



2017
**NATIONAL MUTUAL
ECONOMY REPORT**
Incorporating the Top 100



2017 Report Partner





2017 National Mutual Economy Report Incorporating the Top 100

Providing the latest research on the economic and social contribution of Australia's co-operative, mutual and member-owned firms.



With the research collaboration of the University of Western Australia



For more information on the co-operative and mutual sector

www.bccm.coop

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ABOUT THE BCCM

The Business Council of Co-operatives and Mutuals (BCCM) is the national peak body representing co-operative and mutual models of enterprise. It is the only organisation uniting the entire and diverse range of member-owned businesses in Australia.

Formed in 2013, the BCCM brings together the sector of businesses owned by members or formed to benefit members, with the common objective of increasing awareness of these models of enterprise.

Through our members, the Council highlights the contribution co-operatives and mutuals make to the national economy and social development in Australia. The BCCM provides leadership in the important areas of research, education and advocacy to build a strong sector.

ABOUT THE REPORT

This is the fourth annual report on the scale and performance of the Australian co-operative and mutual sector. The report aims to map the size, composition and overall health of the co-operative and mutual sector using the Australian Co-operative and Mutual Enterprise Index (ACMEI), which started in 2012 with the first national data collection process in 2014.

The ACMEI is a long term research project undertaken by the University of Western Australia to map the size and structure of the co-operative and mutual enterprise (CME) sector in Australia. Its purpose is to provide a better understanding of these businesses and their contribution to the national economy.

Despite representing some of the largest businesses in their sectors and being found across a wide-range of industries, the overall size, structure and contribution of the CME sector in Australia is relatively poorly understood. This is due to a paucity of reliable data, difficulties in definition and vagueness over which firms should be identified as CMEs.

For this year's report on the ACMEI, see 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.

All financial statistics presented in this report are in AU dollars unless otherwise indicated.

ACKNOWLEDGEMENTS

2017 National Mutual Economy Report (NME 2017) was produced thanks to sponsorship by HCF, research by the University of Western Australia and the input of a number of CMEs and other researchers.

From the University of Western Australia we'd like to thank Professor Tim Mazzarol, Dr Elena Limnios and Johannes Kresling.

For their work on this year's NME we would also like to acknowledge Chris Mason, Next Level Research; Tony Connon; and Duncan Wallace.

We thank Professor Morris Altman, Dean and Head of University of Newcastle Business School, for his work using economic modelling to provide our Total Value Added and employment statistics.

EXECUTIVE SUMMARY

This is the fourth annual National Mutual Economy Report produced by the BCCM with the research collaboration of the University of Western Australia.

This year's report is an example of the successful co-operative research effort undertaken by BCCM and various stakeholders to accurately measure the Co-operative and Mutual Enterprise (CME) sector. NME 2017 was produced thanks to sponsorship by HCF and the important collaboration of Australia's co-operative and mutual enterprises.

The current economy is not working for many people. Financial stress is on the rise with less than a third of Australian adults financially secure in 2016 – a result of a doubling in household debt since 2003, in the main due to rising house prices. Social isolation is a growing concern, with 80% of Australians believing that loneliness is increasing. The mainstream business model is not helping. According to 82% of Australian adults, corporations are too focused on profits, with 78% agreeing corporations put investor interests before customer welfare.

It's time to reimagine the economy.

The CME sector presents solutions. Member rather than investor ownership, means members are put first, with long-term value for members maximised, rather than short-term profits for investors. Member control also means profits stay within the local community, rather than leaking out.

As this report shows, the CME sector is tried and tested. The total value added of the CME sector is \$140 billion - 8.3% of GDP - and CME assets have grown by 10.5% over a five-year period, with turnover growing at 6.6%.

CMEs directly employ over 146,000 people, and are important anchor institutions. The 2,135+ CMEs in Australia provide core business support to over 174,000 businesses, mostly small and medium enterprises. In many cases businesses are dependent on the services provided by their CME for their viability.

Nevertheless, the CME sector remains the 'ninja' economy, hiding in plain sight.

While 85% of Australian adults are members of at least one CME, the majority don't know they are - a recent BCCM poll found that only 12% of Australians know they are a member of a co-operative or mutual.

This is despite CMEs playing an important role in mainstream Australian life. Over four million people watched this year's AFL Grand Final, perhaps without realising that the majority of AFL clubs are owned and run by their supporters, who are their members.

CMEs have an impact beyond merely financial impact. How to measure that impact is something the CME sector is in the process of answering – how do we adapt accounting methods to better show the shared value CMEs create? In chapter 5 we show the extensive member value CMEs create through the case studies of the National Health Co-operative and the Rumbalara Aboriginal Co-operative. We thank these co-operatives for their time and insights.

Melina Morrison
Chief Executive Officer
Business Council of Co-operatives and Mutuals

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CHAPTER 1

**REIMAGINE THE
ECONOMY**

FINANCIAL STRESS IS ON THE RISE

With average household debt almost doubling since 2003-04 and income remaining stagnant since 2007.

LONELINESS AND ISOLATION ARE WIDESPREAD

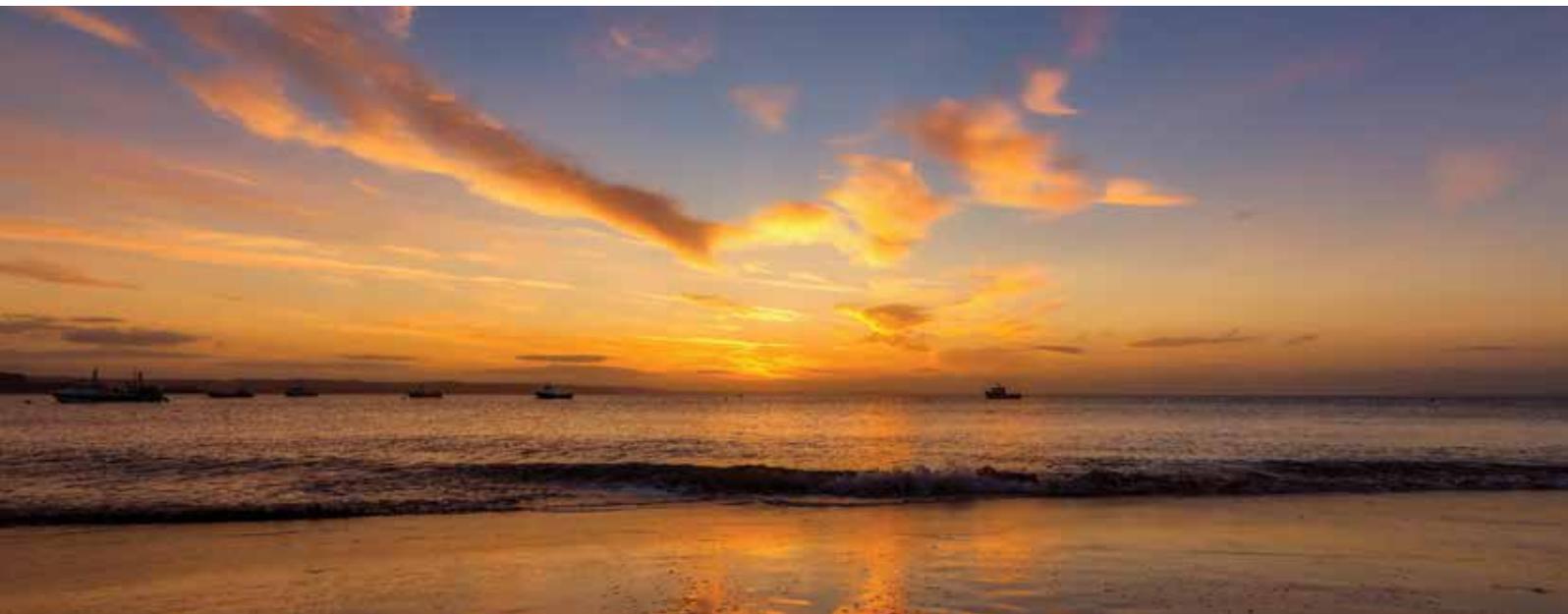
Due to a breakdown of community connectedness and well-being.

ONE SOLUTION IS THE MEMBER-OWNED BUSINESS MODEL

The model offers member centred returns, long term thinking, and a community focus. Supporting member control means supporting community.

THE MODEL IS PROVEN

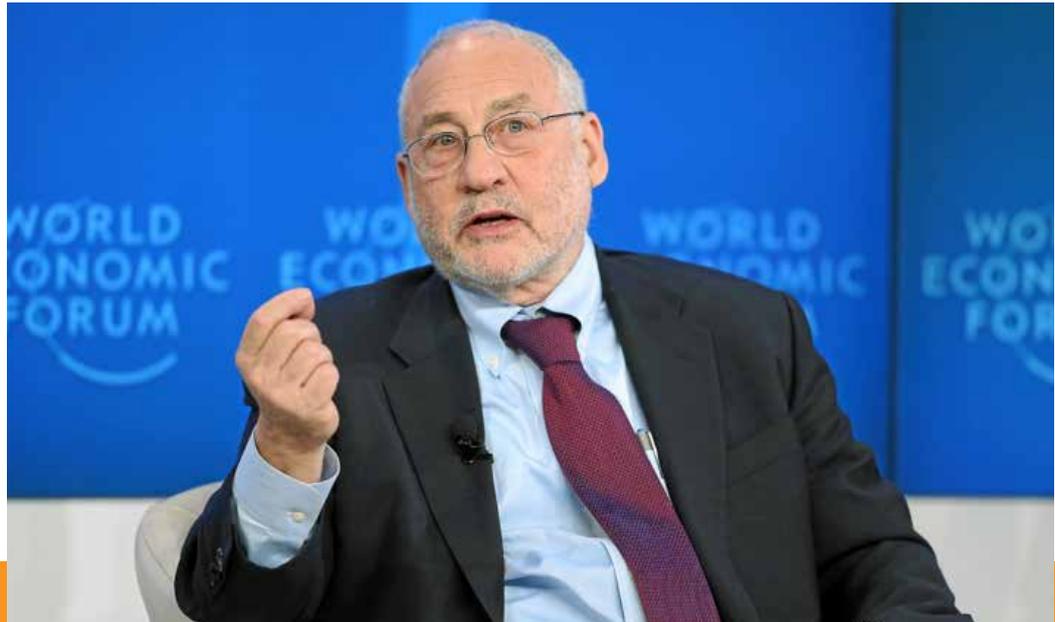
With Australia's co-operative and mutual enterprises (CMEs) already helping over 8 in 10 Australians, and driving 8% of the economy.



WHY REIMAGINE THE ECONOMY?

The 2016 Census showed us Australia is undergoing significant change, with fundamental shifts in how we live and work. This presents challenges for our society. The past decade has shown that economic growth alone cannot deliver a wealthier and healthier Australia.

Despite uninterrupted annual increases in GDP, Australian households are increasingly vulnerable to economic shocks as housing is less affordable and wages stagnate. Building a more equitable Australia will require reimagining the economy, thinking beyond business as usual.



“We should learn from co-ops. If we do, we can reshape our economy, reshape globalisation and who we and our children are. We can construct a world where the economy performs better for all.”

Nobel Prize winning economist, Professor Joseph Stiglitz

EXPLAINING THE MEMBER OWNED DIFFERENCE

Members first, democratic decision making, and a local focus.



EXPLAINING THE MEMBER-OWNED DIFFERENCE – USING CME TERMINOLOGY

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.¹

A mutual

Is a private company whose ownership base is made of its clients or policyholders. Mutuals are voluntary groups of persons (natural or legal) whose purpose is primarily to meet the needs of their members rather than achieve a return on investment.²

A member-owned business organisation

Is owned and controlled by its members who are drawn from one (or more) of three types of stakeholder – consumers, producers and employees – and whose benefits go mainly to these members.³

A co-operative or mutual enterprise (CME)

Is a member-owned organisation with five or more active members and one or more economic or social purposes. Governance is democratic and based on sharing, democracy and delegation for the benefit of all its members.⁴



The Co-operative Marque

The Co-operative Marque and .coop are the symbols of the global co-operative movement and of its collective identity; together they demonstrate its unity of purpose. It was introduced in the United Nations International Year of Co-operatives 2012 as the single common identifier of the co-operative status of an enterprise.

The Co-operative Marque logo and the .coop domain are available free for all conforming organisations at www.identity.coop

¹ ICA (2015) "What is a Co-op?", International Co-operative Alliance, www.ica.coop/en/whats-co-op

² Grijpstra, D., Broek, S., and Plooi, M. (2011). The role of mutual societies in the 21st century. Brussels, European Parliament

³ Birchall, J. (2011). People-Centred Businesses: Co-operatives, Mutuals and the Idea of Membership. London, New York, Palgrave MacMillan.

⁴ Mazzarol, T., Mamouni Limnios, E., Soutar, G.N., and Kresling, J. (2016). Australia's Leading Co-operative and Mutual Enterprises in 2016: CEMI Discussion Paper Series, DP 1601. www.cemi.com.au Centre for Entrepreneurial Management and Innovation.

AN ECONOMY UNDERMINED BY FINANCIAL STRESS, SOCIAL EXCLUSION AND CORPORATE FAILINGS

FINANCIAL STRESS

- Financial stress is on the rise with less than a third of Australian adults (31.2%) 'financially secure' in 2016*.
- Due to rising property debt over the past decade, as average household debt has almost doubled between 2003-04 and 2015-16[^].
- Driven by sluggish income growth - between 2007-8 and 2015-16 average weekly household income grew by only \$27 to \$1,009[^].

SOCIAL EXCLUSION

- Loneliness is increasing. Lifeline has reported that 80% of Australians believe our society is becoming a lonelier place*.
- Gender inequality remains an issue with women accounting for only one in four company directors[^].
- Regional communities at risk of falling behind as population growth remains focused elsewhere, with capital cities enjoying a growth rate nearly double that of non-capital regions-.

PROFIT BEFORE PEOPLE

- Continued corporate scandals show that the investor-owned model falls short in critical areas, from financial advice to retirement.
- Corporations are too focused on profits according to 82% of Australian adults, with 78% agreeing that corporations put investor interests before customer welfare*.
- Short term thinking at the expense of long term financial stability is a real concern, a proposition 63% of survey respondents agree with*.

* Centre for Social Impact and NAB, Financial Resilience in Australia 2016, [^] ABS, Household Income and Wealth, Australia, 2015-16

* Lifeline, 8 out of 10 Australians say loneliness is increasing: new survey, [^] WGEEA, Australia's gender equality scorecard – November 2016, ~ ABS, Census 2016

* Essential Research poll, October 2017

CMES ARE TACKLING FINANCIAL STRESS

Millions of Australians secure their financial future with a customer-owned banking institution, as they provide market leading pricing and service.

Thousands of low income Australians rely on housing co-operatives for affordable housing.

The last decade of GDP growth has seen Australians take on record levels of debt, with less than one in three Australians now financially secure.⁵ The runaway rise in dwelling values has caused more Australians to rent, while rising rents have outpaced increases in income.⁶

Member-owned entities are helping Australians stabilise their finances and access housing. The customer-owned banks and credit unions lend responsibly and provide better value products over the long term. Industry statistics show customer-owned banking institutions offer standard credit cards with rates on average over 5%

lower than the major banks.⁷

They are award winners. In 2017, Greater Bank was recognised as the Bank of the Year for Roy Morgan's Customer Satisfaction Awards. Further, Bank Australia was named Australia's Best Bank in the 2017 Mozo Experts Choice Awards.

