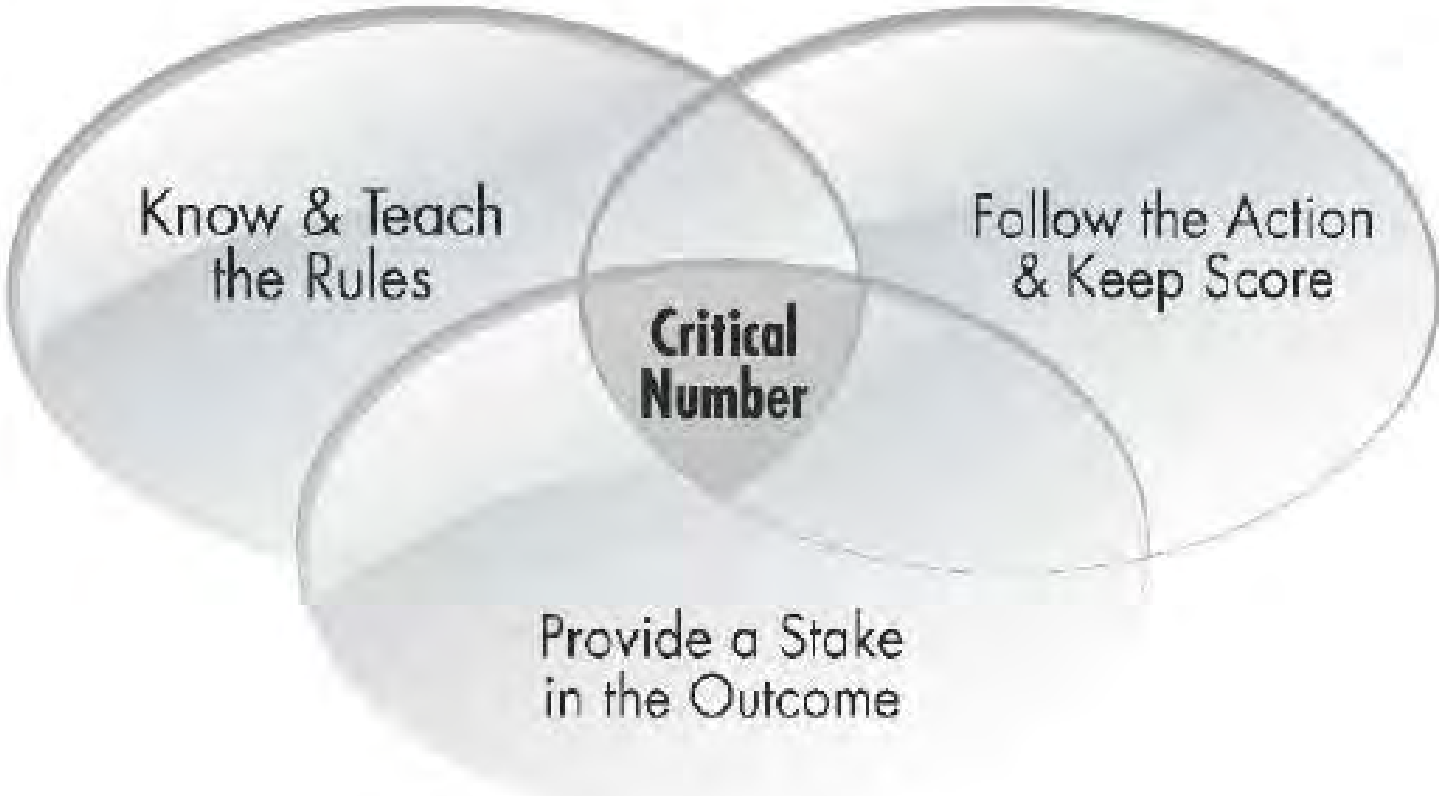
# Is It As Easy As 1, 2, 3?



## Three Lists

- What Is Important For The CASA Business
- What Is Important For Employees
- What Actions Are Required To Achieve This?

# The CASA Pledge; Employee Engagement & The Great Game Of Business



Plus A Say In How CASA Is Run

# The Bigger CASA Game



## BRANCH HOURS PER WEEK

PLEASE WRITE THE TOTAL AMOUNT OF HOURS PER WEEK

	TARGET	ACTUAL
WEEK 12		
WEEK 11		
WEEK 10		
WEEK 9		
WEEK 8		
WEEK 7		
WEEK 6		
WEEK 5		
WEEK 4		
WEEK 3		
WEEK 2	3025	3035
WEEK 1	2750	2450

