

# 2022

## National Mutual Economy Report

Incorporating the Top 100 co-operatives  
and mutuals

*Business Council of  
Co-operatives and Mutuals*

**BCCM**





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*With thanks to*  
**2022 NME Report partner**

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# About the report

## 2022 National Mutual Economy Report

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Incorporating Australia's Top 100 co-operatives and mutuals

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

This research was conducted in collaboration with the University of Western Australia and SGS Economics & Planning

For more information on the co-operative and mutual sector visit:

[www.bccm.coop](http://www.bccm.coop)

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# BCCM



This is the ninth 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 sector using the Australian Co-operative and Mutual Enterprise Index (ACMEI), which started in 2012 with the first national data collection taking place in 2014.

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

SGS Economics & Planning, an employee-owned urban policy and public policy consultancy and BCCM Member, has provided vital contributions as research partner. Using input-output modelling SGS has assessed the CME sector's contributions to community investment and presented this year's Regional Industry Impact Study on customer-owned banking in the Hunter region of New South Wales.

Despite representing some of the largest businesses in their sectors and being found across a range of industries, the overall size, structure and contribution of the CME sector in Australia is relatively unknown. This report is designed to address the lack of available data and difficulties in defining which firms should be identified as CMEs.

For this year's report on the ACMEI, see Mazzarol, T. (2022), *Australia's Leading Co-operative and Mutual Enterprises in 2022*, CEMI Discussion Paper Series, DP 2201, Centre for Entrepreneurial Management and Innovation.

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

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## Acknowledgements

The 2022 National Mutual Economy Report (NME 2022) was produced thanks to sponsorship by HCF, research by the University of Western Australia and SGS Economics & Planning and the input of several CMEs.

From the University of Western Australia, we would like to thank Professor Tim Mazzarol. For their contributions to this year's report, we extend our appreciation to Thomas Walker, Helen Mok and Andrew McDougall from SGS Economics & Planning.

We would also like to acknowledge BCCM research and policy team Anthony Taylor and Karl Coombe for their work on this year's NME.

# About the BCCM

The Business Council of Co-operatives and Mutuals (BCCM) is the national industry peak body and the voice for Australia's co-operative, mutual and member-owned enterprises.

It is a member-funded and driven organisation representing co-operatives and mutuals across all industries. The Council's 101 members represent more than 11 million members including 60,000 businesses combined.

The BCCM is an industry-led association that has achieved many firsts for the co-operative and mutual business community in Australia, including a unique set of best practice governance principles for CMEs and the world-first Mutual Value Measurement (MVM) Framework© allowing CMEs to measure and communicate their total positive impact.

The BCCM is a leader in growing the Australian CME sector, establishing the BCCM Co-operative Development Fund, launched in 2022, to provide grant assistance for new and developing co-operatives and as a driving force behind the passing of the Treasury Laws Amendment (Mutual Reforms) Act 2019, which provided for Mutual Capital Instruments (MCIs), a new bespoke capital instrument for mutual entities, that allows CMEs to issue investment capital without demutualising.

*“Australian CMEs not only held steady throughout the pandemic, but have rebounded strongly on the back of their purpose-driven ethos and putting members first.”*

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Melina Morrison

# Executive summary

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## Melina Morrison

Chief Executive Officer, Business Council of Co-operatives and Mutuals

The ninth annual National Mutual Economy (NME) Report, incorporating the Top 100 list, provides unassailable evidence of the resilience of co-ops and mutuals in times of crisis.

In FY2020–21, Australia's co-operative and mutual enterprises (CMEs) continued to deliver value to members and support Australian communities against the backdrop of natural disasters and the unfolding challenges of the COVID-19 pandemic. Taken as a whole, Australian CMEs, not only held steady throughout the pandemic, but have rebounded strongly on the back of their purpose-driven ethos and putting members first.

The combined turnover of the Top 100 CMEs was \$34.38 billion, representing a 10 per cent increase in revenue over the previous year. Co-ops and mutuals recovered well compared to the previous year, particularly across the agribusiness, motoring and financial services industries.

Our spotlight analysis with the annual Regional Industry Impact Study (p. 20), examines the substantial economic impact of mutual banks in the Hunter region in New South Wales. The region's three mutual banks, Newcastle Permanent, Greater Bank and The Mutual Bank, support over 3,300 full time jobs, generate \$888 million in regional income, and add \$666 million of value to the local economy.

As we continue to face the challenges of a long COVID recovery, we have studied the vital contributions that support communities through times of hardship. For the first time, we have sought to measure the broad community investment contributions of CMEs to Australian communities (Chapter 2).

Data collected from 67 leading CMEs reveals 9.4 per cent of after-tax surpluses are reinvested to support community investment projects in various areas such as education, health and welfare. Case studies of RAA,

HIF and CBH Group show how the seventh co-operative principle of "concern for community" helps to build long term bonds and reciprocity, and promotes the values of social responsibility, openness, mutual aid and care for others.

In CMEs, "concern for community" includes a commitment to inclusion. Five years on from *Eliza's Project*, our seminal report on gender inclusion in the Australian CME sector, the data shows a strong improvement in the number of female CEOs and chairs among the Top 100 CMEs (Chapter 3). The number of women CEOs had increased to 17 per cent and women chairs had risen to 21 per cent from 15 per cent previously.

In light of the ongoing health crisis, the report includes two case studies of co-ops and mutuals in health and social care: Kudos Services (Chapter 4) and UFS Dispensaries (Chapter 5). Kudos, established in 2018, is a new and innovative model of worker-owned social care, while UFS, founded in 1880, has a proud history, committed to the health and well-being of its members and their Victorian communities. Both case studies are living examples of CMEs on the health front line, as they rise to meet the needs of their members in changing times.

The 2022 NME Report is supported by leading health care mutual, HCF, and is a research collaboration between the BCCM, the University of Western Australia and SGS Economics & Planning.

The continued support and contribution of Australian co-operatives and mutuals to the collection of qualitative and quantitative data is at the core of the sustained success of this important research.

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Thank you for your co-operation.



# Chapter one

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# Sector snapshot



# The contribution of the CME sector to the Australian economy

CMEs play a vital and quantifiable role locally and internationally.

There are more than



**1,832**

active CMEs  
in Australia



CMEs have a combined active membership of more than

**31.7M**

Australia's CMEs have a combined turnover of more than

**\$203B**

(including superannuation funds)

Australia's **largest** co-operative 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*



Australia's CMEs combined have more than

*\$1.28 trillion*

in gross assets

Total gross revenue of  
the Top 100 CMEs is

*\$34.39  
billion*

(excluding superannuation funds)

CMEs directly employ at least

*76,000 people*

in Australia



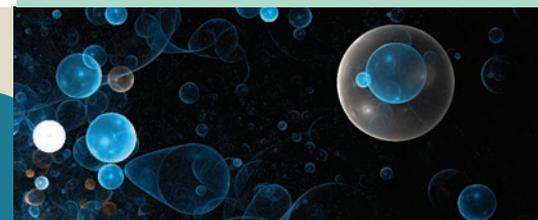
More than

*12%*

of humanity  
are members  
of at least one  
of the world's

*3 million*  
co-operatives

International Co-operative Alliance, web page  
on co-operatives facts and figures, retrieved 3  
March 2022. <[https://www.ica.coop/en/  
cooperatives/facts-and-figures](https://www.ica.coop/en/cooperatives/facts-and-figures)>