Housing co-operatives develop affordable housing for Australians as house prices surge. A key example is Common Equity Housing Limited, which houses in excess of 5,000 people across Victoria, lifting the burden on a stressed market and helping those households save for the future.

“Industry statistics show that the customer-owned banking institutions offer standard credit cards with rates on average over 5% lower than the major banks”

⁵ Centre for Social Impact & NAB, Financial Resilience in Australia 2016

⁶ ABS, Census 2016

⁷ COBA, Media Release - 21 Feb 2017,

<http://www.customerownedbanking.asn.au/media-a-resources/media-release-alerts/1226-best-value-credit-cards-much-lower-than-big-4>

CMES ARE BUILDING REGIONAL ECONOMIES – AGRICULTURE AND SERVICES

Agricultural CMEs account for \$8.6bn in annual turnover, and support over 13,000 primary producers, many which are family run farms.

Support for regional areas goes beyond agricultural CMEs, with a significant number of CMEs offering everything from retail and banking to medical and aged care services in regional Australia.

Importantly, for every dollar spent in a CME, it returns 76 cents to the local community.

Support for co-operatives means support for local community.

The co-operative advantage has been driving regional growth for over a century. Locally owned and regionally focused agricultural CMEs contribute \$8.6bn to the Australian economy every year, providing over 13,000 farmers and fishers with the support they need to operate locally and sell internationally.

The co-operative support for regional economies goes beyond agriculture, with member owned banking institutions, energy co-operatives, and many more bringing sustainable development to regional Australia.

The importance of CMEs, particularly to regional Australia, has been recognised with the 2017 foundation of the Parliamentary Friends of Mutuals and Co-ops, co-chaired by representatives from across political lines, Nationals Senator, Bridget McKenzie and the ALP's, Dr Andrew Leigh.

Research shows regional CMEs ensure most of their revenue is recycled within the community, which helps to foster local employment, community development, and local spending. Ernst & Young's Sticky Money report estimates for every dollar spent with a regional co-operative, 76 cents is reinvested into the local community.⁸

“All sides of politics understand just how important co-operatives and mutuals are to this country – especially to regional Australia,”

Nationals Senator for Victoria, Bridget McKenzie

⁸EY, Sticky Money - Recognising the total value created by Australian Co-operatives and Mutuals

CMES ARE PREPARING FOR AN AGING AUSTRALIA

Over three million Australians have chosen a CME for their health insurance needs.

More than 11 million workers have their superannuation with a member-owned super fund.

The 2016 Census showed an aging population, with the median age rising by one year to 38 since the 2011 Census. This shift is already driving an increased focus on health and aged care; on the rising costs of delivering essential services and the increasing demand for services to be centred around the consumer.

Australian CMEs are leading the way in preparing for an aging Australia. Over 11 million Australians have their retirement savings with a member-owned super fund enjoying the benefits of the mutual model.

An Industry Super member can be around \$2,000 a year better off than if they went with an average retail fund.⁹

Beyond helping Australian's save for retirement, CMEs are caring for Australians as they age. Australian Unity provides a range of services to older Australians, including more than 3,100 retirement units and aged care beds.¹⁰ Over three million Australians cover themselves against the unexpected costs of ill health as members of mutual health insurers like HCF.

“An Industry Super member can be around \$2,000 a year better off than if they went with an average retail fund.”

⁹ Industry Super Australia and SuperRatings, Compare the Pair model – October 2017, <http://www.industrysuperaustralia.com/media/media-releases/new-figures-show-industry-superfund-members-around-2000-a-year-better-off-after-fees/>

¹⁰ Australian Unity, Annual Report 2017

CMES ARE TACKLING SOCIAL ISOLATION AND INCLUSION IN AUSTRALIA

Co-operatives are taking holistic approaches to health provision, tackling the negative impacts of loneliness and social isolation.

The sector has funded Eliza's Project, the first national study measuring gender diversity in Australian CMEs.

Being socially isolated carries the same health impact as smoking 15 cigarettes or drinking six standard drinks of alcohol per day and is more predictive of mortality than being physically inactive or obese.¹¹ The World Health Organisation reports social connection is more important than access to healthcare services for health outcomes.¹²

CMEs offer solutions.

Rumbalara Aboriginal Co-operative's medical services are delivered by 'Woongi Danga' practitioners, which in Yorta Yorta language means to 'Do it our way', who not only address a person's medical or health needs, but also their financial, mental, family and social needs. Similarly, the National Health Co-operative focuses on 'Enhanced Healthcare' - managing a

patient's health, including pre-existing conditions, to keep them out of hospital and to avoid the higher costs involved (See Chapter 5 for more on Rumbalara and the NHC).

Through their open and democratic membership structure, co-operatives champion diversity. Women were able to join co-operatives more than half a century before they could vote in a general election.

The co-operative movement has a proud history of leading the move towards gender equality but there is still a way to go. Eliza's Project, named for the first woman to join a co-operative in Rochdale UK in the mid-1800s, is the first national study measuring gender diversity in Australian CMEs. The report will be published in late 2017.

“Through their open and democratic membership structure, co-operatives champion diversity. Women were able to join co-operatives more than half a century before they could vote in a general election”

¹¹ Holt-Lunstad, J., T. Smith, and J. Layton, Social relationships and mortality risk: a meta-analytic review. PLoS Medicine, 2010. 7(7): p. e1000316.

¹² WHO, The Determinants of Health, <http://www.who.int/hia/evidence/doh/en/>



CHAPTER 2

SECTOR

SNAPSHOT

**THERE ARE MORE THAN 2000 CMES
IN AUSTRALIA**

**MORE THAN 8 IN 10 AUSTRALIANS ARE
MEMBERS OF A CME**

**THE COMBINED MEMBERSHIP OF ALL
AUSTRALIAN CMES
IS >29 MILLION**

**AUSTRALIA'S LARGEST CO-OP BY TURNOVER
IS AN AGRIBUSINESS**

**AUSTRALIA'S LARGEST MUTUAL BY MEMBERSHIP
IS A ROADSIDE ASSISTANCE ORGANISATION**

**AUSTRALIA'S LARGEST MEMBER-OWNED
BUSINESS BY ASSETS
IS A BANK**

**NSW HAS
THE MOST CMES**

**CMES CONTRIBUTE >8%
OF OUR GDP**

THE CONTRIBUTION OF THE CME SECTOR TO THE AUSTRALIAN ECONOMY

CMEs play a vital and quantifiable role locally and internationally. What the data shows:

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

All part of the 2.9+ million CMEs globally that represent:

OVER

1.2 BILLION

members, with strong participation across the globe*

27.2 MILLION DIRECT EMPLOYEES AND

252.2 million

self-employed producers who rely on co-operatives for their employment*

AT LEAST

\$3.0 trillion (US)

in turnover^

\$20 TRILLION (US)

in assets^

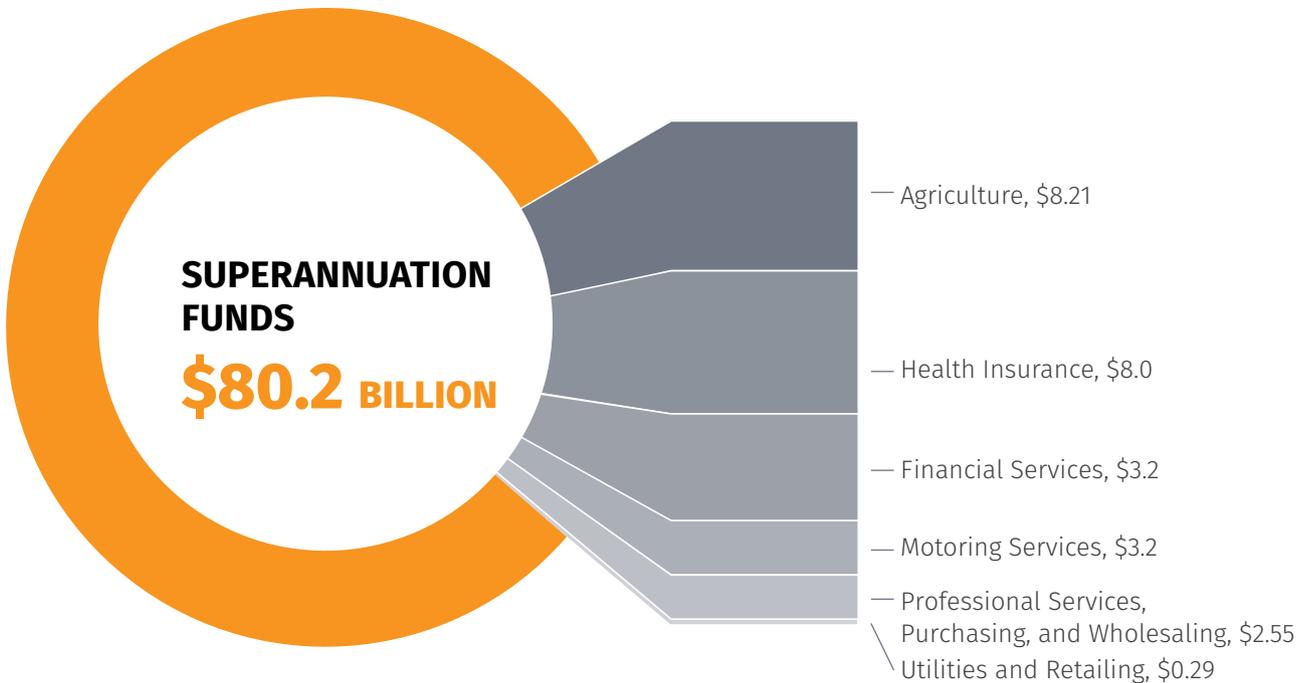
* CICOPA, Cooperatives and Employment– second global report, 2017,

^ Dave Grace and Associates, Measuring the Size and Scope of the Cooperative Economy

GROSS REVENUE BY INDUSTRY - AUSTRALIA'S TOP 100 CMES IN FY2015-2016, INCLUDING SUPERANNUATION FUNDS

For this report we look at the Top 100 CMEs in Australia by turnover (FY2015/16), showcasing their extensive role in supporting Australia's economy. In most cases we report the superannuation firms separately given their scale.

For a list of the Top 100 CMEs in Australia by turnover or by assets see Appendices A and C, with a list of the top 10 member-owned superannuation firms included in Appendix B.



AUSTRALIA'S TOP 100 CMES IN FY2015-2016, EXCLUDING SUPERANNUATION FUNDS

\$35,000.0

\$30,000.0

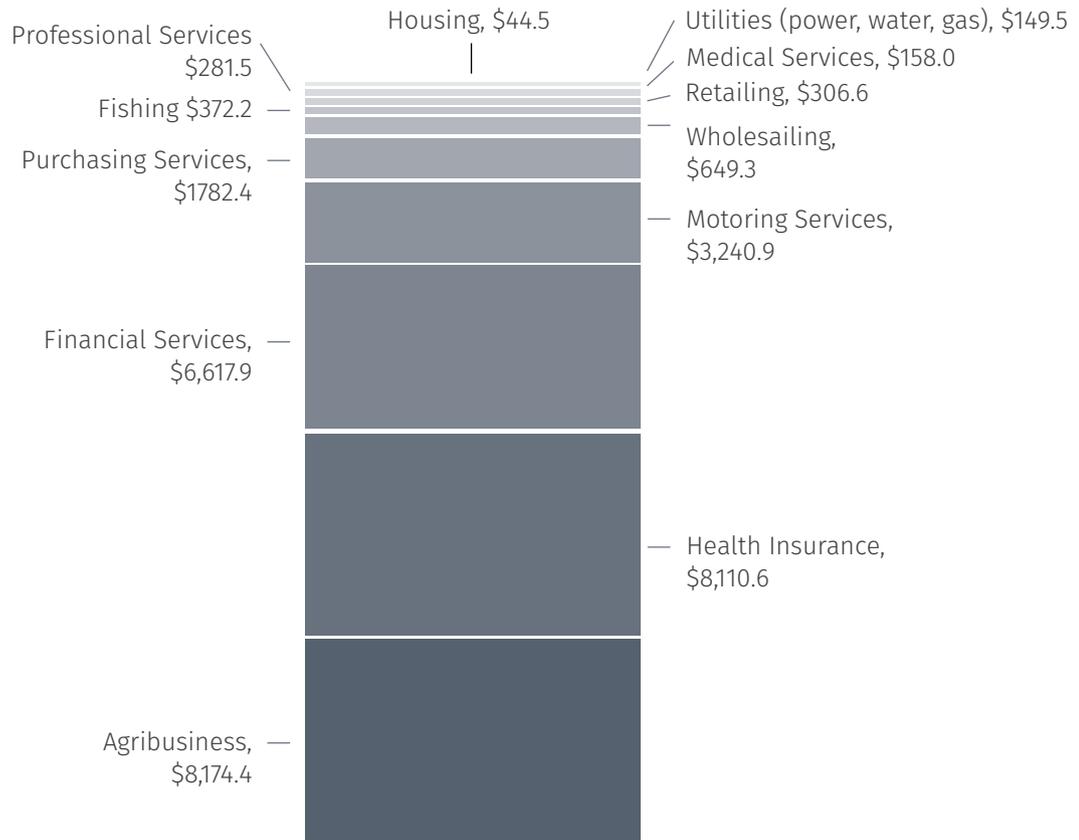
\$25,000.0

\$20,000.0

\$10,000.0

\$5,000.0

\$ Turnover (\$ - mil)



Australia's Top 10 CMes by Turnover in FY2015-2016

1. CBH Group [WA] – \$3.27 billion.
2. Devondale Murray Goulburn [VIC] – \$2.78 billion.
3. HCF [NSW] – \$2.47 billion.
4. Capricorn Society [WA] – \$1.54 billion.
5. HBF Health [WA] – \$1.51 billion.
6. Australian Unity [VIC] – \$1.42 billion.
7. Members Equity Bank (ME) [VIC] – \$1.22 billion.
8. RACQ [QLD] – \$1.03 billion.
9. RAC WA [WA] – \$676.7 million.
10. RACV [VIC] – \$584.8 million.