BRANCH COLLECTIVE HOURS PER WEEK

## CARER CAPACITY

PLEASE RECORD THE AVERAGE HOURS PER CARER BY DRAWING THE GAUGE IN THE APPROPRIATE POSITION



HOURS PER CARER

## SERVICE QUALITY

PLEASE WRITE IN THE PERCENTAGE YOU OBTAINED INTO THE CORRECT CIRCLE



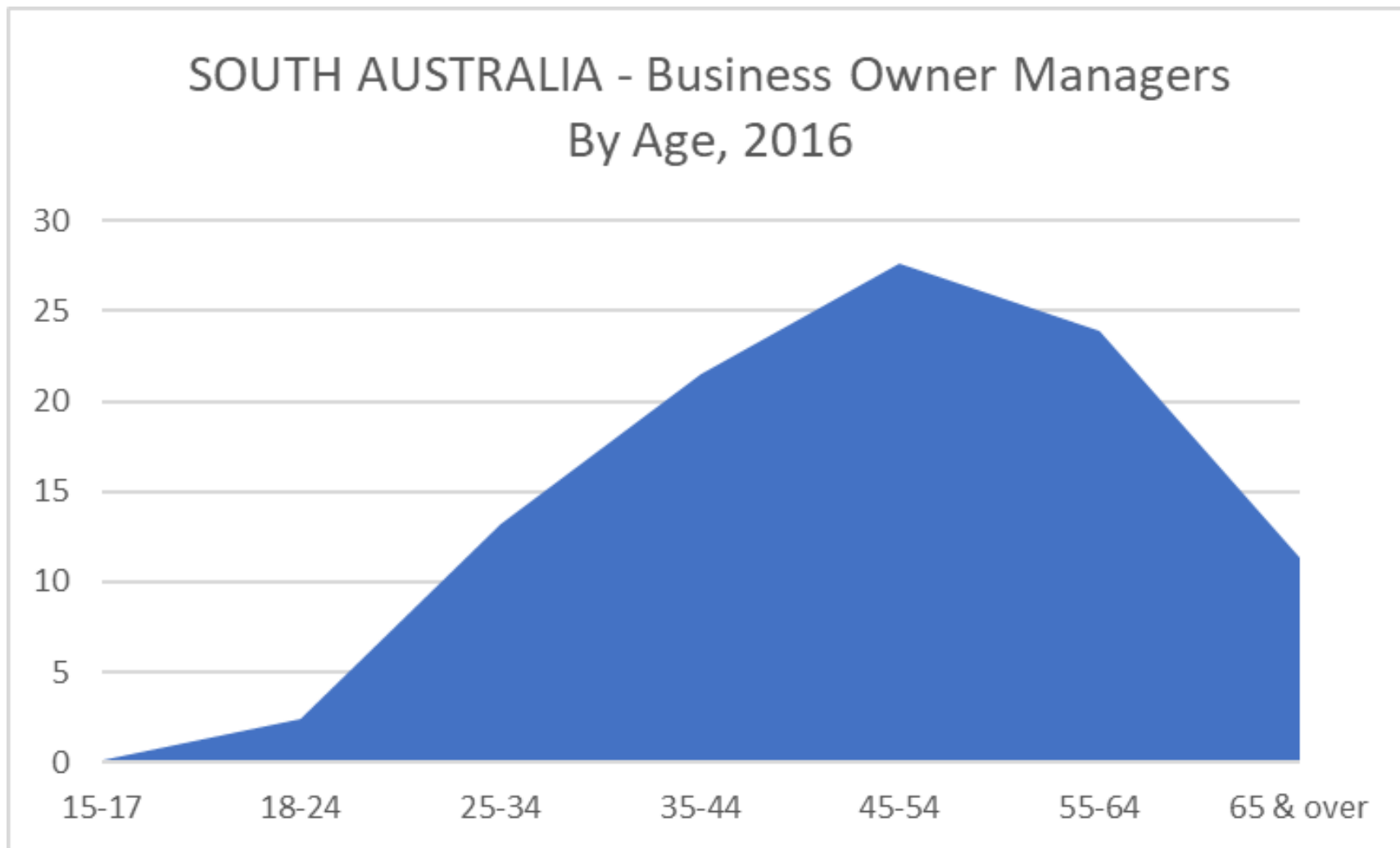
QUALITY PERCENTAGE

# Not Just Health/Disability/Care Challenges



# Business Succession

- 98% of all businesses in South Australia employ less than 20 people
- South Australia entrepreneurs/business starters are predominantly aged over 45
- Business succession is #2 concern, Hood Sweeney SME RESEARCH REPORT 2017/18

