

PRESS ALERT

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Minister for Social Services to launch third way to deliver public services

The Hon Kevin Andrews MP, Minister for Social Services, will launch the *White Paper, "Public Service Mutuals - A third way for delivering public services in Australia"* on Thursday 4 September 2014 at 11:00am at Parliament House, Canberra. A Media briefing will be held at 9:30am.

The Report from the Business Council of Co-operatives and Mutuals says Australia should heed the European trend of turning to Mutuals and Co-operatives to deliver services traditionally provided by Government such as disability, employment, housing, aged and healthcare services.

"Rather than seek to create share value for shareholders, Mutuals like the NRMA aim to deliver shared value for its Members and the community, this means the profits of Mutuals are invested back into the community and our industry has historically done this very well in Australia. The NRMA believes that this is exactly the type of model that Australia should look to when seeking to deliver public services in a more efficient and cost effective way." - **NRMA Group CEO, Tony Stuart.**

"Alternative to privatisation"

Mutuals, including the model of staff-run "spin outs" from Government, can facilitate the transfer of ownership of services from Government to front-line workers without diluting the public benefit. The profit reinvestment structure of co-operatives and mutuals means surpluses do not leak out but are ploughed back into the service economy, and the service remains Australian owned.

"Better markets"

The 2014-5 Federal Budget identified the need for saving measures in many areas of public service expenditure and the Commission of Audit recommended outsourcing some public services. Governments are transferring more and more service delivery to the for-profit sector and traditional non-profit providers. EY estimates up to \$100 billion of services will need to be delivered in this new 'public private production system'. This transition is creating unprecedented challenges for workforce planning and fair and efficient service markets. The inherent characteristics of Mutuals can help Government meet the demands of service consumers in a cost effective way. Public policies predicated on user "choice and control" like the National Disability Insurance Scheme (NDIS) could benefit from the consumer focus of Mutuals. As trusted democratic organisations, Mutuals can offer a less contentious solution for devolving services away from Government.

The Report points to international examples where this has been done well including 100 staff-run mutuals in the United Kingdom delivering over 1.5 billion pounds of public services and the largest conversion of a public asset to a Mutual, Post Office Ltd, a 1 billion pound business owned and managed by its employees, service users and the public.

The unique role of Mutuals in the national economy may often get overlooked but the strength of the sector is indisputable – eight in 10 Australians belong to a Mutual and there are almost twice as many Australians who hold membership in a Mutual than invest in the stock exchange.

Ends.

Media contact:

For interviews with Tony Stuart, Group CEO NRMA or to attend the launch and briefing contact Melina Morrison, Chief Executive Officer, Business Council of Co-operatives and Mutuals:

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Media Notes:

Green Paper - [*Public Service Mutuals: The case for a Third-way for delivering public services in Australia*](#)

White Paper - [*Public Service Mutuals: A Third Way for Delivering Public Services in Australia*](#)

#100mutuals - [*UK celebrates 100 public service mutuals*](#), 8 August

[*The critical importance of co-ops and mutuals*](#), Pro Bono News, 27 August

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