The Top 300 CMEs  
**globally** have a total  
turnover of more than

*\$US2.18  
trillion*

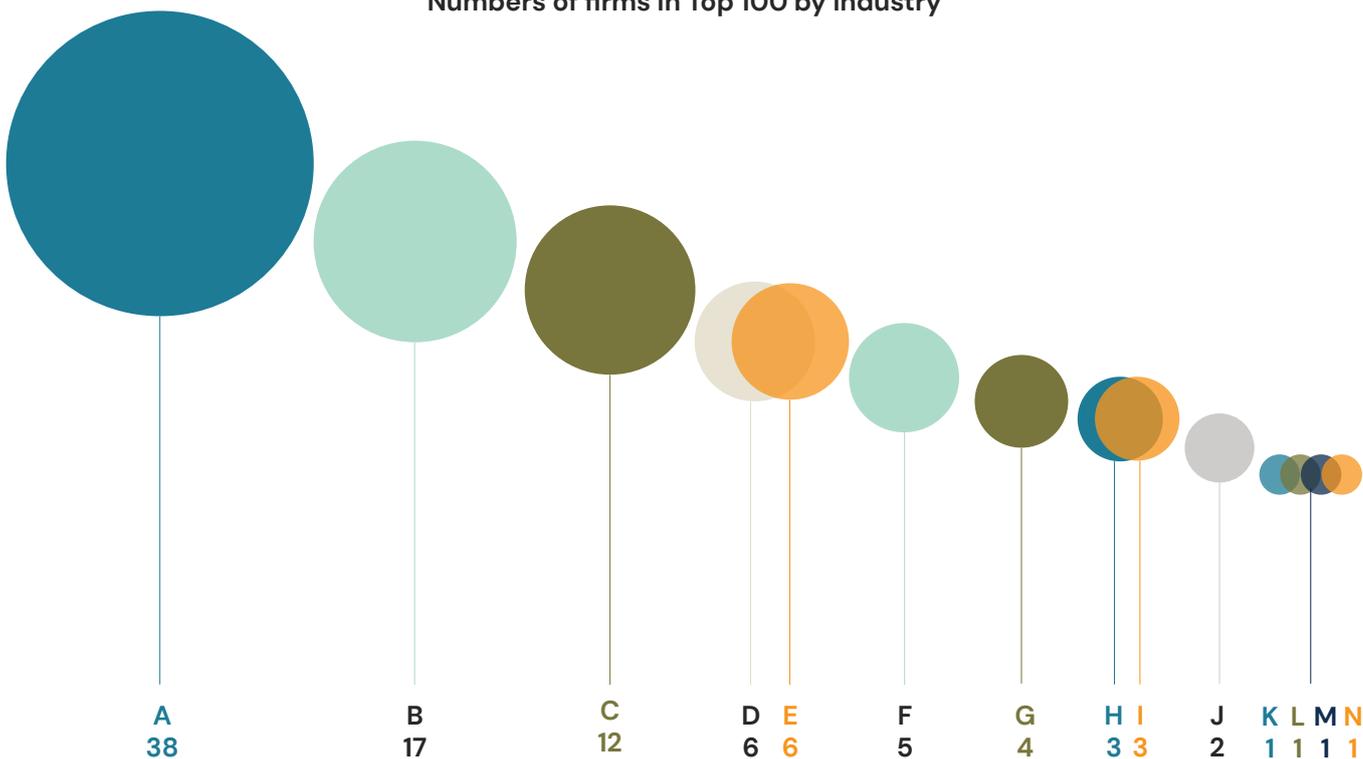
\*International Co-operative Alliance and  
Euricse, World Co-operative Monitor 2021:  
Exploring the cooperative economy, Report  
2021, retrieved 3 March 2022. <[https://monitor.  
coop/sites/default/files/2022-01/  
WCM\\_2021\\_0.pdf](https://monitor.coop/sites/default/files/2022-01/WCM_2021_0.pdf)>

# Economic impact by industry

## Australia's Top 100 CMEs in FY2020–21 (excluding superannuation funds)

For a list of the Top 100 CMEs in Australia by assets and turnover, including the superannuation industry, see Appendices A, B, C and D.

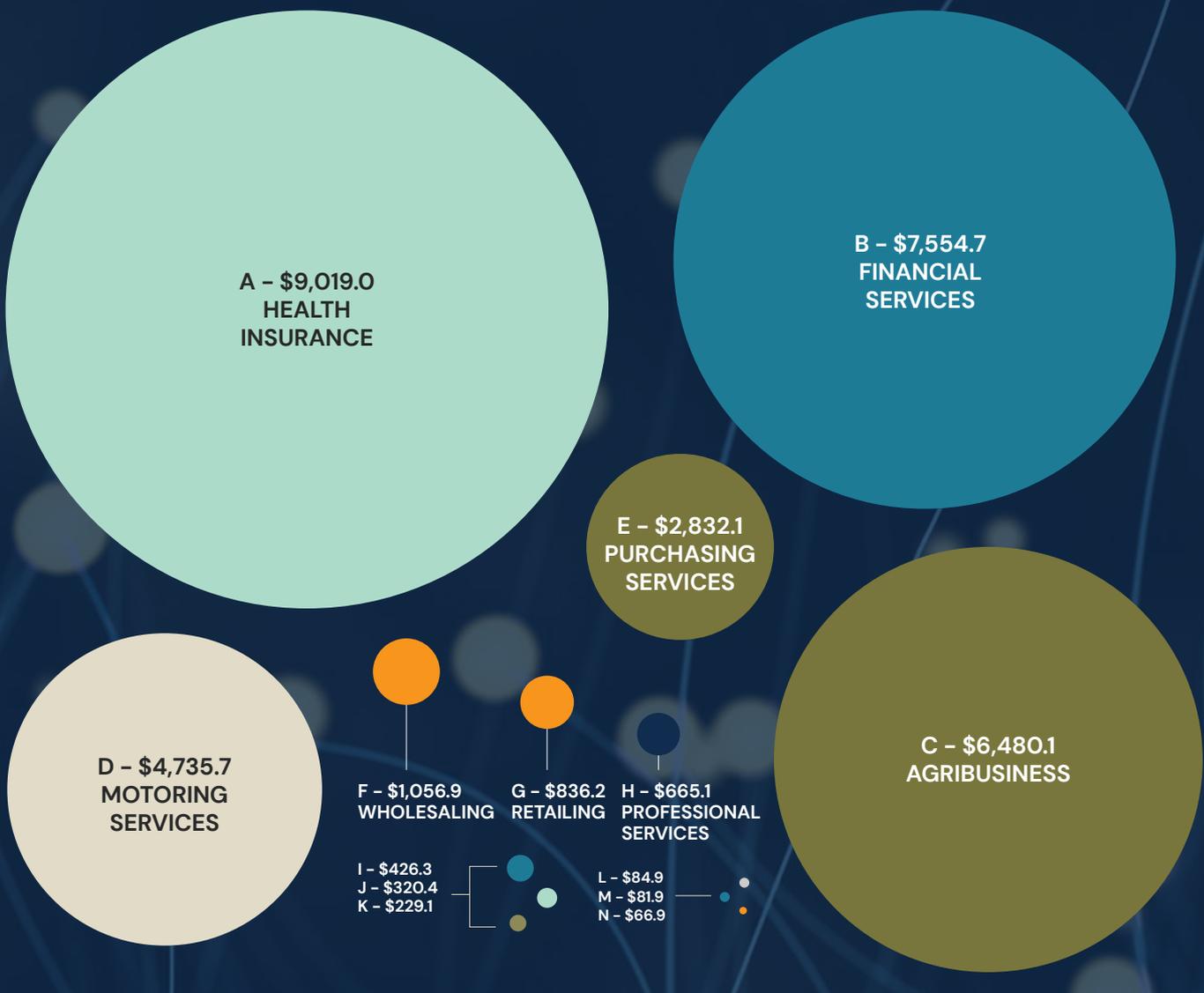
Numbers of firms in Top 100 by industry



|   |                                   |    |
|---|-----------------------------------|----|
| A | Financial Services                | 38 |
| B | Health Insurance                  | 17 |
| C | Agribusiness                      | 12 |
| D | Motoring Services                 | 6  |
| E | Retailing                         | 6  |
| F | Medical Services                  | 5  |
| G | Purchasing Services               | 4  |
| H | Health Services                   | 3  |
| I | Wholesaling                       | 3  |
| J | Utilities                         | 2  |
| K | Education, Training and Childcare | 1  |
| L | Fishing                           | 1  |
| M | Professional Services             | 1  |
| N | Sports and Recreation             | 1  |

## Turnover of firms in Top 100 by industry turnover (AUD \$ mil)

|   |                                   |         |
|---|-----------------------------------|---------|
| A | Health Insurance                  | 9,019.0 |
| B | Financial Services                | 7,554.7 |
| C | Agribusiness                      | 6,480.1 |
| D | Motoring Services                 | 4,735.7 |
| E | Purchasing Services               | 2,832.1 |
| F | Wholesaling                       | 1,056.9 |
| G | Retailing                         | 836.2   |
| H | Professional Services             | 665.1   |
| I | Health Services                   | 426.3   |
| J | Medical Services                  | 320.4   |
| K | Fishing                           | 229.1   |
| L | Utilities                         | 84.9    |
| M | Education, Training and Childcare | 81.9    |
| N | Sports and Recreation             | 66.9    |



