

# MAPPING: KEY FIGURES

## NATIONAL REPORT: AUSTRALIA

ICA-EU PARTNERSHIP

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# **Commonwealth of Australia- Key Figures National Report**

## **I. Introduction and context**

This report is part of a global mapping exercise launched by the International Cooperative Alliance (ICA) and its regional offices within a partnership signed with the European Commission for the period 2016-2020, which aims to strengthen the cooperative movement and its capacity to promote international development. Other research projects include a worldwide legal frameworks analysis, and several thematic researches on themes of significance for cooperatives.

Responding to challenges and existing knowledge gaps facing the cooperative movement, this research provides exhaustive information on cooperatives worldwide. This has been achieved by collecting the input of ICA members through an online questionnaire, and completing it with relevant national statistics, in order to obtain an accurate picture of the national situation. Mapping out cooperatives in each country provides a more precise picture of the cooperative context at national and regional levels, enhances the movement's visibility, networking, partnerships opportunities, as well as advocacy, and empowers cooperators by providing them tools for positive change.

Within this framework, the present report showcases information about the cooperative landscape in the Commonwealth of Australia, hereafter referred to as Australia. Mutual enterprises are integral part of this landscape and key figures for cooperatives and mutual enterprises are often available jointly.

### **i. Historical background**

Cooperative and Mutual Enterprises (CMEs)<sup>1</sup> have been present in Australia since the 1840s when it was a British colony. In the modern day, they contribute to the national economy, distribute wealth, bring diversity, and present an alternative model of business. CMEs are broadly classified as consumer cooperatives, producer cooperatives, worker cooperatives and financial cooperatives (includes mutual banks, credit unions, and friendly societies). The largest CMEs by turnover are in the financial services, agribusiness and health insurance sectors.

By the 1850s, the Rochdale Principles had been popularised by the British colonists in Australia. The first registered consumer cooperative, the Brisbane Cooperative Society, was established in 1859.

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<sup>1</sup> Cooperatives are consistent with the ICA Principles and categorised as 'distributing' (distribute surplus to members) and 'non-distributing' (don't distribute surplus to members). Mutual enterprises are owned by or on behalf of their members, who are generally its customers. They are common in insurance and other financial services sectors.

At the same time, agricultural cooperatives were set up to remove the middlemen and assist primary producers. After World War I, consumer and agricultural cooperatives rapidly expanded while responding to economic volatility. During the 1890s, unions in coal mining areas were experimenting with different formats of worker cooperatives. The Great Depression of 1930s saw employees forming worker cooperatives and buying their employers' struggling businesses. Among the Aboriginal and Torres Strait Islander Communities, the first cooperative was the Tranby Aboriginal Cooperative College founded in 1958. Graduates of its training programs set up several distributing cooperatives in other regions. Cooperatives providing the community with housing, health, employment and training services soon followed. From the 1970 to 1990s, a series of major social and economic upheavals saw consumer and agricultural cooperatives decline due to increasing competition, poor governance and government regulations.

Friendly societies were established in the 1830s to pool community funds to provide financial benefits to the blue-collar members. By the 1920s, around half of Australians were members of such societies. Post the Great Depression, many friendly societies converted into mutual health insurance and investment funds. The federal government introduced tax incentives, from 1997 to 2000, to encourage private health insurance. By 2016, these funds made up 73% of the health insurance funds in Australia. Established in 1942, the Bank of Australasia's Officers' Retiring Fund, was the first superannuation fund (organisational pension programme for employees). The introduction of the national retirement benefits scheme in 1908 made these funds popular. When the national system of compulsory superannuation was created in 1987, the industry grew dramatically. The emergence of motor vehicles in the early 20th century saw drivers forming automobile associations that provided motoring advice, roadside assistance and advocating for better infrastructure. Now they also provide general insurance, travel and financial services. After the strict restriction on credit unions were removed in 1941, they flourished along with building societies in the post-war boom which continued till the 1970s. During the 1970 to 1990s, significant economic changes and increasing prudential requirements saw a decline in market share. However, in recent years, the market share of mutual banks and credit unions has been increasing.