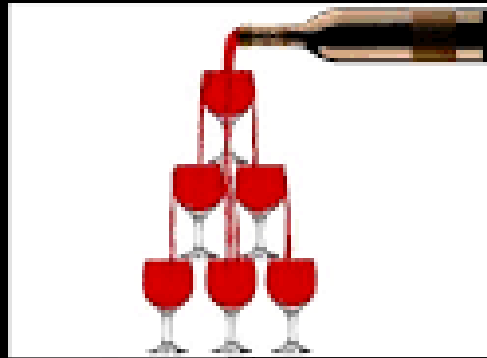


# So Should We Leave Co-operative Development To Chance?

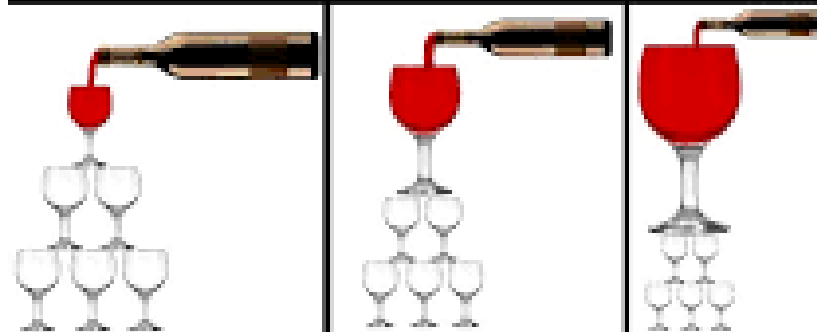
# Ownership Matters

## Trickle down economics

How we're told it works



What actually happens







# 1938

## THE SHEARD'S BUILDING THAT WOULD BECOME THE CO-OP

Co-operatives have had a presence in the Australian economic and social landscape since the 1850s. A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations, through a jointly owned and democratically controlled enterprise.





WE WANT TO MAKE  
OUR COMMUNITY  
A GREAT PLACE  
TO LIVE.



OUR PURPOSE IS  
TO NOT ONLY  
PROVIDE THE  
BEST SHOPPING  
EXPERIENCE  
POSSIBLE BUT  
TO ALSO ENABLE  
THE COMMUNITY  
AS WHOLE TO  
PROSPER.



**18,000**  
MEMBERS



OPERATING  
SINCE  
**1944**

SUPPORTING  
**OVER 100**  
COMMUNITY  
ORGANISATIONS



OVER  
**\$2.85M**  
IN MEMBER INSTANT  
DISCOUNTS &  
BONUSES AT  
THE REGISTER



**\$66M**  
TURNOVER



MEMBER  
OWNED



**\$2**  
SHARE



SUPPORTING  
**REGIONAL**  
EMPLOYMENT

**\$37M**  
REDEVELOPMENT  
PROGRAM



OVER  
**\$100,000**  
SPONSORSHIP  
& DONATIONS



SHOPPING CENTRE  
OWNER WITH  
**38 OUTLETS**



OVER  
**350**  
STAFF



## Sticky Money – The Co-op

The Co-op Foodland's revenue in 2013 was \$48 million. Approximately \$25 million of this commercial value is recycled through local suppliers, employees, members and the community to create human, intellectual and natural and social and relationship capital. For every dollar spent at The Co-op Foodland, an additional 76 cents of total value is created for the Nuriootpa region – we call this Sticky Money.