# Economic impact by industry

## Top 10 CMEs

### Top 10 CMEs by **turnover** in FY2020-21

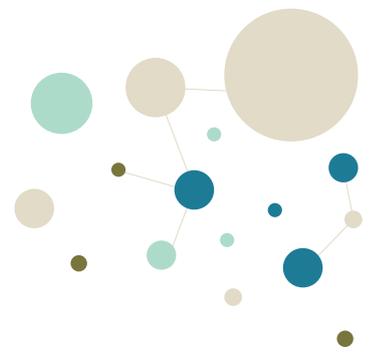
(excluding superannuation funds)

| RANK | CME                        | STATE | TURNOVER       |
|------|----------------------------|-------|----------------|
| 1    | CBH Group                  | WA    | \$3.99 billion |
| 2    | HCF                        | NSW   | \$3.34 billion |
| 3    | Capricorn Society          | WA    | \$2.59 billion |
| 4    | RACQ                       | QLD   | \$1.82 billion |
| 5    | HBF Health                 | WA    | \$1.73 billion |
| 6    | Australian Unity           | VIC   | \$1.71 billion |
| 7    | RAC WA                     | WA    | \$1.07 billion |
| 8    | Teachers Federation Health | NSW   | \$836 million  |
| 9    | RACV                       | VIC   | \$685 million  |
| 10   | GMHBA                      | VIC   | \$675 million  |

### Top 10 CMEs by **membership** in FY2020-21

(including superannuation funds)

| RANK | CME   | STATE | MEMBERS      |
|------|---|-------|--------------|
| 1    | NRMA  | NSW   | 2.72 million |
| 2    | Australian Super                              | VIC   | 2.47 million |
| 3    | RACV  | VIC   | 2.18 million |
| 4    | Retail Employees' Superannuation Trust (REST) | NSW   | 1.80 million |
| 5    | RACQ  | QLD   | 1.77 million |
| 6    | HCF   | NSW   | 1.75 million |
| 7    | Sunsuper                                      | QLD   | 1.38 million |
| 8    | HOSTPLUS                                      | VIC   | 1.30 million |
| 9    | RAC WA  | WA    | 1.19 million |
| 10   | Aware Super                                   | NSW   | 1.10 million |



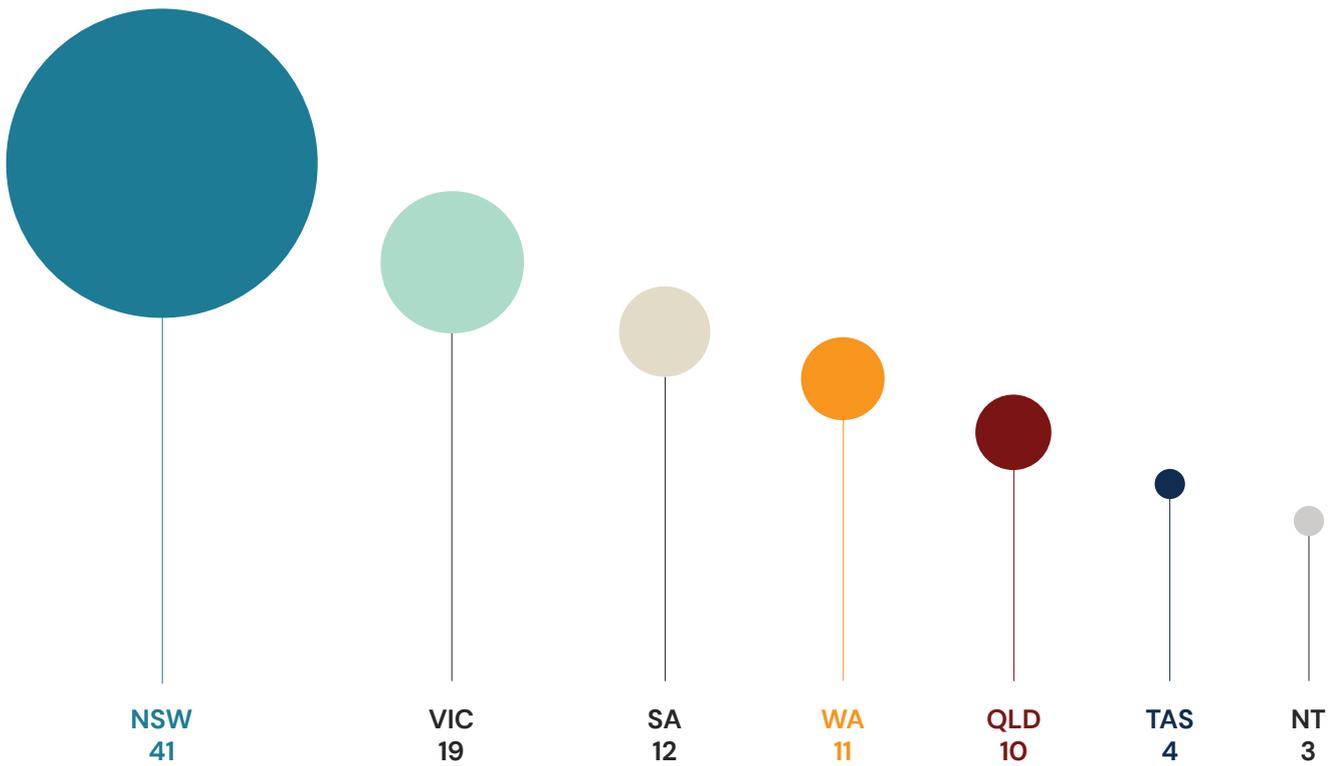
Top 10 CMEs by **assets** in FY2020-21  
(excluding superannuation funds)

| RANK | CME                          | STATE | ASSETS          |
|------|------------------------------|-------|-----------------|
| 1    | Great Southern Bank          | QLD   | \$16.3 billion  |
| 2    | Newcastle Permanent          | NSW   | \$13.7 billion  |
| 3    | Heritage Bank                | QLD   | \$11.94 billion |
| 4    | Teachers Mutual Bank         | NSW   | \$9.76 billion  |
| 5    | People's Choice Credit Union | SA    | \$9.67 billion  |
| 6    | Bank Australia               | VIC   | \$8.47 billion  |
| 7    | Greater Bank                 | NSW   | \$8.07 billion  |
| 8    | Beyond Bank Australia        | SA    | \$7.76 billion  |
| 9    | IMB Bank                     | NSW   | \$6.96 billion  |
| 10   | P&N Bank                     | WA    | \$6.93 billion  |