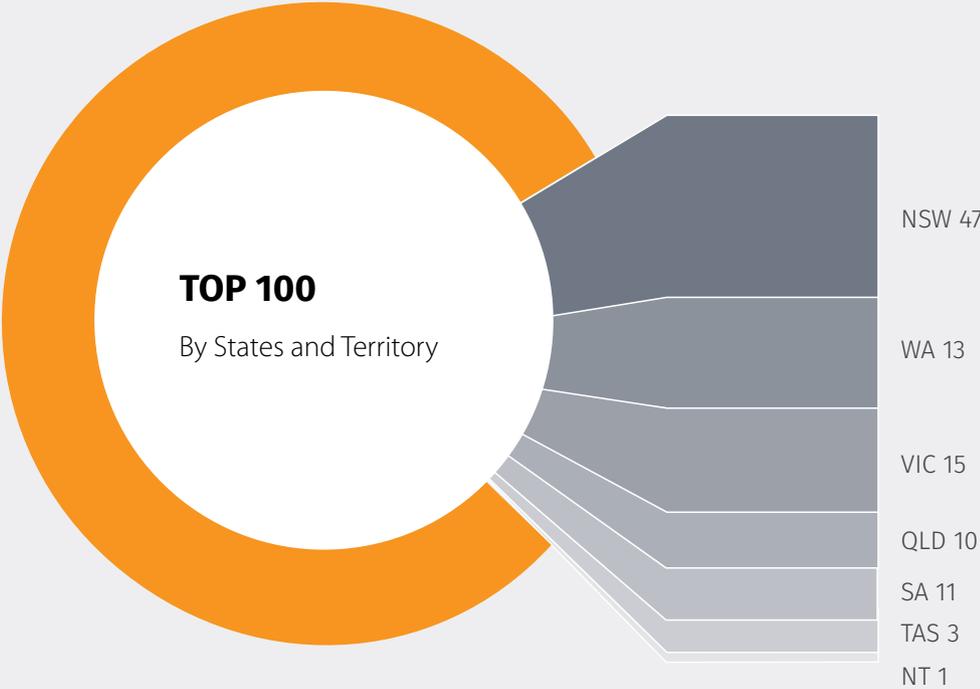
AUSTRALIA'S TOP 100 CMES IN FY2015-2016 BY STATE AND TERRITORY

Top 100 CMes by Turnover FY2015-2016 - Excluding
Superannuation Funds - Turnover (\$ - mil)



AUSTRALIA'S TOP 100 CMES IN FY2015-2016 BY STATE AND TERRITORY

Top 100 CMEs by Turnover FY2015-2016 - Excluding
Superannuation Funds - By States and Territory



AUSTRALIA'S TOP 10 CMES BY ASSETS IN FY2015-2016

1. Members Equity Bank (ME) [VIC] – \$23.20 billion.
2. CUA [QLD] – \$12.90 billion.
3. Newcastle Permanent [NSW] – \$9.77 billion.
4. Heritage Bank [QLD] – \$8.44 billion.
5. People's Choice Credit Union [SA] – \$7.51 billion.
6. Greater Bank [NSW] – \$5.71 billion.
7. Teachers Mutual Bank [NSW] – \$5.54 billion.
8. IMB Bank [NSW] – \$5.22 billion.
9. Australian Unity [VIC] – \$4.82 billion.
10. Beyond Bank Australia [SA] – \$4.76 billion.

AUSTRALIA'S TOP 10 CMES BY MEMBERSHIP IN FY2015-2016, INCLUDING SUPERANNUATION FUNDS

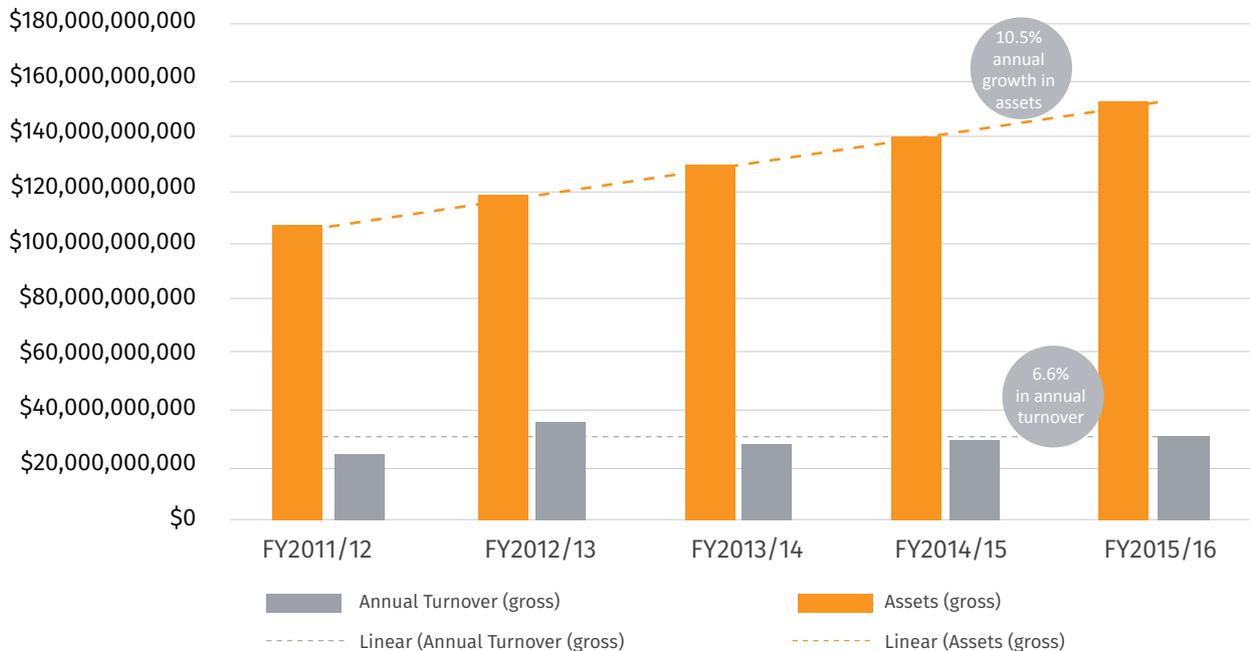
1. NRMA [NSW] – 2.4 million members.
2. AustralianSuper [VIC] – 2.1 million members.
3. RACV [VIC] – 2.1 million members.
4. The Co-op [NSW] – 2.1 million members.
5. Retail Employees Superannuation Trust (REST) [NSW] – 1.9 million members.
6. RACQ [QLD] – 1.6 million members.
7. HBF Health [WA] – 1.03 million members.
8. Hostplus [VIC] – 985,419 members.
9. RAC WA [WA] – 840,000 members.
10. HESTA [VIC] – 800,000 members.

THE FINANCIAL PERFORMANCE OF THE TOP 100 CMES - SUSTAINED AND STRONG GROWTH OVER THE LONG TERM

The combined annual turnover for the top 100 Australian CMes (excluding the member-owned superannuation funds) for FY2015/16 was approximately \$29.9 billion with combined assets of

just over \$152.9 billion. Over the past five financial years this group saw growth of 6.6% for annual turnover and a further increase of 10.5% for assets.

Financial performance of Australia's largest 100 CMes FY2012 – FY2016

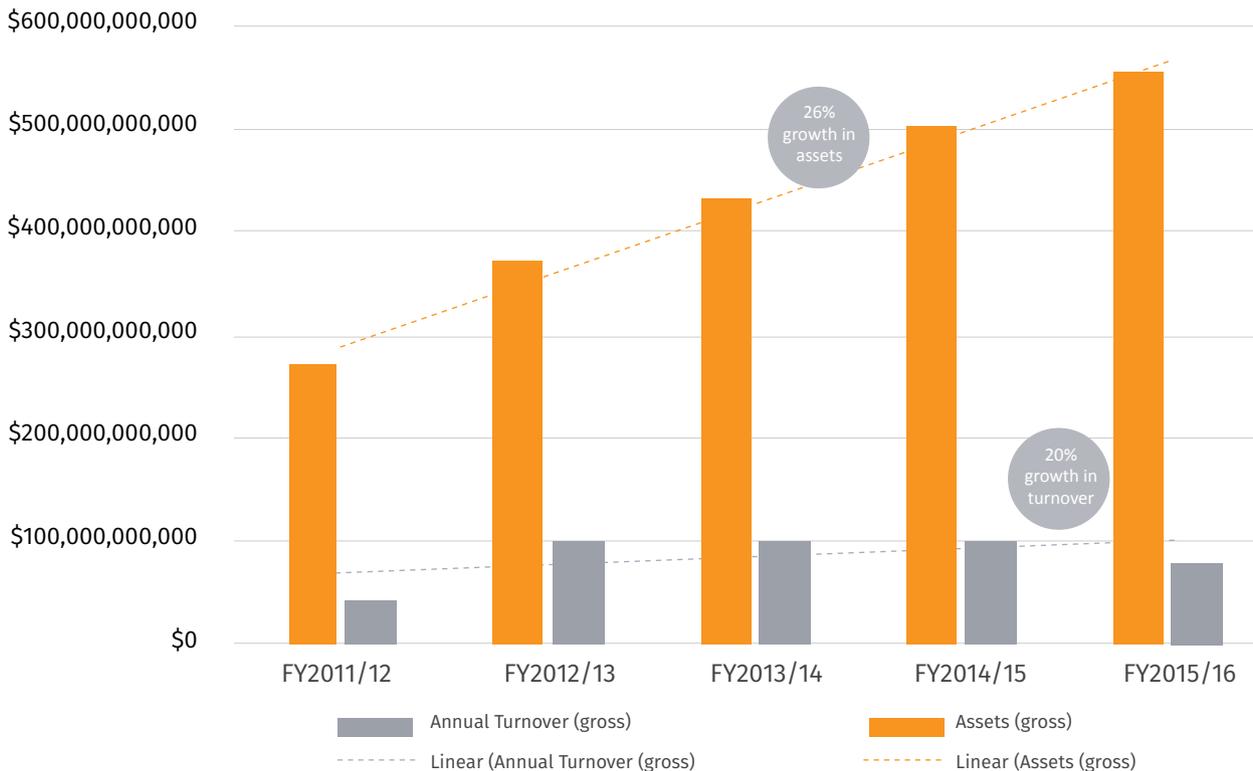


THE LONG TERM FINANCIAL PERFORMANCE OF MEMBER-OWNED SUPERANNUATION FUNDS – SIGNIFICANT GROWTH OVER 5 YEARS

An examination of the financial performance of the member-owned superannuation funds over the same five-year time period found a strong positive trend in both gross and median annual turnover and assets. Total annual turnover within the member-owned

super funds rose from around \$44.8 billion in FY2011/12 to \$80.4 billion in FY2015/16. Total assets rose from \$272.8 billion to \$549.2 billion over the same five-year period.

Financial performance of Australia's largest 100 CMEs FY2012 – FY2016

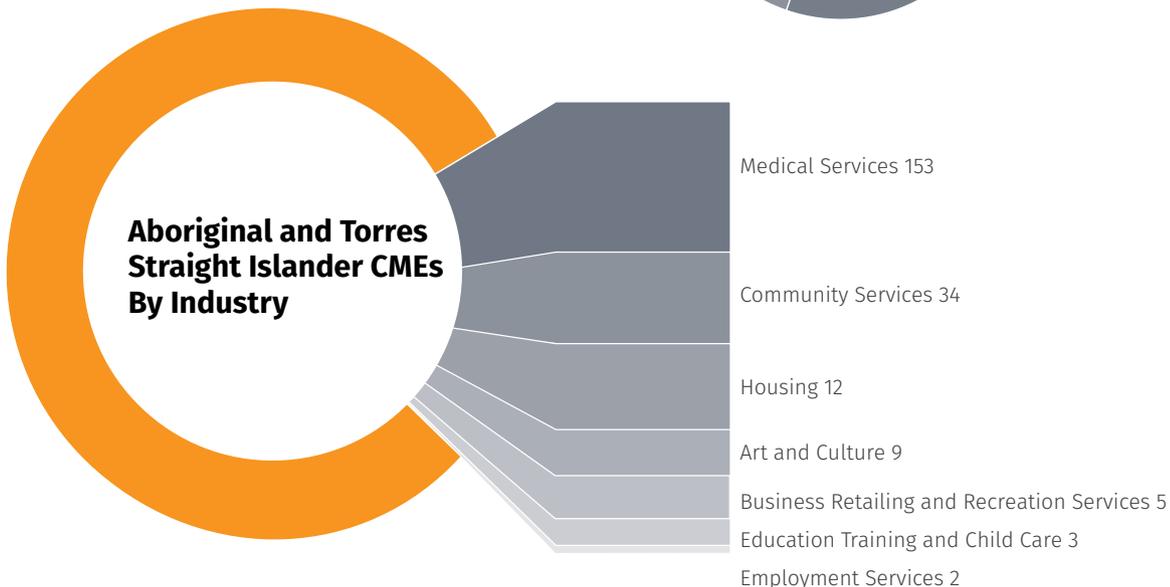
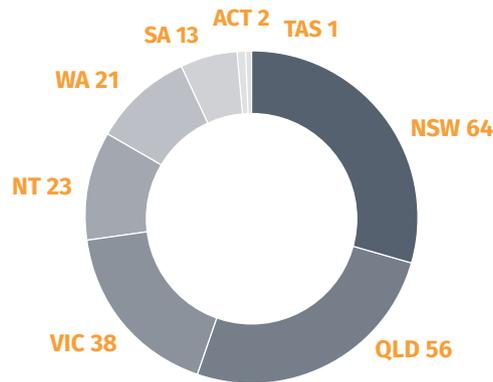


ABORIGINAL AND TORRES STRAIT ISLANDER CMEs

A significant part of the Australian CME sector are those enterprises owned and operated by the Aboriginal and Torres Strait Islander (ATSI) community. There were at least 218 ATSI CMEs actively trading in FY2015/16.

The majority of these CMEs were focused on the

delivery of medical services (70.2%), community services (15.6%), housing (5.5%) or arts and culture (4.1%). In practice these enterprises offer a wide range of services (e.g. child care, education and financial assistance) and are a key part of their local communities.





CHAPTER 3

MEASURING THE VALUE OF CMES

AUSTRALIA'S CO-OPERATIVE AND MUTUAL ENTERPRISES (CMES)

GENERATE SIGNIFICANT ECONOMIC AND SOCIAL BENEFITS NOT CAPTURED AT A NATIONAL LEVEL BY ANY CURRENT FRAMEWORK.

CMES ARE SIGNIFICANTLY MORE INCLINED THAN INVESTOR-OWNED BUSINESSES

TO INVEST THEIR PROFITS BACK INTO THE COMMUNITY.

ENTERPRISE CO-OPERATIVES PROVIDE CORE BUSINESS SUPPORT

TO OVER 174,000 AUSTRALIAN ENTERPRISES, OFFERING IMPROVED RETURNS AND REDUCED RISK VIA AGGREGATION.



MEASURING THE CME DIFFERENCE

Member-owned organisations have bottom lines beyond profit, adding value not measured by current accounting frameworks. This unmeasured value includes both social and economic returns.

A balance sheet does not capture costs avoided, the benefit of member education, or the value of revenue security for members. It does not capture the value of having a member-owned culture focused on delivering service before sales.

Quantifying this value is a challenge. But, like other types of business, CMEs must measure their shared value to compete.

LOOKING AT COMMUNITY INVESTMENT AND NETWORK VALUE

The next section examines the direct community investment undertaken by CMEs. Sponsorship and donations are not a marketing pitch, a co-operative exists to support its community.

We also look at the 'network value' provided by enterprise CMEs. These enterprises provide core business support to 174,664 Australian enterprises, offering CMEs and non-CMEs an opportunity to improve their returns and lower their risk.