STICKY MONEY \$1.76

Sticky Money, Ernst & Young 2014

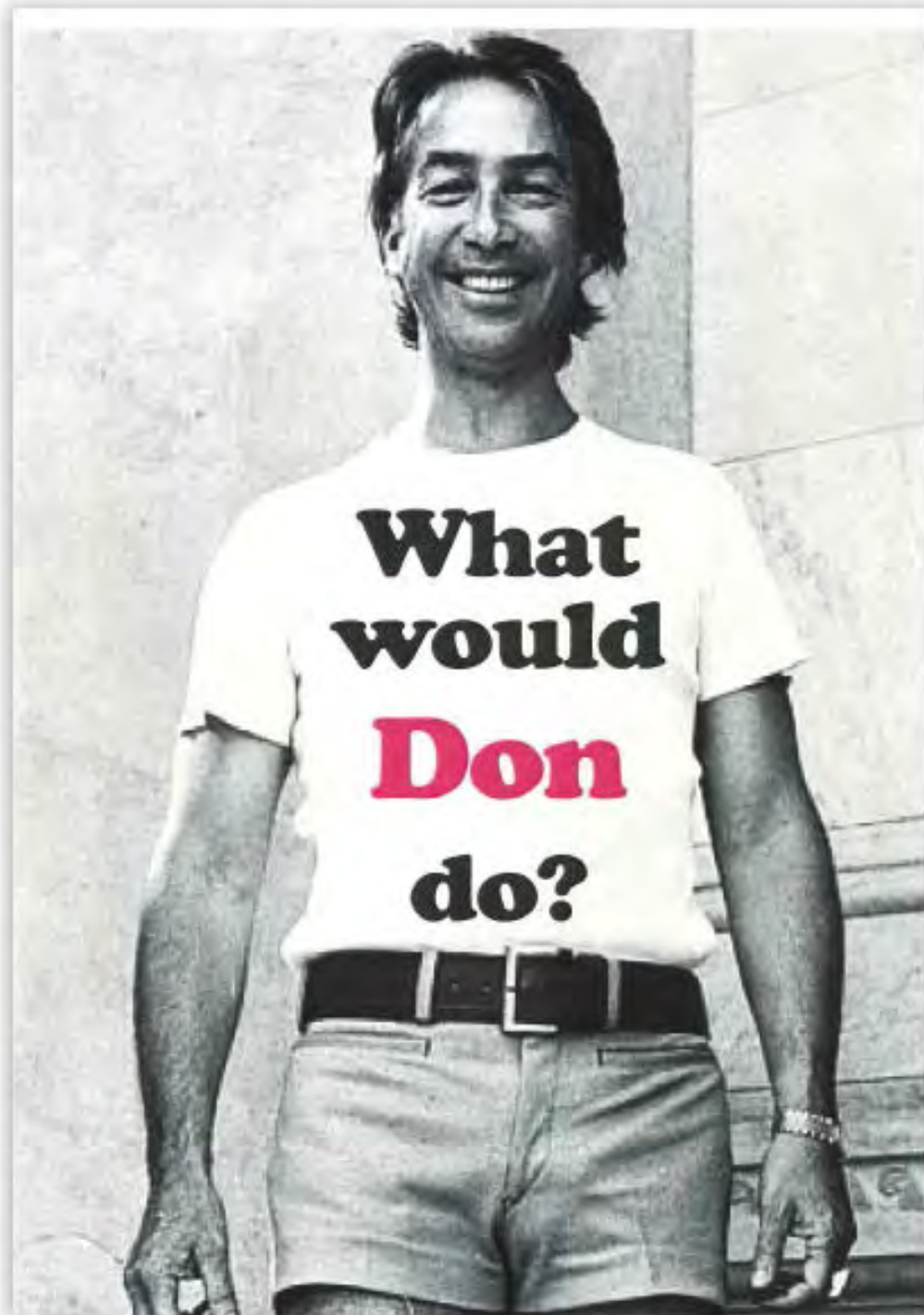


# Co-operative Development Benefits

- Locally owned, creating and retaining profits and jobs within communities;
- Democratically controlled – Accountability is a good thing;
- Capability to reach ‘new entrepreneurs’;
- Develop capacity to identify and develop new and innovative markets
- Significant Social Value, Impact & Contribution Recognised by Government



So It Begs  
The  
Question



Maybe.....

Follow Through From CIVIC Democracy To  
Industrial Democracy:

Build A More Co-operative State

# Mutual Solutions To Big Challenges

- Support the care sector re-engineer to meet changes in funding and demand - particularly it's workforce issues
- Innovate Develop New Models Of Place-Based Care
- Disability and entrepreneurship - how do we create a whole new cohort of entrepreneurs in SA, and how do we help support a whole new group of people to participate in the economy.
- How can employee ownership can help with family owned businesses and transition planning.
- Support The Transition Public Service Mutuals



# Thoughts On Building A More Co-operative Environment

- Burning Platforms & Drive on particular sectors
- Social procurement, competitive engagement, & market making – Long term commissioning
- Access to capital
- Education and internships
- Leaders & incentivised development support
- Enabling legislation – Social Value Act/Health & Well-Being (Wales) Act/ Tax Incentives (Italy) ;
- Import & Scale

# Back To Co-operative Business Basics

- The Right People
  - ✓ Where are today's/tomorrow's social entrepreneurs?
  - ✓ What interventions can be made to get them to flourish
- The Right Ideas
  - ✓ Home grow/Import & scale
- The Right Support
  - ✓ Capital fund
  - ✓ Market making through social procurement
  - ✓ Incentivised development support
  - ✓ Well designed legal/financial structures

# Potential Proto-types-Proof Of Concept

- Assistive Technology and Data - how do we harvest consumer data, allow consumers to own it and benefit from it.
- A Northern Care Cooperative - personalisation and consumer directed care, improving the experience through a Joint Venture Cooperative.
- Peer Support Workforce Co-op - Marketing, training/accreditation back office and career development cooperative.
- Worker owned home-care co-op in SA, hospital admissions avoidance, transitions in care, etc.
- Business Support For Kudos
- RED Pilot & Supported Self Employment



[guy@thecarecoop.com](mailto:guy@thecarecoop.com)



# The Panel

**Melina Morrison**

Business Council of Co-operatives and Mutuals

**Bert Verhoeven**

Flinders University New Venture Institute

**David O'Loughlin**

Mayor, City of Prospect & ALGA President

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## Presenting Partners



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## Major Partners





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# Thank You For Attending

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