# Economic impact by industry

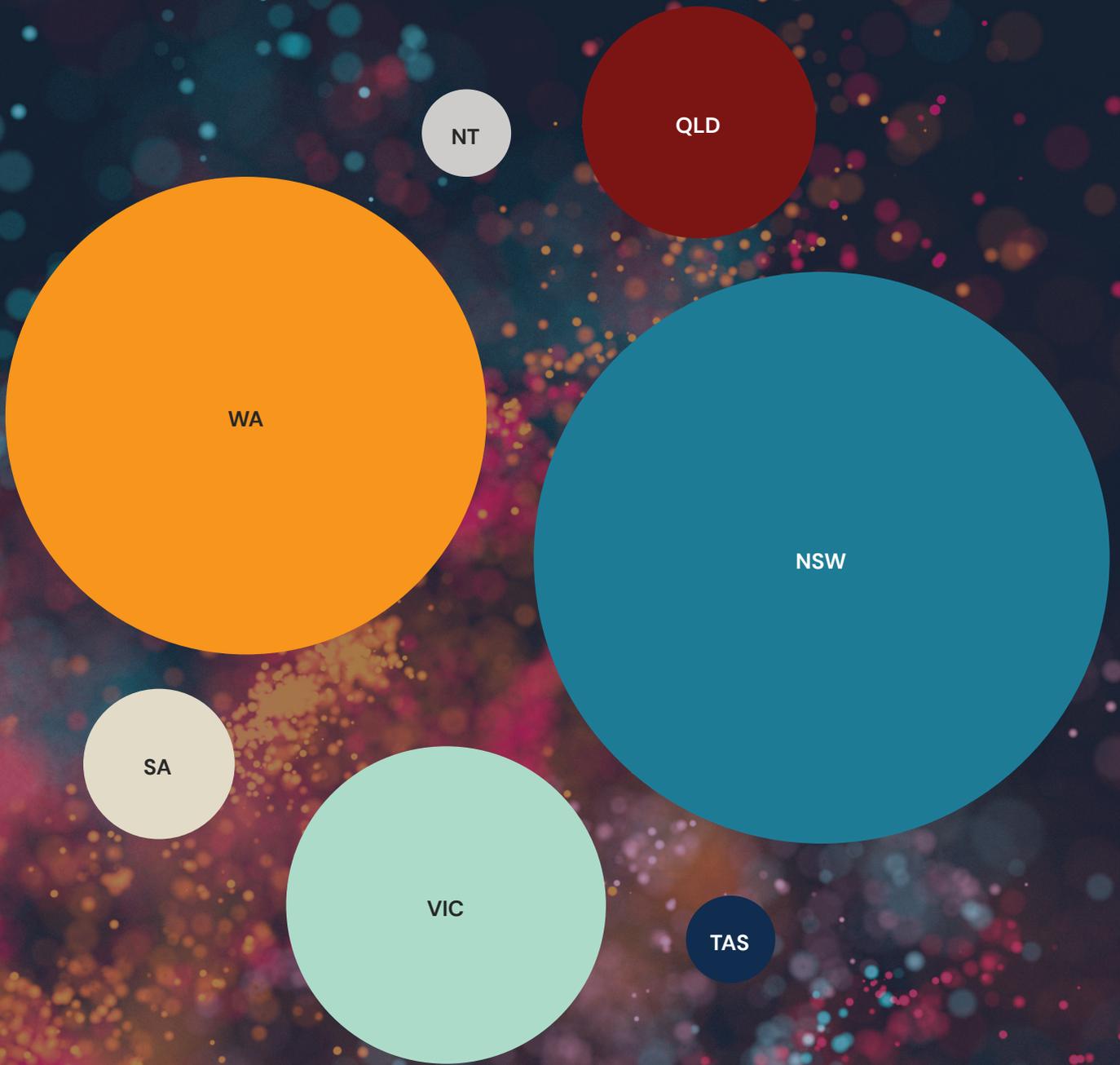
Australia's Top 100 CMEs in FY2020-21 by State and Territory (excluding superannuation funds)

Number of Top 100 firms by State and Territory



|                    |    |
|--------------------|----|
| New South Wales    | 41 |
| Victoria           | 19 |
| South Australia    | 12 |
| Western Australia  | 11 |
| Queensland         | 10 |
| Tasmania           | 4  |
| Northern Territory | 3  |

## Share of turnover of Top 100 firms by State and Territory



|                    |     |
|--------------------|-----|
| New South Wales    | 34% |
| Western Australia  | 31% |
| Victoria           | 16% |
| Queensland         | 10% |
| South Australia    | 7%  |
| Northern Territory | 1%  |
| Tasmania           | 1%  |

# The financial performance of the Top 100 CMEs

Data collected from the FY2020–21 period reflects both the resilience of CMEs and the challenges of an economic landscape impacted by the continuing COVID–19 pandemic. The year witnessed the lifting of lockdowns and an increase in trade and movement, but continued supply chain disruptions, inflation of input costs and tightened labour markets. Despite the challenges, the sector remained resilient and rebounded strongly from the results from the previous year.

This year’s study found a total of 1,832 active co-operative and mutual enterprises operated throughout Australia. These firms had a combined active membership base of more than 31.7 million memberships<sup>1</sup>, generated over \$202.9 billion in revenue, managed over \$1.28 trillion in assets, and directly employed at least 73,069 people. The total number of active CMEs has decreased slightly since 2019 reflecting factors related to tracking and identification, and a wave of mergers and consolidation that has resulted in larger enterprises though smaller in overall number.

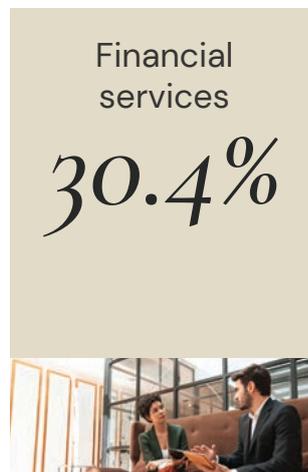
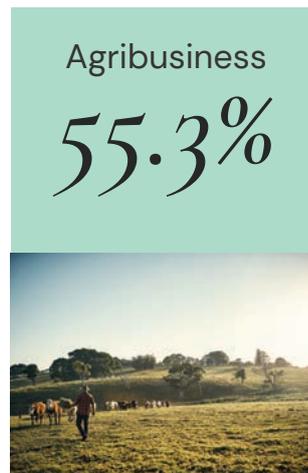
The combined annual turnover for the Top 100 Australian CMEs (excluding member-owned superannuation funds) for FY2020–21 was \$34.39 billion with combined assets of around \$181 billion.

This result presented a 10.1 per cent increase in gross annual Top 100 turnover compared to the previous year, which witnessed the first contraction in combined turnover since 2014. This outcome likewise saw an improvement in the Top 100 five-year trend, reporting a 5.2 per cent increase in median turnover. In line with this outcome, gross Top 100 assets also continued to display relatively strong growth with a 7.9 per cent improvement on the previous year.

Unsurprisingly, during FY2019–20 at the height of the COVID–19 crisis profitability measures fell significantly. During FY2020–21, however, the Australian economy experienced a strong rebound with growing exports, steady domestic consumption and increasing household savings.

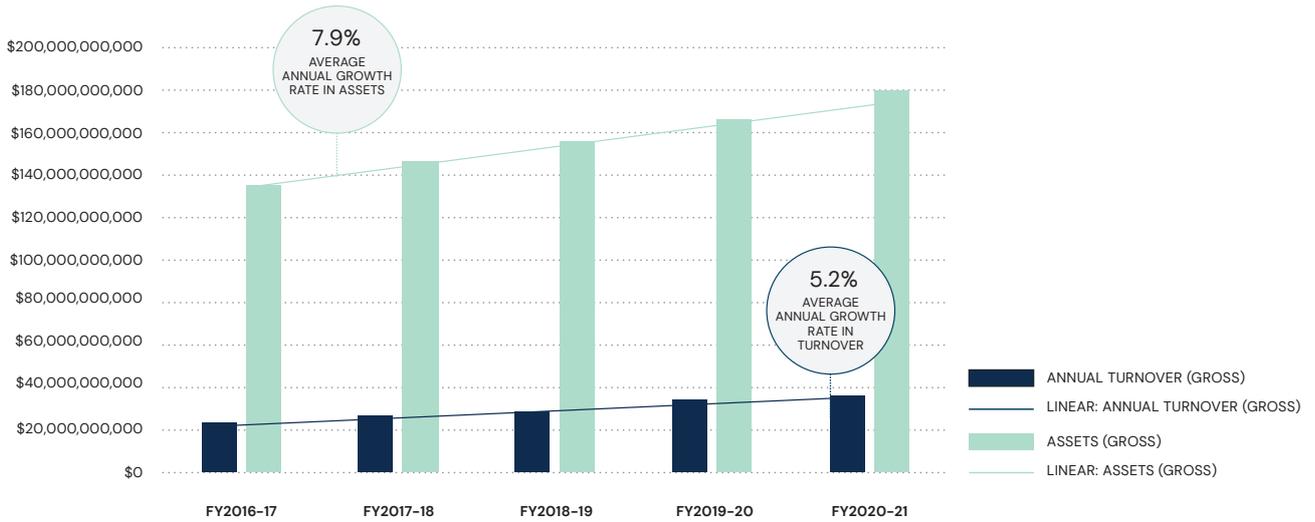
These conditions are reflected in the dramatic increase in profitability of the Top 100 CMEs recording an Average Annual Rate of growth (AAR) in median EBIT (earnings before interest and tax) of 28.7 per cent over the five – year trend. A comparison across industries, however, continues to demonstrate the uneven character of the disruption. Significant increases in profitability for agribusiness co-operatives, mobility mutuals and financial services are juxtaposed by the performance of health insurance mutuals still experiencing volatility after two years of the ongoing health crisis.

## Median rate of EBIT growth: Five-year trend



<sup>1</sup>The term “memberships” refers to multiple memberships held by both individuals and organisations within these member-owned and focused enterprises.