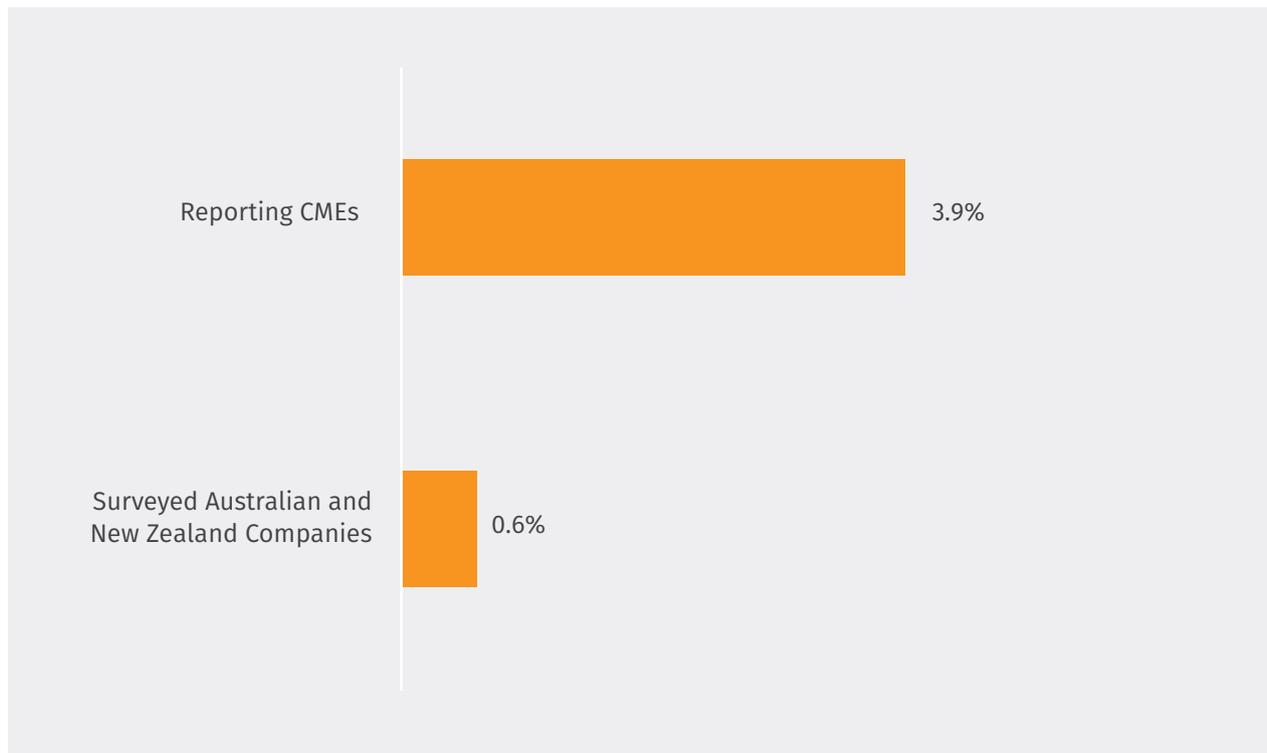
INVESTING IN THE COMMUNITY

Member-owned does not mean the focus is only on the membership. The co-operative difference includes a focus on the community in which a CME operates. This includes donations and sponsorships to reinvest surplus funds back into the local community. Importantly, in taking the longer term view, CMEs can invest in tackling the challenges that face a community without expecting a short term branding or marketing advantage.

SURVEYED CMEs ARE OVER SIX TIMES MORE LIKELY TO DONATE THEIR PROFITS TO THE LOCAL COMMUNITY

The London Benchmarking Group (LBG) provides a framework for measuring and comparing community investment. Using the data supplied by this framework shows that on average CMEs are significantly more likely than major Australian and New Zealand companies to invest their profits into the community.

Avg. NPBT given to community investment



Source: London Benchmarking Group ratios reported in CME Annual Reports

ENTERPRISE CO-OPERATIVES: ACCESSIBLE AGGREGATION FOR AUSTRALIAN BUSINESSES

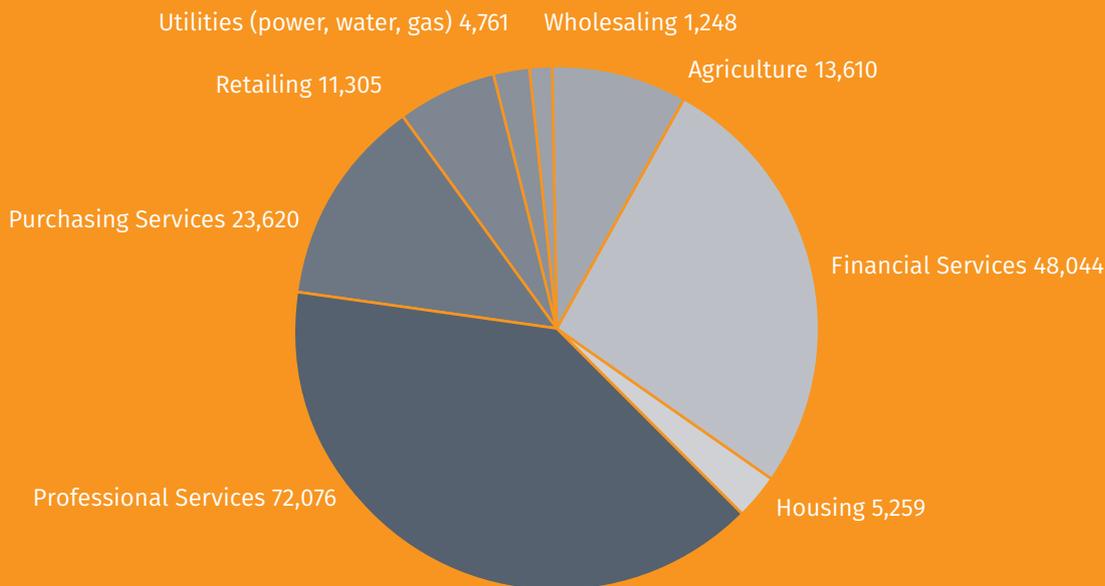
Over 174,000 Australian businesses use the services provided by enterprise co-operatives to be more profitable and secure. The support these CMEs provide to their members ranges from helping farmers to market and sell their produce to providing specialised wholesale payments services for financial institutions.

Enterprise co-operatives provide a network value, allowing various businesses to aggregate their resources for better returns and lower risks. A group of businesses can access cost savings and enhanced revenues from economies of scale and collective

bargaining power. This network value is enhanced by the member-owned difference, as the CMEs pass on savings to members, act for the long term, and remain locally controlled by their members.

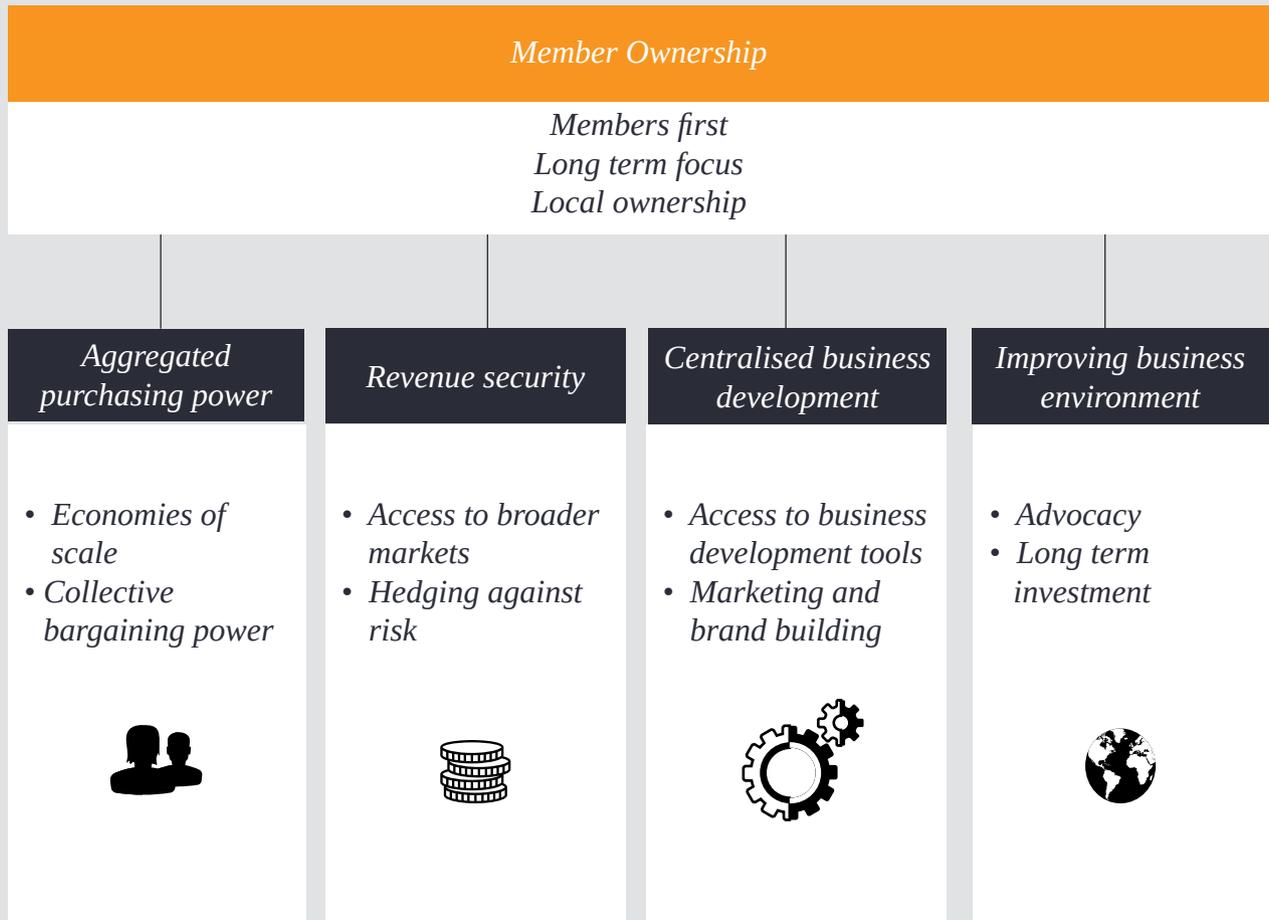
The network value extends beyond profit maximisation. Co-operatives allow members to hedge against risk, invest in infrastructure and develop markets that are not available to smaller entities. Co-operatives advocate for members so that they can punch above their weight in domestic and global markets.

Enterprise Co-operatives: Supporting over 174,000 Australian Businesses



**AGGREGATED SUPPORT, DELIVERED
CO-OPERATIVELY –**

**THE ‘NETWORK VALUE’ SUPPLIED BY
ENTERPRISE CO-OPERATIVES**





CHAPTER 4

FOOTBALL IN FOCUS

**CO-OPERATIVE AND MUTUAL ENTERPRISES (CMES)
PLAY A CENTRAL ROLE IN MANY LOCAL AND
INTERNATIONAL SPORTING COMPETITIONS,
FROM THE AFL TO UK FOOTBALL LEAGUES AND
THE BUNDESLIGA.**

**THIS MEMBER-OWNED FOCUS DELIVERS
SUSTAINABLE COMPETITION,
SUPPORTER ENGAGEMENT AND LONG-TERM
COMMUNITY VALUE.**



FOOTBALL IN FOCUS – CO-OPERATIVES BY ANOTHER NAME

Community is at the heart of Australian sport and it is no surprise that the AFL has a proud tradition of member ownership. Our most popular sport counts one in 28 Australians as members of the 18 AFL clubs across the country. Most AFL clubs are part of the broad range of member-owned organisations that do not explicitly identify as mutuals or co-operatives in Australia.

The popularity of AFL continues to expand, as 2016 saw record membership numbers for the 16th season running.

The same member focus holds true in other regions and across different codes, from American football teams like the Green Bay Packers to supporter owned soccer clubs like Barcelona and Bayern Munich. Internationally, supporter ownership is on the rise and delivering value across multiple codes.

“One strong feeling I had from my time at the Swans was that AFL people don’t feel the same attachment to a privately owned club. Members feel the club belongs to them. But when there is a private owner things change, and people have a different attachment to the club.

The thing that astonished me was that people who would do things for the club - and had done for years for nothing just because they wanted to be involved - as soon as there was a private owner, they wanted handouts. In 1986, that exceeded over \$1 million of payments that hadn’t been made in previous years.”

Geoffrey Edelsten, private owner of the Sydney Swans 1985-86

**A FANTASTIC RESULT FOR RICHMOND,
THE 2017 PREMIERS – THE TIGERS, A
MEMBER-OWNED CLUB.**



RICHMOND
EST 1885

4.1 MILLION

**AVERAGE VIEWERSHIP FOR THE 2016
TOYOTA AFL GRAND FINAL**

1,404,176

**PARTICIPANTS IN AUSTRALIAN FOOTBALL
INCLUDING**

380,041 women AND

360,648 PARTICIPANTS IN
COMMUNITY CLUB FOOTBALL, WITH

14,772

**teams across the country
ALL BUILT AROUND**

875,197

AFL club members

Source: AFL Annual Report 2016

“It is clear
that supporter
community
ownership creates
long-term, deep
and sustainable
partnerships
with key strategic
partners.”

*Supporters Direct, UK, Business
Advantages of Supporter Community
Ownership in Football*

WHAT DOES MEMBERSHIP MEAN IN THE AFL?



“Connection to your club, support of your team, feeling part of a broader community – this is the great benefit of sport in the lives of everyday fans.”

Elizabeth Lukin, AFL General Manager Corporate Affairs and Communications, AFL Annual Report 2016

Membership is a reciprocal relationship between the club and its supporters. The entertainment and sense of community provided to the fans is balanced by the financial support and community involvement that the supporters provide the club.

The majority of AFL clubs are owned by their members, particularly the core of Victorian clubs, with these members voting in the directors that decide their club's future. The AFL Commission, which is itself member-owned (the members are the AFL clubs), plays a critical role in establishing and overseeing new clubs joining the league, and retains

ownership and control pending a managed transition. Even in these cases, clubs including the Swans and Giants, encourage their 'nominal' members to vote in part of the Board.

Members play a vital role sustaining their club, both on the field and off. Members are the guaranteed vocal supporters on the grounds and give life to club activities. This is financial, both directly via payments and indirectly via drawing in sponsor attention; and it is non-financial, through important voluntary activities and contributions. This is recognised by various club leaders.



“To all of our incredible members, thank you, you are the backbone of our club”

Lindsay Tanner, Chairman, Essendon Football Club, Annual Report 2016

“And of course, our members and supporters that back us week in and week out. Without that support we would be nothing.”

Chris Scott, Senior Coach, Geelong Cats, Annual Report 2016



CHAPTER 5
CASE STUDIES -
PRIMARY HEALTH IN
THE SPOTLIGHT

These articles are shorter versions of the case studies written for *Australia's Leading Co-operative and Mutual Enterprises in 2017: CEMI Discussion Paper Series, DP 1701.*

You can read the full case studies in the Discussion Paper, which you can access from the Centre for Entrepreneurial Management and Innovation website: www.cemi.com.au.

THE NATIONAL HEALTH CO-OP

was formed in response to declining access to affordable healthcare in the ACT, and now provides 36,000 members with access to a range of health services. This includes their 'Enhanced Healthcare' approach, where they focus on keeping people out of hospitals via programs and services to pre-treat and manage health conditions.

