



PRESS RELEASE

Senate spotlight falls on hidden economy

The Business Council of Co-operatives and Mutuals (BCCM) has welcomed the opportunity to make a submission to the Senate inquiry looking at the role that member based co-operative and mutual firms play in the Australian economy.

The inquiry, proposed by independent South Australian Senator Nick Xenophon and Victorian Nationals Senator, Bridget McKenzie, will examine the contribution of member owned and mutual businesses to the economy as well as the current operating environment.

Dr Andrew Crane, CBH Group CEO and BCCM Chairman stated “I believe that the inquiry is a wonderful opportunity to demonstrate the strength of the co-operative and mutual business model and its unique focus on the member.”

“Through the sectors submissions, we show how co-operatives and mutuals are both good for the economy and for society”, Dr Crane added.

BCCM chief executive Melina Morrison said she was pleased to see many businesses from across the economy had come forward by the Senate’s deadline for submissions yesterday.

“There are the household names like NRMA, HCF and Australian Unity as well many smaller but no less important businesses,” said Ms Morrison.

“The range of submissions reflects the diversity of the sector, which collectively counts 8 in 10 Australians as members. These members are also the part owners of the businesses, which mean they directly share in the rewards of economic activity.”

Ms Morrison said the inquiry was a long overdue look at the contribution of this under-recognised part of the economy and to examine if the regulatory and legislative settings are working for these businesses.

“There is still no nationally consistent legislative framework for co-operatives which has been adopted by all states and territories. Government data collection on these firms is inconsistent and ad hoc and the business models are still not being taught in our universities which means generation after generation of lawyers and accountants are coming out of degree programs with very limited understanding of these corporate entities.”

Ms Morrison said more than 1700 co-operatives and mutuals were operating in all areas of the economy with the collective turnover of these firms representing 7 per cent of GDP.

“Communities are increasingly turning to self-reliance and entrepreneurial responses to meet their needs. Mutual businesses offer direct solutions to local problems,” said Ms Morrison.

“The collapse in commodities prices and the ongoing effects of the global financial crisis have brought home the need for a mixed economy as a countervailing balance to corporate monoculture. The current focus on the role of small business in the economy has been important in showing the economy to be composed of and strengthened by its diverse parts. A robust mutual sector helps provide diversity across the economy aiding economic resilience.”

The inquiry will report its findings in November.



BUSINESS COUNCIL
OF CO-OPERATIVES AND MUTUALS

Notes for editors

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2. In March the Federal Senate voted to refer the role, importance, and overall performance of cooperative, mutual and member-owned firms in the Australian economy for inquiry
3. You can also receive the BCCM's news and press releases by following us on Twitter [@BCCM_AU](https://twitter.com/BCCM_AU) or signing up to our newsletters at www.bccm.coop
4. The Business Council of Co-operatives and Mutuals (BCCM) is the national peak body representing the co-operative and mutual models of enterprise in Australia. Formed in 2013, the BCCM is led by the chief executives of Australia's leading co-operative and mutual businesses and is the only organisation uniting the entire, diverse range of member owned business.