## Top 100 CMEs annual (gross) turnover and assets five-year trend



## The long-term financial performance of member-owned superannuation funds

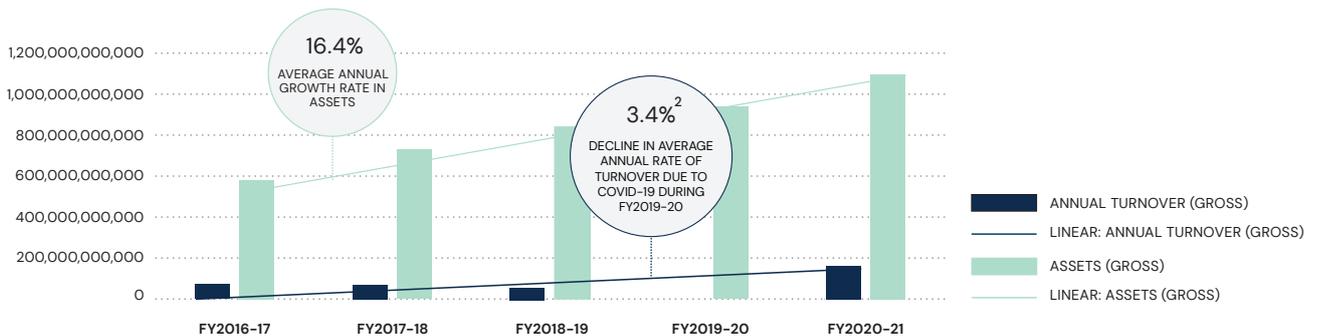
*“More and more we’re going to be looking to co-operatives and mutuals] to provide solutions to the biggest existential threat that the world faces in climate change in the future.”*

The Hon Matt Thistlethwaite MP  
(BCCM Resilience Dinner, 2022)

The 34 member-owned industry superannuation funds saw a significant rebound in their gross annual revenue and profitability following a significant downturn in both during FY2019-20. The pandemic impacted the Australian economy, the financial markets and generated significant unemployment, all resulting in a significant loss of superannuation contributions and investment income.

The sector continues to witness strong development with the five-year trend reporting 16.4 per cent growth in assets. Yet despite the FY2020-21 rebound in revenues, the five-year turnover trend continues to reflect the sluggish movement of recent years reflecting wider economic trends and compounded by the COVID-19 pandemic.

## Superannuation funds annual (gross) turnover and assets five-year trend



<sup>2</sup> The decline of -3.4% reflects the Average Annual Rate (AAR) turnover, while the trend line reflects the overall growth rate in turnover, which saw the sector recover strongly from FY2019-20 to FY2020-21.

# Regional industry impact study

## The contributions of the mutual banking sector in the Hunter

Research was conducted to determine the wider economic impacts of a cluster of financial services mutuals based in the Hunter region of New South Wales. The businesses in the cluster include:



Newcastle Permanent Building Society Limited



Greater Bank Limited<sup>3</sup>



Maitland Mutual Limited (The Mutual Bank)

### Economic Impact Results (2021)

SGS assessed the economic impact of these CMEs in 2021 in the Hunter Valley economy. The results of the economic impact modelling are expressed in terms of regional income, value added and full-time equivalent employment<sup>4</sup>. The results of the modelling process are tabulated in the following table.

|   | Hunter Valley impacts |
|---|-----------------------|
| <b>Total stimulus</b>                         |                       |
| Turnover (\$M)                                | \$591.8               |
| Capital expenditures (\$M)                    | \$11.4                |
| Sponsorship and community contributions (\$M) | \$11.4                |
| <b>Direct economic impacts</b>                |                       |
| Income (\$M)                                  | \$603.2               |
| Value added (\$M)                             | \$502.6               |
| Employment (FTE)                              | 1,568                 |
| <b>Indirect impacts</b>                       |                       |
| Income (\$M)                                  | \$285.0               |
| Value added (\$M)                             | \$163.4               |
| Employment (FTE)                              | 1,779                 |
| <b>Total impacts</b>                          |                       |
| Income (\$M)                                  | \$888.2               |
| Value added (\$M)                             | \$666.0               |
| Employment (FTE)                              | 3,347                 |

\*Note: FTE means Full Time Equivalent

Source: SGS Economics & Planning  
For methodology see Appendix F

<sup>3</sup> Please note that at time of writing Newcastle Permanent and Greater Bank have endorsed a proposal to merge as a single, successful mutual bank.

<sup>4</sup> Value added equals income (or revenues) less the value of intermediate goods and services purchased in the production process. Value added also broadly equates with the wages, salaries and profits supported in the production process.



In total, the Hunter-based CME financial services sector:

Generates

**\$888  
million**

in regional income  
(revenue)

Adds

**\$666  
million**

of value to the local  
Hunter Valley economy

Supports over

**3,300**

full time jobs



## Chapter two

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# Co-operatives and mutuals: Investing in community

Co-operatives and mutuals emerge from and are deeply rooted in the communities where they do business. They understand that their success and the success of their members is based on their ability to support and nurture those communities to develop in a sustainable way.

“Concern for community” is a cornerstone of co-operative and mutual values and is the seventh international co-operative principle. The statement, “Co-operatives work for the sustainable development of their communities through policies approved by their members,” challenges all co-ops to uphold a commitment to both meet the needs of their members and benefit the communities within which they operate.

Despite their commitment and ongoing support, the ways and the extent to which Australia’s co-ops and mutuals contribute, through their community investment, is not well understood and remains under recognised. For many co-ops and mutuals, investing in community is so imbued in their normal activities, so completely a part of their DNA, it often goes unrecognised even by themselves. This leaves the contributions of co-ops underappreciated. As part of the BCCM’s ongoing work to make these contributions visible, we have partnered with SGS Economics and Planning to help measure and shed light on the vital ways the co-operative and mutual sector invests in Australia’s communities.



# Measuring community investment

Research has been conducted to reveal the quantitative and qualitative dimensions of the community investment contributions of the co-operative and mutual enterprise (CME) sector.

CMEs engage in activities that can positively impact society every day. They create wealth and jobs, pay taxes, deliver goods and services or drive innovation. These things are essential and play a significant role in Australia's local economies.

Corporate Social Responsibility (CSR) or sustainability activities such as using less energy, protecting the health and safety of employees, or enabling access to services or products to disabled or other disadvantaged people are part of the core business activities of a socially responsible organisation.

Over and above these activities, companies can contribute to community-based organisations and groups or engage in activities to help address a range of broader issues and causes including education, health, economic development and inequality, environment and climate change, and arts and culture. These specific voluntary investments in the communities where CMEs do business is broadly what is meant by "community investment".

Using data from a representative sample of CMEs, through economic modelling and case studies, the CME sector's community investment across the following dimensions has been estimated:

- **Total aggregated contributions**  
(cash donations, time, in-kind and other supports)
- **Target issues**  
(contributions disaggregated across health, environment, social welfare, etc.)

## Process

1

The BCCM collected data to establish the quantitative measures for the input and output of community investment contributions made by sampled CMEs.

2

The economic modelling used by SGS was utilised to approximate the broader performance of the CME sector disaggregated across dimensions of target issues and beneficiaries.

3

Having achieved an appreciation of the sector-wide performance, case studies (and available industry indices) were used to develop qualitative expressions of the CME sector's contributions.

# CME sector community investment contributions in Australia

## Direct community investment contributions

The CME sector contributes significant amounts to Australian communities each year.

These contributions include:



**Cash contributions,** which are made directly to community organisations or activities.



**Contributed labour,** which are the paid working hours contributed by employees to a community organisation or activity.



**In-kind contributions,** which include donations of the company's products or services or other corporate resources such as IT equipment, furniture, meeting rooms or other spaces.



**Management contributions,** which are the contributions from other sources (employees, partner organisations) enabled by CMEs.

The table below summarises the direct community investment contributions revealed in a survey of 250 leading CMEs. Not all CMEs responded to the survey, so the amounts can be considered a significant undercount of the community investments made by CMEs.