THE RUMBALARA ABORIGINAL CO-OPERATIVE

provides an integrated set of services that its members, who represent 30% of the Aboriginal and Torres Strait Islander population living in the Greater Shepparton region, require to live healthy, meaningful lives. The service model, 'Galnyan Yakurrumdja' or 'I respect' in the Yorta Yorta language, includes family support, housing, financial advice and counselling, women's education and training, and legal and justice services.



CO-OPERATIVE APPROACHES TO HEALTHCARE

1. NATIONAL HEALTH CO-OPERATIVE: CHALLENGING THE STATUS QUO



The National Health Co-op (NHC) is a member-owned health services co-operative headquartered in the ACT, providing around 36,000 members with access to a range of bulk-billed health services. The primary aim of NHC is to deliver affordable and accessible healthcare to its members, and to significantly reduce preventable diseases.

A key factor motivating the board and senior management of NHC is the spiralling cost of healthcare in Australia, driven by an ageing population. Against this growing demand for healthcare services, federal and state government health budgets have been placed under increasing strain, leading to the Federal Government placing a freeze on Medicare rebates for GP services until 2018. This freeze on rebates will significantly impact the

general practitioner medical services sector. Already, there is a fall in bulk billing and the rise of large scale GP clinics that implement a tight control over time spent per patient by each doctor. The NHC believes that its co-operative business model may be able to address many of the problems facing the national healthcare services sector.

The NHC believes that an important factor that has pushed up the cost of healthcare is the dominance of investor owned business models within the sector, which are focused on the maximisation of shareholder returns. The investor owned firm's business model represents a "misalignment of incentives" with shareholders seeking increasing returns via higher profits, and the consumer wanting more affordable healthcare services.

RESPONDING TO A MARKET FAILURE

Like many CMEs the creation of NHC was motivated by a community response to a market failure. This took the form of a lack of general practitioners in the West Belconnen region of Canberra. This northern suburban area is home to over 20,000 people, but the continuous closure of medical practices had left many households without ready access to GP services. This decline in GP services, in particular bulk-billing clinics, across the ACT had been taking place for many years. For example, in 2003 the ACT had the lowest bulk-billing rates (37%) in Australia,

where the national average was around 87%.

In September 2004, local residents and community organisations held a public meeting to discuss this GP shortage. An outcome of this meeting was the formation of a community representative committee, which identified the co-operative model as a potentially effective solution to the problem. The justification for selecting a co-operative structure was explained by the NHC management as follows:

“The co-operative business model was selected... because it is a model that is legitimately owned by the community, and is there solely for the benefit of the community. Further, it...allows the business to operate as a ‘business’, but ensures that the ownership of the business remains vested in the community, and the community benefits from the services that are delivered.”

Blake Wilson, Deputy CEO, NHC

A COMMUNITY INITIATIVE ENABLED BY GOVERNMENT SUPPORT

The West Belconnen Health Co-operative Ltd was established in December 2006, and registered under the Co-operatives Act (ACT) 2002. Its first GP clinic was opened in January 2010 in the Canberra suburb of Charnwood. This suburb had been particularly affected by the loss of GP services placing increasing pressure on retail pharmacists to deliver frontline healthcare. Initial capital grants of around \$400,000 were secured from the ACT and Federal Governments to compliment the community generated support. These resources enabled the recruitment of a doctor from the United Kingdom, and the establishment of the first clinic.

Membership increased strongly, and by 2016 NHC had eight GP clinics located across the ACT and had moved into New South Wales with the building of a clinic in Yass. In 2014 the name changed to National Health Co-operative, to reflect the wider goals of the co-operative. The board of the NHC now plans to expand nationally and, since the adoption by the ACT Government of the Co-operatives National Law (ACT) Act 2017, considers that there are few legislative impediments to this ambition.

At time of writing NHC had around 36,000 individuals who used the co-operative's services as patients. It also employed more than 90 staff in medical and administrative roles across eight sites located within Canberra. In 2016 NHC generated revenues of just over \$8.3 million and had total assets of around \$2.2 million.

A COMMUNITY INITIATIVE ENABLED BY GOVERNMENT SUPPORT

As a member-owned entity, NHC is focused on creating social and economic value for its members. NHC creates value by delivering affordable and accessible healthcare to its members. Further, as a non-distributing co-operative, NHC uses all its revenue to deliver services to its members.

Adult members who join the co-operative pay an initial \$30 joining fee and a monthly fee of \$10 or annually at a discount rate of \$100. This entitles them to unlimited access to bulk-billed primary healthcare services. Free membership is provided to the children of members aged under 18 years and to members in need on a case-by-case basis.

As explained by NHC's senior managers, their membership engagement strategy is focused on communicating that the co-operative is different because it is a member-owned, not for profit enterprise. Further, it is committed to offering affordable healthcare to all Australians not just existing members. NHC also aims to significantly reduce the instances of preventable diseases, and the personal and societal impact of preventable conditions.

ENHANCED HEALTHCARE AND KEEPING PEOPLE OUT OF HOSPITAL

NHC considers that its key point of strategic differentiation is its focus on 'Enhanced Healthcare'. This is the ability to manage a patient's health,

including pre-existing conditions, so as to keep them out of hospital and thereby avoid higher costs to both the patient and the national healthcare system.

“One of the biggest contributions we can possibly have is keeping people out of hospital. So, the fact that you get people going to hospital because they have unmanaged chronic diseases, or they haven't been pre-treated or haven't had access to alternative affordable healthcare options, are all problems that we can solve now... we can pre-treat and we are already doing this by enrolling people in programs and providing outreach services to individuals who are likely to develop a disease and then help to reduce their risk of getting ill.”

Blake Wilson, Deputy CEO, NHC

PLANNING FOR A NATIONAL EXPANSION

The focus of NHC is to keep the cost of their services as low as possible and reinvest any surplus funds back into the delivery of more services. To this end the co-operative aims to increase its growth in order to help grow the overall healthcare sector, and also maintain the affordability of primary healthcare to the Australian public. It views this mission as a critical one that will focus its strategic activity over the longer term.

With the success of NHC within the ACT and regional NSW the co-operative's board is now looking to the future and planning for a national expansion. However, in the short term (i.e. 2017-2019) attention will be given to consolidation of the existing network of GP clinics within the ACT and surrounding regions in NSW. Having captured around 10 percent market share within the ACT and regional area, NHC aims to grow this to around 20 percent in the period to 2020, thereby providing the co-operative with a very strong base within Canberra from which to grow.

Over the medium to long term (i.e. 2020-2027), the NHC plans to establish around 200 clinics across

every state and territory in Australia. A potential challenge facing NHC will be to replicate its business model in large states such as Queensland and Western Australia where there is a need for frontline healthcare services in regional and remote areas.

An advantage the NHC feels it has is that it does not have any incumbent infrastructure to worry about. This allows them to avoid the previous high 'up-front' infrastructure costs, and use more flexible models and technologies for service delivery. One of its potential growth paths will be to work with the existing small GP practices, providing clinicians with access to a range of additional allied healthcare services and support mechanisms so that they can focus on spending more time with their patients.

In the more foreseeable future, NHC has identified areas such as day surgery where it might be able to provide value to its members. In addition, NHC considers that it can potentially take a lot of cost pressures off hospitals by providing in-home care, as hospitals are the area of greatest cost to the Australian healthcare sector.



ACT Chief Minister, Andrew Barr, and ACT Assistant Minister for Health, Meegan Fitzharris, meet with NHC CEO, Adrian Watts, and NHC General Manager, Blake Wilson.

2. RUMBALARA ABORIGINAL CO-OPERATIVE: THE HEART OF THE COMMUNITY

The Rumbalara Aboriginal Co-operative Ltd is a community-owned and controlled enterprise located in Shepparton, Victoria. Rumbalara is one of the largest service providers to the Aboriginal and Torres Strait Islander (ATSI) community in Victoria, and one of the largest Indigenous owned co-operatives in Australia.

At time of writing Rumbalara had approximately 600 registered members, which represented about 30% of the ATSI population living in the Greater Shepparton region. With an annual turnover of around \$20 million, Rumbalara employs approximately 200 people and provides an integrated service delivery model for its members.

‘Galnyan Yakurrumdja’

The name given to the integrated service model delivered by Rumbalara is ‘Galnyan Yakurrumdja’ or ‘I respect’ in the Yorta Yorta language. This is a holistic or all-encompassing model focused on providing the Co-operative’s members with the services they need to live healthy, meaningful lives. At the core of this process is a recognition that Indigenous Australians have many challenges the majority of their counterparts in the non-Indigenous community do not face.

The approach Rumbalara takes to service delivery is focused on cultural and social understanding and respect. For example, its medical services are delivered by ‘Woongi Danga’ practitioners, which in Yorta Yorta language means to ‘Do it our way’. This includes not only addressing the needs of a person’s medical or health needs, but also their financial, mental, family and social needs.



“Medical services are delivered by ‘Woongi Danga’ practitioners, which in Yorta Yorta language means to ‘Do it our way’ ”

COMMUNITY ACTION – THE 'CUMMERAGUNJA WALK-OFF'

By the middle of the last century the area was part of the Cummeragunja Mission Station located in New South Wales. The mission was established in 1888. Its initial aim was to build a farm of around 730 hectares of land for the local Yorta Yorta people to use for self-sufficiency. However, the station suffered under harsh management until 1894, when George Harris was appointed. He sub-divided the land into small lots and granted these to families and individuals.

This improved the conditions for the community who were able to grow their own food, and manage their own affairs. The community began trading wool, wheat and dairy produce, and reinvested the funds back into the community. However, in 1909 the community was placed under the control of the Aborigines Protection Board of NSW, which eroded the community's limited independence, taking their profits as the level of housing, sanitation and family cohesion began to decline, including via the forced removal of children from their families.

During the 1920s and 1930s conditions within Cummeragunja, like many Aboriginal missions across NSW, worsened. An exodus of Aboriginal families from the townships into the mission stations, swelled the already overcrowded community facilities and worsened the living conditions. In 1939, following several deaths within the mission community caused in part by malnutrition, the Yorta Yorta organised a strike or 'walk-off'. Approximately 100 men, women and children left Cummeragunja Mission Station and crossed into Victoria. Their protest action has been identified as one of the first organised Aboriginal civil rights protests in Australian history.

By the 1950s there were around 300 Yorta Yorta people living on the river flats, an area that is prone to flooding. After the Rumbalara site was abandoned in 1969, during the 1970s the Yorta Yorta community lobbied both state and federal governments to secure control over the site, which was eventually granted to the co-operative for a nominal sum.

As explained by Rumbalara's CEO Lee Joachim, the foundation of the Rumbalara Aboriginal Co-operative was a genuine case of community collective action:



Cummeragunja school children



“The co-operative got started in the 1970s when there were really major issues in getting access to health services, and really huge issues in relation to the justice system at that time as well, and housing really became an issue also. So, a group of women came together to deal with this and they decided on where they wanted to move forward with this as a community, and bring the community forward on that as well. It worked out really well because there was no money involved.”

Lee Joachim, CEO, Rumbalara Aboriginal Co-operative

THE RUMBALARA PURPOSE

This need to focus on the individual's total needs, and understand these needs within the context of their wider community, lies at the heart of the

services encompass a wide-range of programs designed to enhance the overall security and well-being of families and children. Rumbalara also



“You might be a 65-year-old woman who's come here just for a medical check-up, but you might also be looking after your grandchildren, and there might be domestic violence and alcohol abuses in the immediate family. But you might also be suffering from economic stress because you now have to feed more people, or your utility bills are going up, so it is how are we going to deal with the whole range of issues that are facing that individual who has just come here for one appointment, and how do we create a case management process around that person, to help build capacity for the individual and the family?”

Lee Joachim, CEO, Rumbalara Aboriginal Co-operative

purpose for which the Rumbalara Aboriginal Co-operative exists. It is also the focus of its member value proposition.

The range of services provided by Rumbalara includes family support and counselling, housing, financial advice and counselling, women's education and training, and legal and justice services (e.g. family violence, youth support, night patrols). Family

provides educational support programs for children that include child health and parenting support, kindergarten, after school homework club and autism support group.

Rumbalara offers programs for its older and disabled members. This includes both home care support, and a 30-bed Rumbalara Elders Facility.

FUNDING AND GOVERNANCE IN CHALLENGING CIRCUMSTANCES

Rumbalara's CEO, Lee Joachim, notes that a major problem for Indigenous co-operatives is that they are typically dependent on government funding for their operation. Rumbalara is fully dependent on this funding, and this can be a problem because government authorities don't always understand the business model of the co-operative as it seeks to pursue its Galnyan Yakurrumdja service model.

A recent major impact on Rumbalara has been the removal of block funding, which has shifted the money from the service provider to the end-user. This has now made the environment in which Rumbalara operates more of a consumer market. The co-operative has had to go out to its members to explain that they are now the funding source for the services that it delivers.

The major changes that have occurred in government support, such as the removal of block funding, haven't yet been fully understood by the community. As such, they find it difficult to understand why it is that the co-operative is focusing on strategies to introduce fee for service. Shifting to a 'hand-up' from a 'hand-out' model is something that many members find hard to accept.

Another challenge facing Rumbalara is the difficulty of securing directors for its board. This lack of professional directors at the board level has been a problem for many Indigenous and non-Indigenous co-operatives.*

Rumbalara is working to develop the capacity of its community to provide future directors. The Co-op has been working with the Australian Institute of Company Directors (AICD) to this end by putting its directors and some future directors on a company directors training course. This education for the directors of the co-operative is part of a wider program designed to educate all members of staff who work in the organisation.



* At time of writing, Rumbalara was in voluntary administration caused by a difficulty it has experienced in attracting and retaining board members.