In 2012 states and territories became party to the Australian Uniform Cooperative Law Agreement (AUCLA) to harmonise cooperatives legislations known as the Cooperatives National Law (CNL). The country's first peak body for CMEs, the Business Council of Co-operatives and Mutuals (BCCM), was formed in 2013. From 2015 onwards, BCCM and Mutuo (a U.K.-based think tank) worked together to propose reforms to the CME sector, including provisions for mutuals to raise capital. They succeeded with the government accepting recommendations to reform mutual capital raising made by the Hammond Review. The government also announced a US\$ 10.9 million (AU\$ 14.9 million) fund to develop farmer organisations as cooperatives. In 2017, the bipartisan Parliamentary Friends of Cooperatives and Mutuals was set up to increase awareness about the sector. In 2019, nine BCCM members along with Monash Business School released the 'Mutual Value Measurement (MVM) Framework' to measure the holistic impact and value created by CMEs in their community.

## ii. Public national statistics

For a more comprehensive picture of the cooperative movement in Australia, the present section provides key data from the country's public registers as a useful background context to the ICA members' data showcased in Section II of the report.

The data presented here stems mostly from the Fourth Annual Report on the Australian Co-operative and Mutual Enterprise (CME) sector 2017 compiled by Centre for Entrepreneurial Management and Innovation (CEMI) and Business Council of Co-operatives and Mutuals (BCCM, ICA member).

#### NUMBER OF COOPERATIVES:

In 2017, there were 2,134 active CMEs, of which 1,761 were cooperatives, 282 mutual enterprises, 48 friendly societies, and 43 member-owned super funds.

#### EMPLOYMENT:

In 2017, there were 52,322 employees in 258 CMEs.<sup>2</sup>

#### COOPERATIVE MEMBERSHIP:

In 2017, there were 29.3 million members in 2,134 CMEs.

#### PRODUCTION VALUE:

In 2017, the combined gross annual turnover of 2,134 CMEs was over EUR 80,783,528,739 (AU\$ 113 billion).<sup>3</sup>

### iii. Research methodology

The aim of the mapping research is to collect and make publicly available reliable and up-to-date data to understand what the cooperative movement represents in the targeted country. With this view, the data detailed in the present report has been collected using the methodology detailed below.

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<sup>2</sup> As per the secondary sources referred for national cooperative statistics, data on employment was available only for 258 CMEs in 2017.

<sup>3</sup> This amount was calculated based on the annual average rate (as per 1st April 2017) between the two currencies, using the currency converter InforEuro:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro)

The methodological tools include a questionnaire used to collect the data, which was distributed online to the members, as well as a methodological note provided for further guidance. They were built jointly with all ICA regional offices with the support of external experts from the European Research Institute on Cooperative and Social Enterprises (Euricse) and are applied in a harmonised way in all the target countries.

The classifications used in the research are consistent with the internal system used within the ICA movement (e.g. on membership status and types of cooperative organisations) and with standards increasingly adopted in recent studies and by international organisations like the ILO – e.g. using international classifications of economic activities such as the International Standard Industrial Classification (ISIC) rev. 4, which ensures the comparability of statistics both nationally and internationally, as well as with statistics on other forms of enterprises.

Regarding the target organisations, considering that a worldwide survey has very challenging goals, and while the value of directly collecting data from non-member cooperatives must be recognised, the present Mapping exercise targets cooperative organisations members of the ICA.

Furthermore, in order to complete the ICA members' data, the decision was taken to also look at external sources, to provide additional and more exhaustive cooperative statistics for the country. As a result, the data is collected following two strategies contemporaneously: 1) collecting statistics already available in the country; 2) carrying out a survey targeting ICA cooperative members.

In Australia, the mapping questionnaire was completed by one out of three ICA member organisations in the country. Secondary data on national cooperative statistics was collected from the publicly available Fourth Annual Report on the Australian Co-operative and Mutual Enterprise (CME) sector 2017 compiled by Centre for Entrepreneurial Management and Innovation (CEMI) and Business Council of Co-operatives and Mutuals (BCCM, ICA member).