**CME sector community investment contributions**

| Investment type                   | Amount         | Median per CME         | Share of NPAT <sup>5</sup> | Notes                    |
|-----------------------------------|----------------|------------------------|----------------------------|--------------------------|
| • <b>Cash contributions</b>       | \$58.3 million | \$107,000 <sup>6</sup> | 9.4%                       | 67 CMEs reporting of 250 |
| • <b>Contributed labour time</b>  | \$6.5 million  | \$20,000               | 1.0%                       | 23 CMEs reporting        |
| • <b>In-kind contributions</b>    | \$1.4 million  | \$17,000               | 0.5%                       | 19 CMEs reporting        |
| • <b>Management contributions</b> | \$17.4 million | \$79,000               | 5.6%                       | 13 CMEs reporting        |

Source: BCCM community investment survey

<sup>5</sup> Net profit after tax

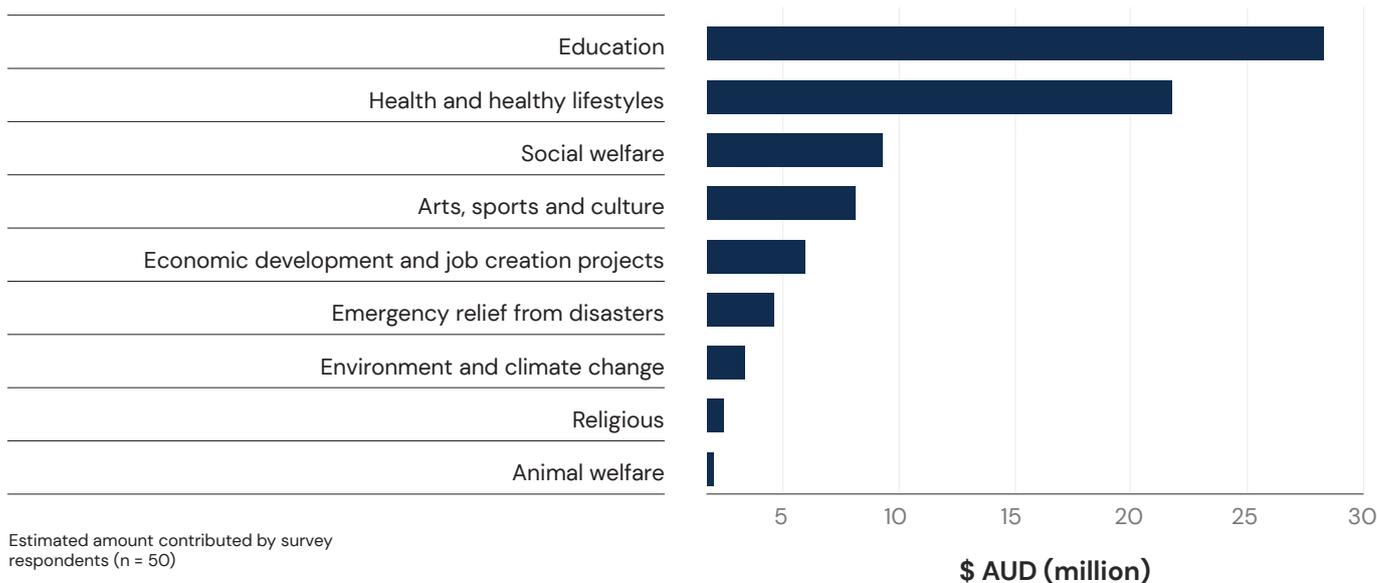
<sup>6</sup> Average amount is \$870,000, inflated by several large contributors

# Community investment contributions by target issue

CMEs in Australia make community contributions across a broad spectrum of issues, often aligned with their individual missions.

Target issues for CME community investment are summarised in the chart below, which shows an estimate of the amount contributed by issue by the 50 CMEs who responded to this part of the survey.

Issues of focus for CME community investment



The two leading issues for community investment are:

## *Education*

which includes road safety campaigns, youth programs and direct support for schools or training organisations

## *Health and healthy lifestyles*

and organisations that support positive health outcomes in the community (including the Cancer Council, Beyond Blue, Movember, etc)

Other community contributions include supporting those in need and facing hardship (social welfare) and arts, culture and heritage causes, including direct sponsorships of local sports teams and arts organisations.

Next in estimated value are contributions to activities that promote economic development. For example, 90 per cent of the Geraldton Fishermen’s Co-operative’s contributions are linked to driving visitation to the region and supporting

key tourism-focused activities aimed at ultimately delivering economic benefit to local businesses. Emergency relief efforts and contributions towards environment and climate change then follow.

A small number of CMEs also reported contributions to religious organisations and animal welfare as a focus. Many of the CMEs with an animal welfare focus have a strong connection to agriculture and regional Australia.

*“Mutuals and co-operatives  
make a huge contribution to  
the Australian community  
that’s hiding in plain sight.”*

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Melina Morrison  
CEO, BCCM

# Community investment case studies – RAA



*“Better for members, better for our community.”*

RAA  
Purpose Statement

## Royal Automobile Association (RAA)

The RAA was founded in 1903 as a member-owned motor club to assist members with car maintenance and repairs, and to act as advocates for South Australian motorists. Since first forming, RAA has expanded its operations across home, motor and tourism insurance services and now serves over half of SA’s adult population. Community investment is a core part of RAA’s mission.

RAA’s ethos is embedded in its new company purpose statement “Better for members, better for our community”. Community is also ingrained across RAA’s four core values of “champion the member”, “think beyond”, “on the same side” and “do the right thing”. Due to its wide reach across SA, RAA can deliver social good across the whole state.

RAA’s extensive community investment contributions include:



## RAA success stories

RAA will continue to strive towards achieving better outcomes for the community. RAA plans to use the BCCM's network to share ideas and understand how to optimise community investment.

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### RAA to create SA's first electric vehicle (EV) charging network



In February 2022, the RAA won a State Government grant of \$12 million to create a state-wide network of EV charging points along highways and in regional cities, tourist destinations and Adelaide's suburbs.

Over the next two years, with partner Chargefox, RAA will be installing 536 EV charging points at 140 new locations to create the state's first EV charging network. More than three-quarters of the new charge points will be in regional SA.

As a mutual organisation representing more than 780,000 members, RAA is well placed to understand drivers' needs and concerns and the barriers to the uptake of new technologies. RAA applied for the grant to facilitate the uptake of EVs, promote SA tourism and reduce greenhouse gases. RAA is committed to sustainability, a greener future and enhancing the future of South Australia.

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### Foodbank SA



Photo: Sven Kovac

During 2020-21, RAA completed a first full year of a partnership with Foodbank SA. The RAA Foodbank Mobile Food Hub distributed more than 116,370 meals to people in need.

The RAA Food Drive, which ran for a week in RAA shops and shopping centres throughout metropolitan Adelaide, saw RAA collect an incredible 311 kilograms of food donations. The Mobile Food Hub also received 13,000 meal donations through its pop-up locations, and \$6,300 in donations from community members. More than 5,200 people received food support thanks to RAA.

According to an independent study, Foodbank's food support not only addressed people's immediate nutrition needs but also contributed to improvements in their health, emotional well-being, sense of self-worth, social relationships and overall standard of living.

Combined with the environmental savings of food not going to waste, the benefit to supported individuals and the broader community that flows from every kilogram of food distributed by Foodbank is valued at \$23. Foodbank SA has calculated the social rate of return of RAA's 2020-21 contribution to be more than \$1.3 million.

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# Community investment case studies – HIF



*“HIF believes that surpluses should also be invested to improve future life outcomes and looks to expand support of different treatment offerings, particularly prevention and alternative therapies.”*

HIF

## Health Insurance Fund of Australia (HIF)

HIF is a not-for-profit health insurance fund that works to deliver better health outcomes for its members across health, pet and travel services. HIF holds the title of Australia’s first carbon-neutral health fund.

Choice, access and value are embedded in HIF’s philosophy and set it apart from traditional profit-run health funds. As a not-for-profit, HIF can return surpluses to customers through lower premiums and increased rebates, reflecting its member-owned status.

HIF believes that surpluses should also be invested to improve future life outcomes and looks to expand support of different treatment offerings, particularly prevention and alternative therapies. Prevention is typically underfunded and ignored by other private insurers which are pressured to control costs, potentially undercutting members’ future quality of life.

HIF invests in emerging therapies including medicinal cannabis, clinical trial drugs for PTSD, eating disorder treatments and treatment for general mental ill-health emerging post-COVID. HIF has also contributed \$250,000 towards the research and development of sleep treatments, recognising that sleep plays a prominent role in physical and mental health.

HIF’s extensive community contributions also include:

Donations worth nearly

**\$700,000**

for St John Ambulance, Australian Medical Association, Little Green Pharma, The Perth Wildcats and more



**\$6.2 million**

of in-kind contributions, comprised of deferred premium increases, policy suspensions and mental health navigators

Photo: Michael Farnell, Sports Imagery



## Waalitj hub traineeships

provided to support job pathways through HIF internships

### Social welfare

which includes donations, paid volunteer and community service leave for employees and paid internships

Investment in education, through a partnership with Little Green Pharma in a world-first quality of life research study to build the

*credibility of cannabis treatments*

## HIF success story

### Partnership with Australian Medical Association



HIF has partnered with the Australian Medical Association, WA's peak medical body, to supply RATs to members at a fair price as COVID-19 persists. It is a first of its kind, national partnership that will provide better accessibility to its members through more avenues.