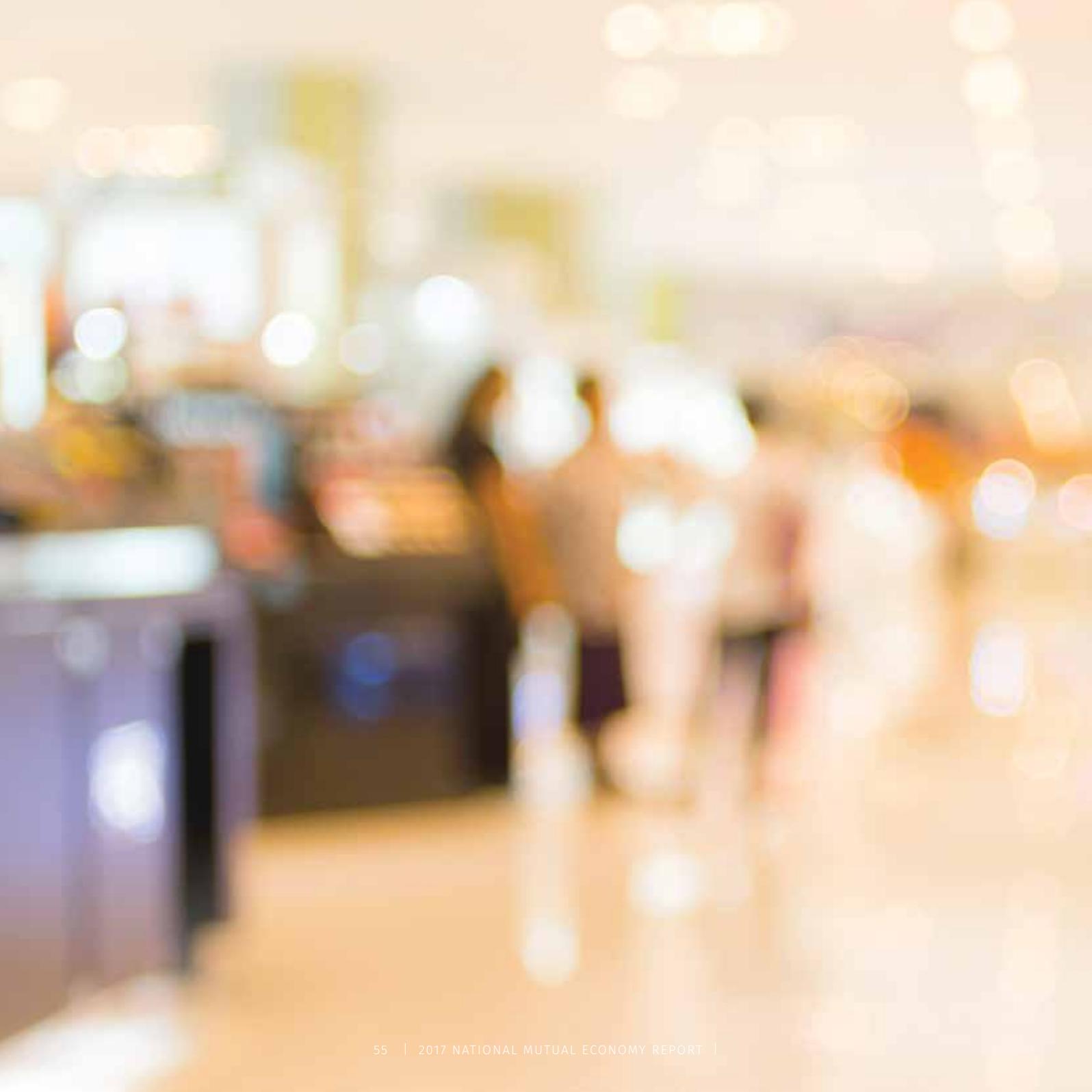
FUTURE DIRECTIONS – EDUCATION AND ENTERPRISE

The immediate focus for Rumbalara is to consolidate their model of holistic healthcare and to undertake research to provide the data to demonstrate the value and impact of this model. Over the medium to longer term, the co-operative plans to pursue innovative programs designed to help alleviate the social and economic disadvantage within their community.

One example of this is an education program targeted at young mothers with babies that helps them develop good parenting skills, and also foster community support and stronger family outcomes. The Co-operative is considering enterprise programs that might foster home-based business start-ups and offer micro-loans to help fund such ventures. It aims to encourage enterprise behaviour through teaching business and financial management skills to youth, and to work with local TAFE colleges to put Indigenous people through programs such as the Certificate III and IV in Small Business Management.

Rumbalara is planning to establish a school that can run for its members from Kindergarden to 10, with a curriculum that is focused on teaching science, technology, engineering and mathematics (STEM), but through a lens of Indigenous culture. This is part of a wider vision to help develop the next generation of Indigenous leaders who can be empowered through education and a different way of looking at the world. The Co-operative will work with Indigenous children from Year 8 through to Year 12, to enhance their longer-term employment prospects. They have been working with the State Education Department on this program.

According to Rumbalara's CEO, Lee Joachim, if the Co-operative is to achieve these goals, it must widen its networks and strategic partnerships. This will involve working more closely with government agencies. There are a number of different government reforms underway at all levels of government across healthcare, justice, Indigenous issues, and other areas.





CHAPTER 6
THE CHALLENGES IN
RESEARCHING CMES

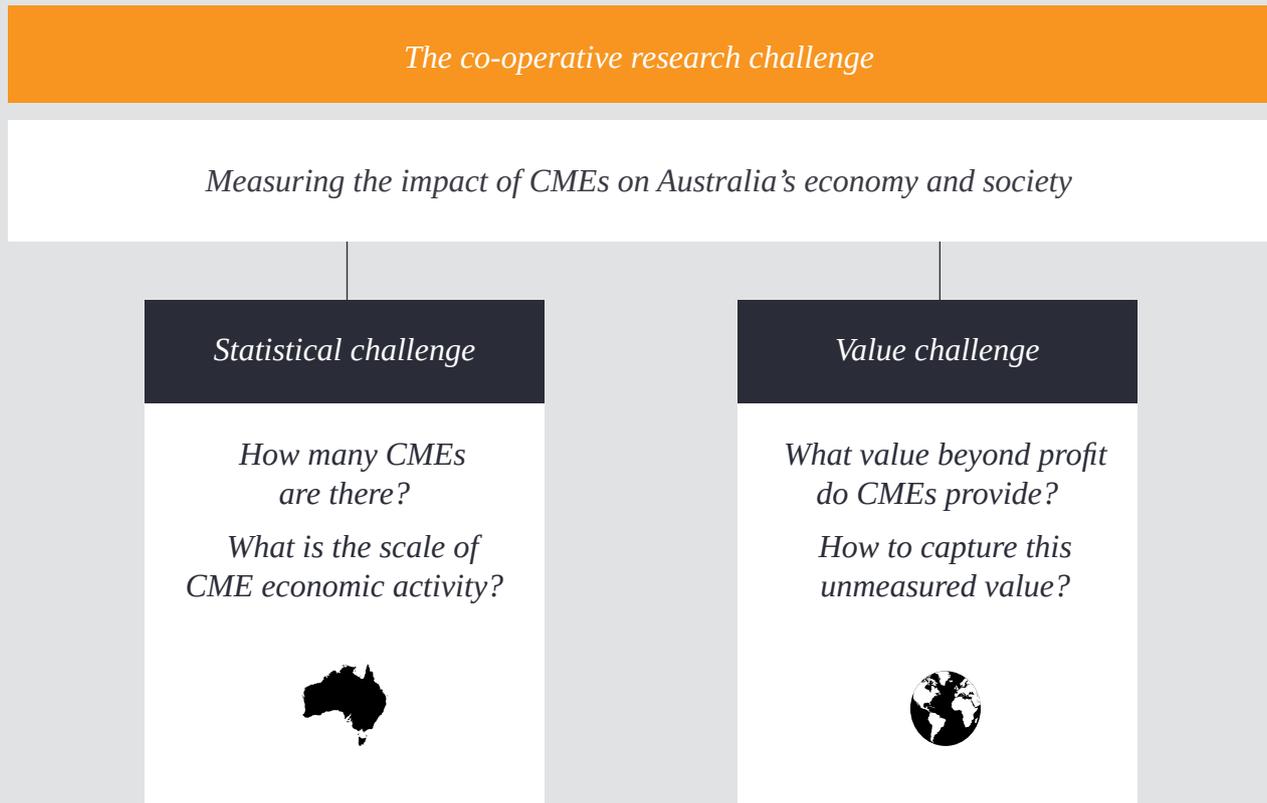
There is no unified and consistent reporting on the Australian co-operative and mutual enterprise (CME) sector, an issue highlighted by the Senate Economics References Committee.

There are two dimensions to this challenge in researching CMEs, firstly the statistical challenge of no standardised collection of data concerning CMEs at a national level. Secondly, there is the challenge of capturing the economic and social value provided by CMEs, as traditional measures such as balance sheets are not geared to capture value beyond profit.

There are sector initiatives to tackle the co-operative research challenge, including an ongoing widescale collection of data around CMEs and a project underway to construct an accounting framework for capturing member value.

THE CO-OPERATIVE RESEARCH CHALLENGE

Figure: The two components of the co-operative research challenge



8% OF THE AUSTRALIAN ECONOMY IS MIS-REPORTED, WITH NO UNIFIED AND CONSISTENT REPORTING ON THE CME SECTOR.

The 2016 Senate Economics References Committee inquiry into co-operatives, mutuals and member-owned firms placed this issue front and centre, with their first recommendation:

“The committee recommends that the Commonwealth Government ensures that a national collection of statistics and data is undertaken to provide an accurate picture of the scale and extent of the co-operative and mutual sector.”

Recommendation 1, Senate Economics References Committee inquiry into co-operatives, mutuals and member-owned firms.

The issue of accurately measuring the impact of co-operatives on the Australian economy and society goes beyond the statistical challenge. What is not captured and hence not reported, is the value that CMEs create in putting their members, sustainability, and their community before profit. Existing data frameworks, including balance sheets, are not built to capture the value generated by CMEs, as they are geared around measuring financial performance as measured by profit.

Informed decision making regarding Australia’s future requires an accurate measure of the scale and impact of all businesses including CMEs. The BCCM together with its research partners is tackling the co-operative research challenge. The next pages outline the statistical and value challenges in more depth, and look at sector-led efforts to tackle these issues.

HOW MANY CMES ARE THERE? THE STATISTICAL CHALLENGE

Thanks to the hard work of our research partners we know that at least 8 in 10 Australians belong to one or more CME. However, there is no centralised collection

of data and no standardised set of classifications to report on these CMES.

CMES USE A NUMBER OF DIFFERENT LEGAL MODELS. GOVERNING LEGISLATION INCLUDES:

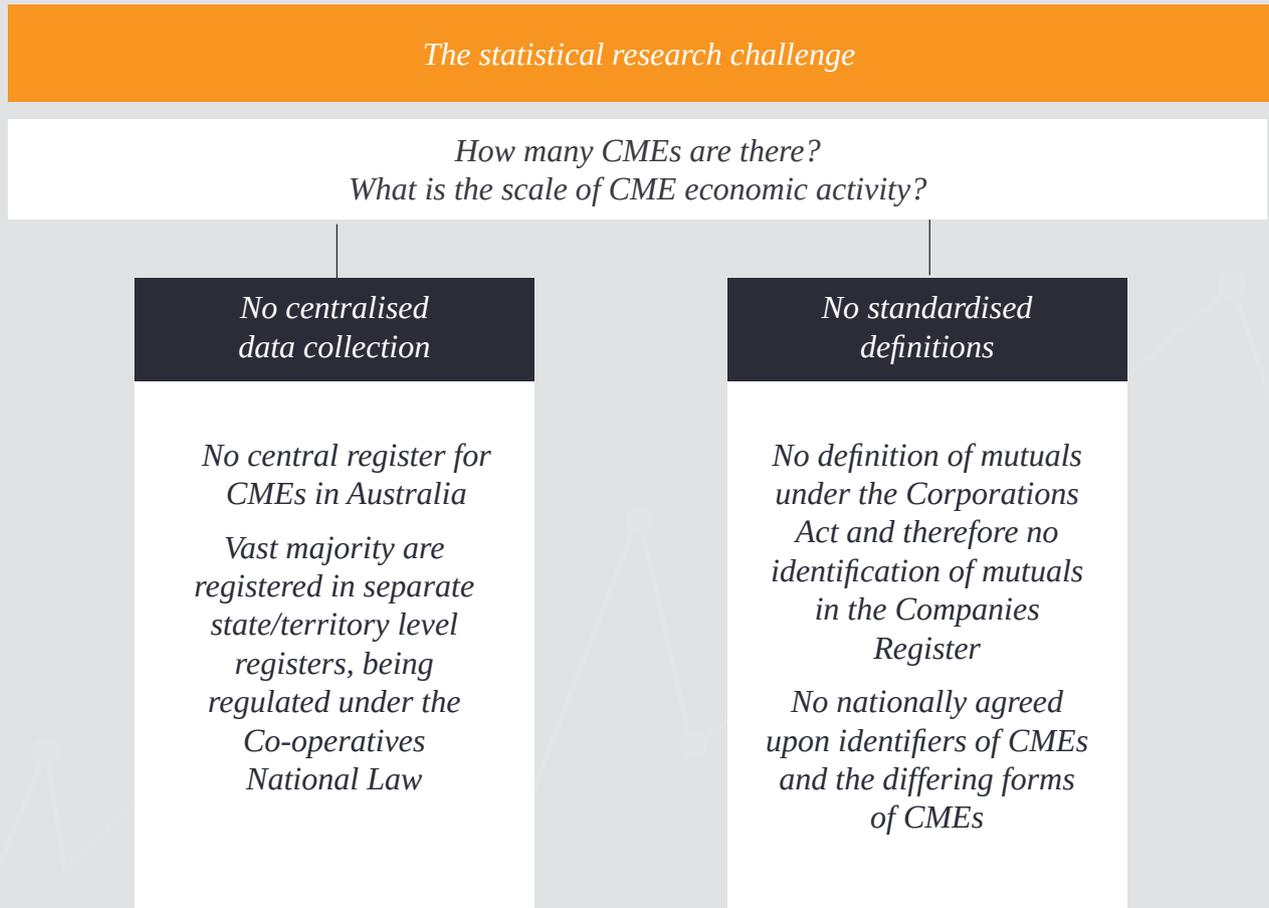
- **The Co-operatives National Law (used by thousands of co-operatives)**
- **The Corporations Act (used, for example, by member-owned banking institutions)**
- **State and territory associations legislation**
- **The Corporations (Aboriginal and Torres Strait Islander) Act**

WHILE CME LEGAL MODELS MAY DIFFER, THEY ALL SHARE THE SAME DNA BASED ON MEMBER FOCUS AND CONTROL

All CMEs are owned by their members and exist for the benefit of this group. But CMEs also operate under different legal structures and regulated by a mix of state, territory and commonwealth regulators.

This contributes to the fact that 8% of the Australian economy is mis-reported, with no unified and consistent reporting.

Figure: Why the statistical challenge exists



WHAT VALUE DO CMES CREATE? THE IMPACT CHALLENGE

Usually, profit is the main indicator of entity performance. Profit maximisation is easy to understand, and it is the legally defined purpose for most businesses. More importantly, a well-developed accounting system allows for the ready comparison of corporate performance across different businesses and industries.

Profit falls short when it comes to measuring CME performance. CMEs are focused on providing economic and social value to their members and in so doing, meeting a specific community need. Profit is still part of the equation, representing long term financial stability, but it does not describe the total value a CME creates for its members.

Measuring the total value produced by CMEs is a challenge. There is no widely accepted accounting framework in place and no easily quantifiable data that covers the social and economic returns of CME operations. That's why the BCCM has teamed up with Monash University to develop a consistent accounting methodology for measuring the total value created by CMEs. The results of this project will be delivered in 2019.

This report provides examples of the diverse ways in which CMEs provide value to Australians, from the financial benefit of lower cost financial products to the shared value of accessible health care.

4 million Australians

obtain banking services from customer-owned banks and credit unions.

These banking institutions offer market leading pricing but currently we cannot fully capture the value provided to customers by their financial institutions, which are primarily focused on service and not sales.

SECTOR INITIATIVES TO TACKLE THE CO-OPERATIVE RESEARCH CHALLENGE

In spite of these challenges, the CME sector is working with a number of stakeholders to tackle the co-operative research challenge. The BCCM acts as a hub for CME focused research, bringing together

work undertaken by independent researchers and CMEs to better capture the scale and scope of the CME sector and its social and economic importance.

