



BUSINESS COUNCIL
OF CO-OPERATIVES AND MUTUALS

Committee Secretary
Select Committee on the Future of Public Interest Journalism
PO Box 6100
Canberra ACT 2600

15 June 2017

Dear Committee

Submission to the Senate Select Committee on the Future of Public Interest Journalism inquiry into the Future of Public Interest Journalism

The Business Council of Co-operatives and Mutuals (BCCM) welcomes the opportunity to provide a brief submission to this inquiry into the Future of Public Interest Journalism. We have included an appendix that provides information about the BCCM and about the co-operative and mutual sector.

Response to Terms of Reference

This submission primarily responds to the following terms of reference:

(d) the future of public and community broadcasters in delivering public interest journalism, particularly in underserved markets like regional Australia, and culturally and linguistically diverse communities; and

(f) any related matters.

Co-operatives are enterprises that are democratically owned and controlled by their members. The members can be producers (e.g. freelance and/or employee journalists), consumers (e.g. newspaper subscribers) or a range of stakeholders (e.g. a community of interest or geography). The membership structure of co-operatives allows them to balance social purpose (e.g. provision of public interest journalism) and commercial necessity (e.g. cost of production of public interest journalism).

The BCCM takes this opportunity to draw a number of co-operative media organisations to the attention of the Committee. In the wake of declining advertising revenue and the increasing use of crowdfunding for media projects, these co-operatives demonstrate a number of ways in which media producers, media consumers and communities of interest or of geography could utilise the co-operative business model to safeguard the future provision of public interest journalism in Australia in a commercially sustainable manner.

1. New Internationalist magazine¹, England

Co-operative members: Multi-stakeholder (producers, consumers, investors/supporters)

¹ <https://newint.org/>

New Internationalist recently changed its structure from a producer co-operative to a multi-stakeholder co-operative that includes its subscribers as members.² This demonstrates an alternative user-pays or crowdfunding model where subscribers have a real stake as members, with voting rights in relation to the overarching editorial policy.

2. The Journalists' Paper³, Greece

Co-operative members: Producers

The Journalists' Paper was formed by journalists in the wake of the collapse of an established newspaper in 2012.⁴ Generally, producer or worker co-operatives focus on safeguarding the livelihoods of their members. Secure, well-paid employment for journalists is a necessary ingredient for the ongoing provision of public interest journalism.

3. PBS 106.7FM⁵, Melbourne

Co-operative members: Community

There are a number of community media co-operatives in Australia, including PBS, which demonstrate how a community of interest or geography can come together in a co-operative to decide democratically on what content they want.

Recommendations

Co-operatives are a self-help solution: government cannot start co-operatives on behalf of journalists or communities. However, as recommended by the Senate Economics References Committee report into Cooperative, mutual and member-owned firms, there are a number of actions that government can take to make co-operatives a more attractive, visible option in Australia.

Therefore, the BCCM recommends that the Commonwealth Government ensure there is an enabling environment for the formation of media co-operatives in Australia by implementing the recommendations of the Senate Economics References Committee report into Cooperative, mutual and member-owned firms.⁶

The BCCM is happy to appear at a hearing to provide further information on media co-operatives.

Yours faithfully

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

² See <https://www.thenews.coop/114134/sector/retail/new-internationalist-change-legal-structure/>

³ <http://www.efsyn.gr/>

⁴ See <https://www.theguardian.com/media/2015/jul/19/greece-newspaper-cooperative-no-investors-journalists>

⁵ <https://www.pbsfm.org.au/governance>

⁶ See

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Cooperatives/Report

Appendix: About the BCCM; About Co-operative and Mutual Enterprises

1. About the BCCM

The BCCM is the peak body for Australian co-operatives, mutuals and member-owned enterprises. The BCCM represents a diverse range of enterprises operating in sectors including agriculture, finance and banking, insurance, motoring services, health services, aged care, disability employment, education, indigenous services, social housing and retail.

The BCCM advocates for recognition of the sector and for measures that create a level playing field between co-operatives and other businesses, including implementation of the recommendations of the Senate Economics References Committee report into Cooperative, mutual and member-owned firms.⁷

2. About Co-operative and Mutual Enterprises

Co-operative and mutual enterprises (CMEs) are a significant contributor to the Australian economy: 8 in 10 Australians are members of at least one CME and annual turnover of the top 100 CMEs (excluding member-owned superannuation funds) reached \$30.5 billion in FY2014/2015.⁸ Together with mutual superfunds, it is estimated that the CME sector contributes 7 per cent of GDP. There are 15 million members of CMEs in Australia.

The distinguishing feature of all CMEs, compared with other corporate entities, is that they are owned by their members and operate for member benefit. Member benefit can mean a wider range of social or non-financial benefits compared with the financial returns enjoyed by a shareholder. Membership is tied to contributing to or making use of the CME; this ensures the CME is made up of people who share its common purpose. CMEs do not provide products or services to make money, rather they exist and make money to benefit members and no other stakeholder.

Co-operatives must subscribe to the seven co-operative principles as set out by the International Co-operative Alliance, including open and voluntary membership and democratic control.⁹ In Australia, CMEs may operate under a state/territory based co-operative law (the Co-operatives National Law, except in Queensland) or under the Commonwealth Corporations Act. When operating under the Corporations Act, whether or not a CME is a co-operative will depend on whether its constitution is in line with the co-operative principles.

⁷http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Cooperatives/Report

⁸ Business Council of Co-operatives and Mutuals, National Mutual Economy Report 2016, 17.
<http://bccm.coop/wp/wp-content/uploads/2016/11/BCCM-NME-Report-2016.pdf>

⁹ <http://ica.coop/en/whats-co-op/co-operative-identity-values-principles>