## II. Key figures

Australia has three ICA member organisations:

1. Capricorn Society Limited (CSL)
2. Cooperative Bulk Handling Ltd. (CBH Group)
3. Business Council of Co-operatives and Mutuals (BCCM)

CSL: Established in 1975, CSL is a member-based organisation that supports businesses in the automotive industry. They provide a range of services to its members including equipment finance, travel services, and business protection. It became a member of ICA in 2006.

CBH Group: Established in 1933, CBH Group is a leading organisation in Australia’s grain industry with operations extending along the value chain from grain storage, handling, transport, marketing and processing. It became a member of ICA in 2011.

BBCM: Established in 2012, BCCM is Australia’s only peak body for cooperatives and mutuals across all industries. It unites cooperatives, mutuals and member-owned businesses with the common objective of increasing awareness of the cooperative and mutual business model and the important contribution of member-owned businesses to the national economy and community development of Australia. It became a member of ICA in 2016.

## i. ICA member data

Primary data collected was provided by CSL for 2017. National cooperative statistics represented by BCCM was collected from secondary sources. While data on total membership, employees, sectoral distribution of cooperatives was available; sex-disaggregated data for membership and employees, data on young members and employees, and number of members and employees in different cooperative sectors was not available.

## ii. General overview

The present section provides an overview of data on membership and employees provided by CSL.

Category	Total (2017)
Number of memberships	18,867
Percentage of youth members	11.2% (2120)
Number of employees	307
Percentage of female employees	45% (140)
Percentage of youth employees	45% (140)

Table 1: Cooperative statistics received from CSL (2017)

ICA member, CSL is a user cooperative with 18,867 members, out of which 11.2% are youth population. As of 2017, CSL has 307 employees of which 45% are females and 45% are youth.

ICA, member BCCM represents 2,134 active CMEs with 29.3 million members. Out of 360 CMEs where information on board directors was available for the preparation of the Fourth Annual Report by CEMI and BCCM, 345 (95.8%) had female directors with an average of 3 female directors on each board.

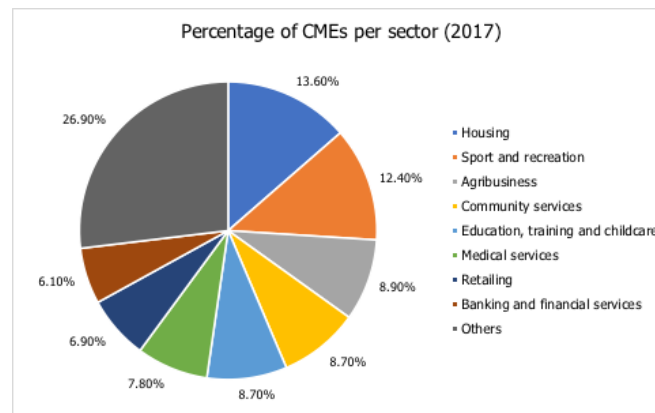
## iii. Sector overview

The sectors used below correspond to the categories used in the ISIC rev. 4. to classify the economic activities carried out by the organisations concerned. With regards to the turnover, the amount is provided both in Australian Dollar (AU\$), and in the equivalent amount in EUR<sup>4</sup>.

CSL is a user cooperative with a turnover of EUR 79,353,732 (111.2 million AUD)<sup>5</sup> as of 2017.

### III. Graphs

#### i. Percentage of CMEs per sector



Graph 1: Percentage of CMEs per sector in Australia (2017)

<sup>5</sup> This amount was calculated based on the annual average rate (as per 1st April 2017) between the two currencies, using the currency converter InforEuro:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro)



### III. Annexes

#### Sources

1. Mazzarol, T. & Kresling, J. (2017) "[Australia's Leading Co-operative and Mutual Enterprises in 2017](#)" CEMI Discussion Paper Series, DP 1701, Centre for Entrepreneurial Management and Innovation, [www.cemi.com.au](http://www.cemi.com.au)
2. ICA-AP (2020). [Australia country snapshot](#)

#### Contacts

Further details on the Mapping research and other country reports are available on [www.coops4dev.coop](http://www.coops4dev.coop)

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