Current CME Research Project Collaborations

AUSTRALIAN CO-OPERATIVE AND MUTUAL ENTERPRISE INDEX (2012-)

A long term research project undertaken by the University of Western Australia to map the size and structure of the CME sector in Australia. See <http://cemi.com.au/cmcs>

- University of Western Australia (Professor Tim Mazzarol, Dr Elena Limnios and Johannes Kresling)

NATIONAL MUTUAL ECONOMY REPORT (2014-)

An annual publication produced by the BCCM reporting on the annual performance of the CME sector

- University of Western Australia (Professor Tim Mazzarol, Dr Elena Limnios and Johannes Kresling)
- BCCM

CO-OPERATIVES IN AUSTRALIA – VISUAL ATLAS OF AUSTRALIAN CO-OPERATIVES (2017-2019)

Will chart the development of CMEs over space and time in a visual and interactive way

- Dr. Nikola Balnave (Macquarie University), Associate Professor Olivera Marjanovic (University of Sydney) and Professor Greg Patmore (University of Sydney)

MEASURING MUTUAL VALUE RESEARCH PROJECT (2017-2019)

Designed to investigate and develop mechanisms to enable measurement and reporting of mutual value through a field study of multiple organisations across the industry.

- Prof Matthew Hall (Monash University), Dr Paul Thambar (Monash University) and Prof Yuval Millo (Warwick Business School)

ELIZA'S PROJECT (2017)

Measuring gender diversity inclusion in the CME sector in Australia

- PerCapita
- BCCM



CHAPTER 7

TABLES AND DATA



APPENDIX A: AUSTRALIAN TOP 100 CMES BY ANNUAL TURNOVER, EXCLUDING SUPERANNUATION FUNDS, FY2015-2016

Rank	Name	State	Turnover (\$AUD-mil)	EBIT (\$AUD-mil)	NPAT (\$AUD-mil)	Total Assets (\$AUD-mil)
1	CBH Group	WA	\$3,270.6	\$51.5	\$49.8	\$2,110.1
2	Devondale Murray Goulburn	VIC	\$2,777.7	\$57.5	\$39.8	\$2,177.8
3	HCF	NSW	\$2,465.0	\$179.1	\$177.0	\$1,999.4
4	Capricorn Society	WA	\$1,542.9	\$22.7	\$15.9	\$320.1
5	HBF Health	WA	\$1,512.1	\$35.4	\$35.4	\$1,694.6
6	Australian Unity	VIC	\$1,420.7	\$55.2	\$35.6	\$4,817.8
7	Members Equity Bank (ME)	VIC	\$1,221.6	\$107.5	\$76.8	\$23,203.4
8	RACQ	QLD	\$1,031.3	\$32.2	\$23.1	\$2,495.7
9	RAC WA	WA	\$676.7	\$34.9	\$30.3	\$1,602.2
10	RACV	VIC	\$584.8	\$53.4	\$46.7	\$2,096.0
11	NRMA	NSW	\$557.6	\$35.2	\$34.1	\$1,332.9
12	Teachers Health	NSW	\$543.8	\$22.8	\$22.8	\$408.9
13	Norco	NSW	\$541.1	\$2.0	\$1.4	\$178.0
14	GMHBA	VIC	\$524.5	\$15.2	\$16.2	\$338.8
15	CUA	QLD	\$520.1	\$72.5	\$51.7	\$12,898.4
16	People's Choice Credit Union	SA	\$407.3	\$49.4	\$35.9	\$7,514.3
17	Newcastle Permanent	NSW	\$396.0	\$56.8	\$39.4	\$9,773.2
18	Heritage Bank	QLD	\$393.2	\$51.1	\$36.1	\$8,440.7
19	Geraldton Fishermen's Co-operative	WA	\$372.2	\$0.5	\$1.2	\$140.9
20	Independent Liquor Group Distribution Co-operative	NSW	\$371.6	\$11.8	\$0.0	\$58.5
21	CBHS Health Fund	NSW	\$360.7	\$7.8	\$7.8	\$259.0
22	RAA SA	SA	\$329.4	\$5.6	\$5.5	\$456.5
23	Avant Mutual Group	NSW	\$281.5	\$28.4	\$26.2	\$2,027.0
24	Western Australian Meat Marketing Co-operative (WAMMCO)	WA	\$280.5	\$0.4	\$2.2	\$87.5
25	Namoi Cotton	NSW	\$279.7	(\$10.7)	(\$7.6)	\$199.9

Rank	Name	State	Turnover (\$AUD-mil)	EBIT (\$AUD-mil)	NPAT (\$AUD-mil)	Total Assets (\$AUD-mil)
26	Teachers Mutual Bank	NSW	\$274.7	\$43.2	\$30.3	\$5,543.0
27	Greater Bank	NSW	\$270.7	\$42.2	\$29.5	\$5,715.3
28	Cuscal	NSW	\$266.3	\$16.8	\$13.3	\$2,173.4
29	Almondco Australia	SA	\$238.6	\$5.2	\$4.8	\$179.2
30	IMB Bank	NSW	\$237.8	\$42.2	\$29.6	\$5,224.1
31	Northern Co-operative Meat Company (NMC)	NSW	\$230.0	\$1.6	\$0.8	\$151.0
32	Beyond Bank Australia	SA	\$229.6	\$33.0	\$24.6	\$4,760.7
33	EML	NSW	\$229.4	(\$0.7)	(\$1.0)	\$316.3
34	Independent Liquor Group (Suppliers) Co-operative	NSW	\$209.0	\$3.3	\$2.6	\$55.6
35	Westfund Health Insurance	NSW	\$178.6	\$14.7	\$14.7	\$182.0
36	Bank Australia	VIC	\$167.4	\$31.2	\$22.6	\$4,038.8
37	Latrobe Health Services	VIC	\$165.8	\$10.6	\$10.6	\$205.3
38	Queensland Country Credit Union	QLD	\$163.2	\$8.3	\$8.7	\$1,358.1
39	Health Insurance Fund of Australia (HIF)	WA	\$162.6	(\$5.6)	(\$5.6)	\$118.8
40	P&N Bank	WA	\$149.7	\$12.6	\$8.6	\$3,761.1
41	TUH Health Fund	QLD	\$149.0	(\$2.2)	(\$2.2)	\$125.1
42	Plumbers' Supplies Co-Op	NSW	\$142.6	\$0.9	(\$0.3)	\$65.2
43	Health Partners	SA	\$136.8	\$5.8	\$5.8	\$137.4
44	Dairy Farmers Milk Co-operative	NSW	\$134.1	\$0.4	\$0.4	\$18.8
45	The Co-op	NSW	\$133.0	(\$1.4)	(\$1.4)	\$61.2
46	Qudos Bank	NSW	\$132.5	\$20.3	\$14.2	\$3,347.1
47	Peoplcare	NSW	\$131.7	\$6.6	\$6.6	\$97.9
48	Medical Indemnity Protection Society (MIPS)	VIC	\$111.0	\$22.3	\$20.3	\$507.9
49	St. Lukes Health	TAS	\$103.0	\$5.1	\$5.1	\$108.7
50	rt health fund	NSW	\$101.1	\$1.2	\$1.2	\$77.4
51	ASG	VIC	\$94.8	\$4.8	\$0.0	\$1,579.8
52	Victoria Teachers Mutual Bank	VIC	\$90.5	\$21.6	\$16.1	\$2,161.6
53	Police Bank	NSW	\$89.6	\$12.5	\$8.8	\$1,555.1
54	MDA National	WA	\$88.5	\$4.9	\$3.4	\$392.6

Rank	Name	State	Turnover (\$AUD-mil)	EBIT (\$AUD-mil)	NPAT (\$AUD-mil)	Total Assets (\$AUD-mil)
55	Defence Bank	VIC	\$86.3	\$14.4	\$10.0	\$1,780.5
56	NSW Sugar Milling Co-operative	NSW	\$85.5	*	*	*
57	Murrumbidgee Irrigation	NSW	\$80.5	\$30.5	\$31.0	\$575.1
58	StateCover	NSW	\$79.1	*	*	\$450.7
59	Hastings Co-op	NSW	\$75.7	\$1.2	\$1.3	\$21.2
60	QT Mutual Bank (merged with RACQ, now trading as RACQ Bank)	QLD	\$74.0	\$7.4	\$5.4	\$1,434.4
61	BankVic	VIC	\$71.9	\$14.6	\$10.2	\$1,502.9
62	bcu	NSW	\$71.7	\$12.6	\$8.8	\$1,523.1
63	Macadamia Processing Company (MPC)	NSW	\$71.5	\$4.3	\$3.7	\$31.5
64	Navy Health	VIC	\$69.5	\$9.5	\$9.5	\$95.4
65	Murray Irrigation	NSW	\$68.9	(\$49.8)	(\$35.3)	\$482.5
66	Rapid Clean	NSW	\$68.7	*	*	*
67	The Community Co-Operative Store (Nuriootpa)	SA	\$68.5	\$0.9	\$0.7	\$48.1
68	Regional Australia Bank	NSW	\$63.4	\$10.6	\$7.3	\$1,179.1
69	CCW Co-operative	SA	\$62.6	\$0.4	\$0.3	\$4.3
70	Oz Group Co-op	NSW	\$61.9	\$3.6	\$0.5	\$15.6
71	RACT	TAS	\$61.1	\$4.1	\$4.2	\$96.2
72	Master Butchers Co-operative	SA	\$59.0	\$2.1	\$2.2	\$39.5
73	Yenda Producers Co-operative Society	NSW	\$59.0	\$1.5	\$1.2	\$37.7
74	Mildura Health Fund	VIC	\$53.9	\$1.1	\$1.1	\$87.7
75	Institute for Urban Indigenous Health	QLD	\$49.0	\$2.0	\$2.0	\$21.9
76	Australian Military Bank	NSW	\$48.6	\$6.5	\$4.7	\$1,131.8
77	Capricorn Mutual	WA	\$46.5	\$5.6	\$5.5	\$59.1
78	Lenswood Apples	SA	\$46.2	(\$2.1)	(\$1.5)	\$25.7
79	Gateway Credit Union	NSW	\$46.0	\$3.8	\$2.7	\$1,036.9
80	Unity Bank	NSW	\$45.1	\$4.4	\$3.2	\$872.5
81	Hume Bank	NSW	\$45.1	\$5.3	\$3.7	\$1,004.6
82	Credit Union SA	SA	\$45.0	\$5.0	\$3.9	\$927.8

Rank	Name	State	Turnover (\$AUD-mil)	EBIT (\$AUD-mil)	NPAT (\$AUD-mil)	Total Assets (\$AUD-mil)
83	Police Credit Union	SA	\$44.8	\$5.8	\$4.1	\$858.8
84	Common Equity Housing Ltd (CEHL)	VIC	\$44.5	\$3.3	\$3.3	\$787.6
85	Community First Credit Union	NSW	\$44.0	\$3.1	\$2.4	\$909.1
86	Central Australian Aboriginal Congress	NT	\$41.3	\$1.4	\$1.4	\$25.8
87	Unimutual	NSW	\$39.4	\$2.0	\$1.7	\$59.0
88	Wesbuilders Co-operative	WA	\$37.8	\$0.1	\$0.1	*
89	QBANK	QLD	\$37.4	\$3.5	\$2.5	\$805.7
90	SCU	NSW	\$37.3	\$3.0	\$2.3	\$844.1
91	Kimberley Aboriginal Medical Services	WA	\$35.7	(\$0.5)	(\$0.5)	\$37.1
92	G&C Mutual Bank	NSW	\$35.6	\$3.3	\$2.3	\$879.1
93	Batlow Fruit Co-operative	NSW	\$35.4	(\$0.8)	(\$0.5)	\$16.9
94	B&E Personal Banking	TAS	\$33.2	\$4.6	\$3.2	\$727.9
95	Summerland Credit Union	NSW	\$32.0	\$4.7	\$3.3	\$630.9
96	Aboriginal & Torres Strait Islander Community Health Service (ATSICHS) Brisbane	QLD	\$32.0	\$6.2	\$6.2	\$47.1
97	Phoenix Health Fund	NSW	\$31.5	\$0.4	\$0.4	\$25.3
98	Mount Barker Co-operative	WA	\$29.4	\$0.8	\$0.7	\$13.6
99	MOVE – People Driven Banking	QLD	\$28.9	\$2.8	\$2.0	\$590.3
100	Holiday Coast Credit Union	NSW	\$28.8	\$2.6	\$1.9	\$552.1

1. EBIT= earnings before interest and tax. NPAT = net profit after tax. *=not available. All values are reported in Australian \$.

2. Turnover for some CMEs has included the total income received by the enterprise as a co-operative or mutual rather than the amount of income accounted for by the enterprise as a business entity.

3. Financial information has been sourced in most cases from company annual reports, and where that has not been available from IBISWorld industry reports. All care has been taken to ensure the accuracy of this data, however, it is possible that some information may be incorrect.

4. Some businesses that appeared in earlier Top 100 reports have been removed as they were unwilling to provide financial information.

5. Member-owned superannuation funds are reported in Appendix B.

APPENDIX B: AUSTRALIAN TOP 10 SUPERANNUATION CMES BY ANNUAL TURNOVER, FY2015-2016

Rank	Name	State	Turnover (\$AUD-mil)	EBIT (\$AUD-mil)	NPAT (\$AUD-mil)	Total Assets (\$AUD-mil)
1	AustralianSuper	VIC	\$17,540.1	\$16,640.3	\$15,722.8	\$103,693.1
2	UniSuper	VIC	\$8,153.0	\$5,950.0	\$5,496.0	\$55,839.0
3	First State Super	NSW	\$6,804.6	\$3,545.0	\$3,090.0	\$56,558.1
4	Retail Employees Superannuation Trust (REST)	NSW	\$6,089.1	\$5,045.2	\$4,697.8	\$41,520.9
5	Sunsuper	QLD	\$6,001.1	\$3,153.0	\$2,822.5	\$37,210.9
6	Cbus Super	VIC	\$5,542.4	\$4,980.1	\$4,636.1	\$35,861.8
7	HESTA	VIC	\$5,261.0	\$4,930.1	\$4,580.2	\$35,760.4
8	Hostplus	VIC	\$3,516.8	\$3,200.4	\$2,976.9	\$20,165.6
9	VicSuper	VIC	\$2,214.1	\$2,060.0	\$1,935.7	\$16,587.5
10	CareSuper	NSW	\$1,687.4	\$1,570.9	\$1,473.1	\$14,254.7

1. EBIT= earnings before interest and tax. NPAT = net profit after tax. *=not available. All values are reported in Australian \$.

2. Financial information has been sourced in most cases from company annual reports, and where that has not been available from IBISWorld industry reports. All care has been taken to ensure the accuracy of this data, however, it is possible that some information may be incorrect.