*“It's great to be working with HIF to increase accessibility of much-needed COVID-19 supplies. We feel this will be crucial when WA's case load increases, providing an easily accessible option for members to obtain these tests.”*

Dr Bennie Ng  
CEO, AMA WA

<sup>7</sup> Insurance Business Australia (2022): HIF enters a first-of-its-kind national partnership with AMA WA (<https://www.insurancebusinessmag.com/au/news/breaking-news/hif-enters-a-firstofitskind-national-partnership-with-ama-wa-325764.aspx>.)

# Community investment case studies – CBH Group



## CBH Group

*“To sustainably create and return value to WA grain growers, current and future.”*

### CBH Group Objective

CBH Group is Australia’s largest co-operative, owned and controlled by approximately 3,700 member grain growing businesses. CBH Group operations extend throughout the grain value chain, from fertilisers to storage and handling, marketing and trading.

CBH’s core objective is to “sustainably create and return value to WA grain growers, current and future”. As a co-operative, CBH recognises the importance of investing in and contributing back to the communities where their employees and members live, socialise and access services.

CBH’s extensive community contributions in 2020–21 included:

**\$248,000**

towards

*Growers –  
Harvest Mass  
Management*

In this program,  
grain transporters  
whose trucks are  
unintentionally  
overloaded  
contribute

the grain to a charitable fund. Growers appreciate that the money raised is supporting their communities



Donations valued at

**\$564,000**

invested in delivering better regional health outcomes, including Lifeline, Mental Health Fellowship WA, Youth Focus, Black Dog Institute and more

**\$306,000**

towards  
regional capacity  
building

including Growers Group Alliance, Clontarf and other leadership education programs

Emergency relief funds of

**\$100,000**

delivered to communities impacted by Cyclone Seroja



CBH will continue to focus on capacity building in future, aiming to support existing and emerging leaders in grain growing communities. Leadership programs equip individuals with the skills, knowledge and confidence needed to take on leadership positions in their local communities and grain industries. CBH has also created two new roles internally to better deliver its community investment funds in response to community needs.

## CBH Group success story

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### Regional mental health

CBH is committed to supporting the health of its growers and their communities. Mental illness and suicide take a severe toll on communities, and CBH is committed to being part of a conversation that improves this situation.

Following a successful five-year program with the Black Dog Institute (2015–2020), CBH is now expanding its mental health programs. CBH is joining forces with four leading mental health service organisations (Lifeline, Youth Focus, Mental Illness Fellowship WA and Black Dog Institute) in a new three-year \$600,000 partnership, with the explicit aim of improving the mental health of Western Australia's regional communities.



*ELIZA'S PROJECT:*

*Gender inclusion  
in Australia's  
co-operatives  
and mutuals –  
five years on*





In 2016

only  
3%

of the Top 100 CMEs had a  
woman CEO

In 2021

17%

of the Top 100 CMEs had a  
woman CEO

It has been over 100 years since the first International Working Women's Day in 1911. Significant progress has been made, yet gender inequalities continue to limit the opportunities for women. In Australia, women make up 46 per cent of the workforce but are under-represented in leadership positions in the corporate sector.

For co-operatives and mutuals, there is more than just a business case for inclusion and equality. Co-ops and mutuals are controlled by members and are guided by values and principles that promote inclusion and participation. The co-operative sector is in a unique position to take a leadership role in addressing gender inequality.

In 2016, the BCCM's *Eliza's project: Gender inclusion in the CME sector in Australia* report, found that of the CMEs for which there was data, only 3 per cent had a woman CEO. Similarly low findings were reported for chairs, with 15 per cent of the Top 100 CMEs reporting a woman occupied the position.<sup>8</sup> By comparison, at the same time 5 per cent of the top 200 ASX-listed companies reported having a woman in the office of CEO, and 5 per cent also had nominated women to chair their boards of directors.<sup>9</sup>

<sup>8</sup> Orr, A. 2017, *Eliza's Project: Gender Inclusion in the CME Sector in Australia*, pp. 15-16.  
<sup>9</sup> Ibid

*Eliza's project* established a benchmark of gender inclusion in co-ops and mutuals and provided an opening for leaders in the sector to advance ideas on improving the representation of women in their businesses. While no single solution emerged from this research, what followed was a number of recommendations and a resolute commitment to addressing the problem.

The research found:



People wanted:

## Access to flexible work

not just as a "tick the box" policy but as a workplace practice, embedded in the culture and fully supported by sector leadership.

## Access to leadership training and sponsorship

A clear pattern emerged of women getting "stuck" in middle management and initiatives were needed to help women move beyond this point.

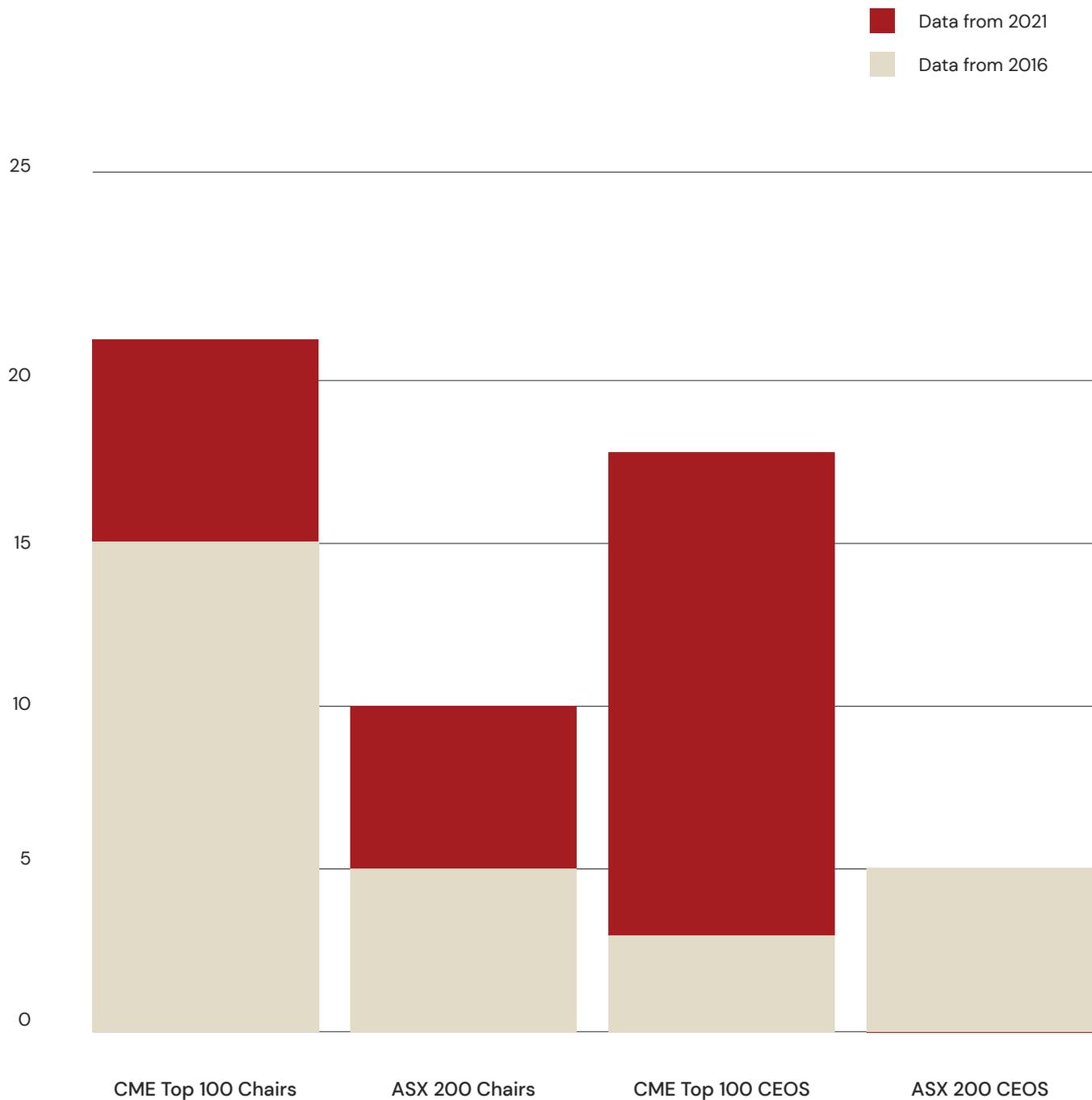


## A commitment to change

Change starts at the top, with committed boards and executive teams.

