

Co-operative and Mutual Businesses Instrumental to Welfare Reform

IMMEDIATE RELEASE – 25 FEBRUARY 2015: Australia’s member-owned businesses which contribute more than 6% of Australia’s GDP are critical to long-term job creation and alleviation of welfare dependency, according to the Government’s landmark inquiry into welfare reform, the McClure Report, released today.

The Report, which recommends that Government work with Australia’s peak body for member-owned businesses, the **Business Council of Co-operatives and Mutuals**, to ensure an enabling environment for these businesses, says the Federal Government should promote the value of mutuals and co-operatives, noting their potential to: generate positive social outcomes for people and communities; generate economic and social resilience for individuals, communities and organisations; and achieve higher levels of consumer engagement and improve employee wellbeing in the delivery of services. Their role in rural and regional Australia was particularly noted.

The report cited the BCCM’s 2014 White Paper *Public Service Mutuals: A Third Way for Delivering Public Services in Australia*, and recent evaluations of mutuals delivering human services overseas to support its recommendation that, more should be done to encourage the growth of mutuals and co-operatives in Australia due to their comparative advantages and capacity to build community by providing jobs and support. The Report cited the role co-operatives could play in the roll out of the NDIS especially in rural and remote areas.

BCCM CEO Melina Morrison said, “Mutuals and co-operatives are grassroots businesses, owned and operated at a local level. Because they are locally connected with the ‘board room in town’, they are committed to being in business with the local community for the long term.” The sector is an under recognised, but significant part of our economy. There are more than 13.5 million members of mutually owned enterprises in Australia, representing 8 in 10 Australians as member-owners of these businesses.

The BCCM welcomes the findings of the McClure Report and congratulates the inquiry for recognising the vital role that mutuals play in sustainable jobs growth and self-help community solutions to welfare dependency.

“The Government has recognised that co-operatives and mutuals are an essential part of civil society. We are the original community business partners, with a locally owned ‘jobs compact’ mentality in our DNA,” said Morrison today. “The Report’s recommendation that the Federal Government ensure an enabling regulatory, economic, and social environment to support co-operatives and mutuals, reinforces the imminent need for the proposed Senate Inquiry into the barriers and impediments faced by our sector.”

Further Information & Media Contact

Scale and size of the sector is available in the National Mutual Economy Report (<http://bccm.coop/policy-agenda/research/national-mutual-economy-report-2014/>)

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