APPENDIX C: AUSTRALIAN TOP 100 CMES BY ASSETS, EXCLUDING SUPERANNUATION FUNDS, FY2015-2016

Rank	Name	State	Total Assets (\$AUD-mil)	Total Liabilities (\$AUD-mil)	Total Equity (\$AUD-mil)
1	Members Equity Bank (ME)	VIC	\$23,203.4	\$22,237.4	\$966.0
2	CUA	QLD	\$12,898.4	\$11,984.4	\$914.0
3	Newcastle Permanent	NSW	\$9,773.2	\$8,895.8	\$877.4
4	Heritage Bank	QLD	\$8,440.7	\$7,998.6	\$442.1
5	People's Choice Credit Union	SA	\$7,514.3	\$6,981.0	\$533.3
6	Greater Bank	NSW	\$5,715.3	\$5,262.5	\$452.8
7	Teachers Mutual Bank	NSW	\$5,543.0	\$5,104.9	\$438.1
8	IMB Bank	NSW	\$5,224.1	\$4,915.5	\$308.6
9	Australian Unity	VIC	\$4,817.8	\$4,238.2	\$579.5
10	Beyond Bank Australia	SA	\$4,760.7	\$4,354.2	\$406.5
11	Bank Australia	VIC	\$4,038.8	\$3,602.8	\$436.0
12	P&N Bank	WA	\$3,761.1	\$2,701.1	\$260.5
13	Qudos Bank	NSW	\$3,347.1	\$3,108.7	\$238.3
14	RACQ	QLD	\$2,495.7	\$1,354.8	\$1,140.8
15	Devondale Murray Goulburn	VIC	\$2,177.8	\$1,002.1	\$1,175.7
16	Cuscal	NSW	\$2,173.4	\$1,923.6	\$249.8
17	Victoria Teachers Mutual Bank	VIC	\$2,161.6	\$1,980.3	\$181.4
18	CBH Group	WA	\$2,110.1	\$462.0	\$1,648.1
19	RACV	VIC	\$2,096.0	\$576.8	\$1,519.2
20	Avant Mutual Group	NSW	\$2,027.0	\$994.1	\$1,032.9
21	HCF	NSW	\$1,999.4	\$650.8	\$1,348.6
22	Defence Bank	VIC	\$1,780.5	\$1,630.3	\$150.2
23	HBF Health	WA	\$1,694.6	\$466.2	\$1,228.3
24	RAC WA	WA	\$1,602.2	\$792.2	\$809.9
25	ASG	VIC	\$1,579.8	\$1,481.7	\$98.1

Rank	Name	State	Total Assets (\$AUD-mil)	Total Liabilities (\$AUD-mil)	Total Equity (\$AUD-mil)
26	Police Bank	NSW	\$1,555.1	\$1,379.9	\$175.3
27	bcu	NSW	\$1,523.1	\$1,403.8	\$119.3
28	BankVic	VIC	\$1,502.9	\$1,348.9	\$153.9
29	QT Mutual Bank (merged with RACQ, now trading as RACQ Bank)	QLD	\$1,434.4	\$1,287.4	\$146.5
30	Queensland Country Credit Union	QLD	\$1,358.1	\$1,178.9	\$179.2
31	NRMA	NSW	\$1,332.9	\$448.9	\$884.0
32	Regional Australia Bank	NSW	\$1,179.1	\$1,080.1	\$99.0
33	Australian Military Bank	NSW	\$1,131.8	\$1,048.5	\$83.3
34	Gateway Credit Union	NSW	\$1,036.9	\$938.9	\$98.0
35	Hume Bank	NSW	\$1,004.6	\$937.3	\$67.3
36	Credit Union SA	SA	\$927.8	\$836.0	\$91.8
37	Community First Credit Union	NSW	\$909.1	\$830.4	\$78.7
38	G&C Mutual Bank	NSW	\$879.1	\$798.2	\$80.9
39	Unity Bank	NSW	\$872.5	\$797.3	\$75.3
40	Police Credit Union	SA	\$858.8	\$790.4	\$68.5
41	SCU	NSW	\$844.1	\$767.7	\$76.4
42	QBANK	QLD	\$805.7	\$731.2	\$74.5
43	Common Equity Housing Ltd (CEHL)	VIC	\$787.6	\$96.6	\$691.0
44	B&E Personal Banking	TAS	\$727.9	\$664.3	\$63.6
45	Summerland Credit Union	NSW	\$630.9	\$577.2	\$53.7
46	Community Alliance Credit Union	NSW	\$626.3	\$585.0	\$41.3
47	Maitland Mutual Building Society (The Mutual)	NSW	\$598.3	\$558.7	\$39.7
48	MOVE – People Driven Banking	QLD	\$590.3	\$529.2	\$61.1
49	Murrumbidgee Irrigation	NSW	\$575.1	\$109.4	\$465.7
50	Holiday Coast Credit Union	NSW	\$552.1	\$511.9	\$40.2
51	Medical Indemnity Protection Society (MIPS)	VIC	\$507.9	\$212.8	\$295.1
52	Murray Irrigation	NSW	\$482.5	\$70.8	\$411.7
53	RAA SA	SA	\$456.5	\$229.2	\$227.3

Rank	Name	State	Total Assets (\$AUD-mil)	Total Liabilities (\$AUD-mil)	Total Equity (\$AUD-mil)
54	StateCover	NSW	\$450.7	\$312.3	\$138.3
55	Southern Cross Credit Union	NSW	\$421.9	\$375.3	\$46.6
56	WAW Credit Union	VIC	\$421.9	\$394.9	\$27.0
57	Teachers Health	NSW	\$408.9	\$128.5	\$280.4
58	MDA National	WA	\$392.6	\$218.2	\$174.3
59	Coastline Credit Union	NSW	\$390.9	\$358.8	\$32.1
60	ECU Australia (merged with Queensland Country Credit Union)	QLD	\$340.7	\$319.9	\$20.8
61	GMHBA	VIC	\$338.8	\$138.7	\$200.1
62	Queenslanders Credit Union	QLD	\$333.4	\$290.2	\$43.1
63	Select Credit Union (merged with Encompass Credit Union, now trading as Select Encompass Credit Union)	NSW	\$323.2	\$283.2	\$39.9
64	Capricorn Society	WA	\$320.1	\$169.4	\$150.7
65	EML	NSW	\$316.3	\$205.1	\$111.1
66	Goulburn Murray Credit Union	VIC	\$311.9	\$272.7	\$39.2
67	Horizon Credit Union	NSW	\$307.8	\$286.6	\$21.2
68	Intech Credit Union (merged with Bank Australia, now trading as Intech Bank)	NSW	\$305.5	\$283.8	\$21.7
69	Australian Settlements Limited (ASL)	NSW	\$299.1	\$290.7	\$8.4
70	Nexus Mutual	VIC	\$298.6	\$282.6	\$15.9
71	The Capricornian	QLD	\$291.8	\$270.4	\$21.4
72	Encompass Credit Union (merged with Select Credit Union, now trading as Select Encompass Credit Union)	NSW	\$289.6	\$250.5	\$39.1
73	Hunter United	NSW	\$278.2	\$254.9	\$23.3
74	CBHS Health Fund	NSW	\$259.0	\$84.3	\$174.6
75	Northern Inland Credit Union	NSW	\$251.2	\$217.3	\$33.9
76	The Mac (Macarthur Credit Union)	NSW	\$242.4	\$218.5	\$23.9
77	Warwick Credit Union	QLD	\$240.8	\$224.0	\$16.8
78	KeyInvest	SA	\$223.5	\$191.3	\$32.2
79	My Credit Union	NSW	\$208.0	\$177.0	\$31.1

Rank	Name	State	Total Assets (\$AUD-mil)	Total Liabilities (\$AUD-mil)	Total Equity (\$AUD-mil)
80	Latrobe Health Services	VIC	\$205.3	\$45.6	\$159.6
81	Namoi Cotton	NSW	\$199.9	\$76.3	\$123.5
82	Coleambally Irrigation Co-operative	NSW	\$186.5	\$22.9	\$163.6
83	Orange Credit Union	NSW	\$184.4	\$159.8	\$24.6
84	Westfund Health Insurance	NSW	\$182.0	\$52.6	\$129.4
85	Almondco Australia	SA	\$179.2	\$157.3	\$22.0
86	Norco	NSW	\$178.0	\$104.7	\$64.2
87	First Option Credit Union	VIC	\$176.8	\$163.7	\$13.1
88	Laboratories Credit Union (LCU)	NSW	\$172.6	\$160.3	\$12.3
89	Bankstown City Credit Union (merged with Unity Bank, now trading as Bankstown City Unity Bank)	NSW	\$166.7	\$145.2	\$21.5
90	Dnister Ukrainian Credit Co-operative	VIC	\$153.3	\$134.0	\$19.3
91	Northern Co-operative Meat Company (NMC)	NSW	\$151.0	\$61.8	\$89.2
92	Australian Friendly Society (AFS)	VIC	\$150.0	\$140.0	\$10.0
93	South West Slopes Credit Union	NSW	\$149.2	\$129.2	\$20.0
94	Central West Credit Union	NSW	\$145.9	\$127.5	\$18.4
95	Geraldton Fishermen's Co-operative	WA	\$140.9	\$115.0	\$25.9
96	Health Partners	SA	\$137.4	\$24.8	\$112.7
97	FCCS	VIC	\$134.9	\$125.8	\$9.1
98	TUH Health Fund	QLD	\$125.1	\$41.9	\$83.2
99	Health Insurance Fund of Australia (HIF)	WA	\$118.8	\$50.5	\$68.3
100	APS Benefits Group	VIC	\$118.4	\$112.5	\$5.9

1. This list contains businesses ranked by total assets not turnover and includes several firms that did not appear in the Top 100 list by turnover (Appendix A), while some of the firms listed there do not appear in this list. All values are reported in Australian \$.

2. Financial information has been sourced in most cases from company annual reports, and where that has not been available from IBISWorld industry reports. All care has been taken to ensure the accuracy of this data, however, it is possible that some information may be incorrect.

3. Some businesses that appeared in earlier Top 100 reports have been removed as they were unwilling to provide financial information.

APPENDIX D: AUSTRALIAN TOP 100 CMES, TOP 10 PER STATE AND TERRITORY, BY TURNOVER, EXCLUDING SUPERANNUATION FUNDS, FY2015-2016

WA

Rank	Name	State	Turnover (\$AUD-mil)	Total Assets (\$AUD-mil)	Top 100 Rank
1	CBH Group	WA	\$3,270.6	\$2,110.1	1
2	Capricorn Society	WA	\$1,542.9	\$320.1	4
3	HBF Health	WA	\$1,512.1	\$1,694.6	5
4	RAC WA	WA	\$676.7	\$1,602.2	9
5	Geraldton Fishermen's Co-operative	WA	\$372.2	\$140.9	19
6	Western Australian Meat Marketing Co-operative (WAMMCO)	WA	\$280.5	\$87.5	24
7	Health Insurance Fund of Australia (HIF)	WA	\$162.6	\$118.8	39
8	P&N Bank	WA	\$149.7	\$3,761.1	40
9	MDA National	WA	\$88.5	\$392.6	54
10	Capricorn Mutual	WA	\$46.5	\$59.1	77
Total			\$8,102.4	\$10,286.9	

VIC

Rank	Name	State	Turnover (\$AUD-mil)	Total Assets (\$AUD-mil)	Top 100 Rank
1	Devondale Murray Goulburn	VIC	\$2,777.7	\$2,177.8	2
2	Australian Unity	VIC	\$1,420.7	\$4,817.8	6
3	Members Equity Bank (ME)	VIC	\$1,221.6	\$23,203.4	7
4	RACV	VIC	\$584.8	\$2,096.0	10
5	GMHBA	VIC	\$524.5	\$338.8	14
6	Bank Australia	VIC	\$167.4	\$4,038.8	36
7	Latrobe Health Services	VIC	\$165.8	\$205.3	37
8	Medical Indemnity Protection Society (MIPS)	VIC	\$111.0	\$507.9	48
9	ASG	VIC	\$94.8	\$1,579.8	51
10	Victoria Teachers Mutual Bank	VIC	\$90.5	\$2,161.6	52
Total			\$7,158.8	\$41,127.1	

NSW

Rank	Name	State	Turnover (\$AUD-mil)	Total Assets (\$AUD-mil)	Top 100 Rank
1	HCF	NSW	\$2,465.0	\$1,999.4	3
2	NRMA	NSW	\$557.6	\$1,332.9	11
3	Teachers Health	NSW	\$543.8	\$408.9	12
4	Norco	NSW	\$541.1	\$178.0	13
5	Newcastle Permanent	NSW	\$396.0	\$9,773.2	17
6	Independent Liquor Group Distribution Co-operative	NSW	\$371.6	\$58.5	20
7	CBHS Health Fund	NSW	\$360.7	\$259.0	21
8	Avant Mutual Group	NSW	\$281.5	\$2,027.0	23
9	Namoi Cotton	NSW	\$279.7	\$199.9	25
10	Teachers Mutual Bank	NSW	\$274.7	\$5,543.0	26
Total			\$6,071.8	\$21,779.7	

SA

Rank	Name	State	Turnover (\$AUD-mil)	Total Assets (\$AUD-mil)	Top 100 Rank
1	People's Choice Credit Union	SA	\$407.3	\$7,514.3	16
2	RAA SA	SA	\$329.4	\$456.5	22
3	Almondco Australia	SA	\$238.6	\$179.2	29
4	Beyond Bank Australia	SA	\$229.6	\$4,760.7	32
5	Health Partners	SA	\$136.8	\$137.4	43
6	The Community Co-Operative Store (Nuriootpa)	SA	\$68.5	\$48.1	67
7	CCW Co-operative	SA	\$62.6	\$4.3	69
8	Master Butchers Co-operative	SA	\$59.0	\$39.5	72
9	Lenswood Apples	SA	\$46.2	\$25.7	78
10	Credit Union SA	SA	\$45.0	\$927.8	82
Total			\$1,623.0	\$14,093.5	

QLD

Rank	Name	State	Turnover (\$AUD-mil)	Total Assets (\$AUD-mil)	Top 100 Rank
1	RACQ	QLD	\$1,031.3	\$2,495.7	8
2	CUA	QLD	\$520.1	\$12,898.4	15
3	Heritage Bank	QLD	\$393.2	\$8,440.7	18
4	Queensland Country Credit Union	QLD	\$163.2	\$1,358.1	38
5	TUH Health Fund	QLD	\$149.0	\$125.1	41
6	QT Mutual Bank (merged with RACQ, now trading as RACQ Bank)	QLD	\$74.0	\$1,434.4	60
7	Institute for Urban Indigenous Health	QLD	\$49.0	\$21.9	75
8	QBANK	QLD	\$37.4	\$805.7	89
9	Aboriginal & Torres Strait Islander Community Health Service (ATSICHS) Brisbane	QLD	\$32.0	\$47.1	96
10	MOVE – People Driven Banking	QLD	\$28.9	\$590.3	99
Total			\$2,478.0	\$28,217.3	

NT

Rank	Name	State	Turnover (\$AUD-mil)	Total Assets (\$AUD-mil)	Top 100 Rank
1	Central Australian Aboriginal Congress	NT	\$41.3	\$25.8	86
Total			\$41.3	\$25.8	

TAS

Rank	Name	State	Turnover (\$AUD-mil)	Total Assets (\$AUD-mil)	Top 100 Rank
1	St. Lukes Health	TAS	\$103.0	\$108.7	49
2	RACT	TAS	\$61.1	\$96.2	71
3	B&E Personal Banking	TAS	\$33.2	\$727.9	94
Total			\$197.3	\$932.8	

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