The BCCM and sector leaders worked to develop a cross-sector diversity and inclusion plan for Australian co-ops and mutuals. Across the sector, co-ops and mutuals recognised that diversity and inclusion is critical for continued growth and success, and have taken steps towards achieving this through a wide range of development programs, flexible working policies and parental support to achieve improved gender targets.

# Women Chairs and CEOs



Five years on, data collected for this year's report has uncovered significant improvements to gender diversity among chairs and Chief Executives of Australia's Top 100 CMEs. The annual survey revealed that in 2021, the proportion of CEO roles held by women among the Top 100 CMEs had risen to 17 per cent and the highest-turnover organisation among them led by a woman CEO had jumped from number 49 to Australia's largest

member-owned private health insurer HCF, ranked number 2. Over the same period the proportion of women CEOs among ASX-200 companies saw no change, remaining at 5 per cent.<sup>10</sup>

<sup>10</sup> Patten, S. 2021, ASX 200 companies failed to appoint a single female CEO last year, The Financial Review, 8 September, accessed 21 February 2022.

# Sector diversity of women Chairs and CEOs across CME Top 100



Similarly, the survey demonstrated improvement in the gender diversity of board chairs. In 2021, the number of women nominated chairs of CMEs had increased to 21 per cent, and the top-ranked CME to be chaired by a woman was ranked 4th, having climbed from number 13. The ASX-200 also witnessed increased gender inclusion of chairs over this period, although this improvement was less pronounced than for CMEs, moving to 10.5 per cent in 2021.<sup>11</sup>

In 2021, CMEs with women CEOs mostly operate in the areas of private health insurance (5) and general insurance and professional indemnity (5), with banking and financial services (4), health services (2) and education, training and childcare (1) also represented.

CMEs with boards chaired by women showed even greater sector diversity, with women chairs found in banking and financial services (9), motoring services (3), health services (3), private health insurance (2), general insurance and professional indemnity (2), agribusiness (1) and retail (1).

<sup>11</sup> Patten, S. 2021, Just one in 10 ASX 200 chairmen is a woman, The Financial Review, 2 July, accessed 21 February 2022.



In 2021, a year and a half into the COVID-19 pandemic, women have experienced important gains in representation, especially among board chairs and Chief Executives. Yet as the crisis persists, it continues to take a severe toll. Leadership, in general, has experienced severe stress, burnout and exhaustion. Despite this, women are rising to the occasion, demonstrating strong leadership and supporting their teams and advancing diversity, equity and inclusion.

Undeniably, there is still much work to be done. And while it is unclear how the events of the pandemic and its impacts will affect the long-term representation of women in Australia's workforce, it is clear that further gains in gender diversity among CMEs will only stem from continued commitment to co-operative values that promote inclusion.

*“We have a unique opportunity to empower women to lead because we have a member-owned governance structure that invites people from different backgrounds to put up their hand for a board position.”*

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Melina Morrison  
CEO, BCCM

CASE STUDY

# Kudos Services

This is an abridged version of the case study presented in *Australia's Leading Co-operative and Mutual Enterprises in 2022* by T. Mazzarol (part of the CEMI Discussion Paper series). The full discussion paper can be accessed from the Centre for Entrepreneurial Management and Innovation website: [cemi.com.au/cemi-discussion-papers](http://cemi.com.au/cemi-discussion-papers).



Founded in 2018, Kudos Services, located in Adelaide, South Australia, is a mutual enterprise, a Public Benevolent Institution and charity registered with the Australian Charities and Not-for-profits Commission.

Kudos is a provider of specialist allied health and support services for children and adults living with a disability. Its clients comprise a diverse range of individuals including Aboriginal and Torres Strait Islander peoples, and people from culturally diverse communities. In 2021 Kudos employed 136 full and part-time employees and had an annual turnover of \$13.6 million.



*Health  
services  
mutual*

Members

*108*

Years in  
operation

*4*

Turnover

*\$13.6 million*

## The creation of Kudos Services

The origins of Kudos date back to 1976 within the South Australian government. Reforms to the management of disability services within the State undertaken in the early 2010s led to the creation of the Child and Youth Services (CYS), which operated as a business unit within the Department of Human Services. The role of the CYS was to provide specialist paediatric services to children and youth with disability or developmental delay.

The introduction of the NDIS in 2013 and the requirement for State and Territory governments to transition most disability services from government, led the South Australian government to examine ways to work with a for purpose socially minded organisation committed to the values and public service ethos of CYS. The decision to create an employee mutual enterprise was something that evolved from the South Australian Government's desire to ensure that the skilled workforce that had been created in CYS was not lost and continued to provide the quality services in South Australia.

This model of an employee-owned mutual seemed to satisfy the State Government's desire for a non-government entity that would retain the skilled workforce from the CYS and deliver Early Childhood Early Intervention (ECEI) services. It was an idea that gained support not only from the SA Government, but also from the Federal Government and the NDIA.

The establishment of Kudos Services stems from an agreement between the South Australian Government and the NDIA. A five-year grant agreement was initially made to deliver services while the CYS team, guided by the Business Council of Co-operatives and Mutuals (BCCM), developed the concept of transitioning to become an employee-owned mutual. This funding agreement provided Kudos with a financial foundation upon which the new entity could continue to serve South Australian communities, whilst developing its self-sufficiency and sustainability.

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## The need for financial self-reliance

By 2021 Kudos was facing a market environment in which the NDIS services sector was in a state of rapid change. The roll out of the NDIS over the period 2016-2020 had seen the sector grow at an astonishing average annual rate. However, average profitability across the sector was modest and the overall trend had been downwards.

Fortunately, a funding agreement with the South Australian Government to support the establishment of the mutual, provided the initial capital to facilitate the launch of the mutual with a strong platform for future growth. Despite this funding support, the Kudos board recognised the need to not remain complacent. The Board and Executive management of Kudos spent much of 2018-2020 getting their business model right. The payback from this work on operational and financial management systems resulted in Kudos turning a profit from January 2021.

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## Transition from public service to mutual enterprise

The transition from public service to mutual enterprise had happened much faster than for many other entities that had moved from public to private enterprise. However, the mutual concept, once it was fully explained to members, quickly gained traction.

From the members' perspective, the foundation years had been an exciting, but challenging time learning to operate within the new mutual. The first 18 months of the mutual's existence saw the members learning to understand and develop the practical aspects of the mutual business model.

Over time, the focus of the members shifted from daily operations to more strategic issues such as member involvement in how the mutual was managed. This led to discussions over how to better engage members and have them invest their time in how Kudos runs, and to explore the benefits that mutuality brings.

# Purpose and member value proposition

Important for co-operative and mutual enterprises (CMEs) is the identification of a clear purpose and member value proposition (MVP) that can engage and unite members, while providing the organisation with a strategic focus.

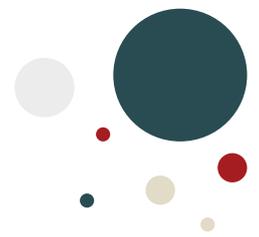
In October 2021, Kudos issued a new constitution outlining the organisation's vision, purpose, objectives and principles. It also makes a clear statement of the benefits of membership, and what active membership means (Kudos, 2021).

## Kudos vision

*“We believe that every child, young person, and adult, along with their families and caregivers, has the right to belong to a supportive community. We work in partnership with people living with disability to affect positive outcomes, so they are empowered to contribute, participate, and belong to the wider society.”*

## Kudos purpose

*“As a community of skilled and experienced therapists, early childhood practitioners, support staff and other professionals, our purpose is to work in creative and innovative ways to provide inclusive and accessible services and supports to people living with disability, enabling them to lead fulfilling lives.”*



The constitution also outlines ten principles that Kudos views as important to the maintenance of their mutuality, developed with reference to the International Cooperative Alliance's seven co-operative principles, and the BCCM's CME governance principles.

Photo: Nat Rogers

## The benefits of membership

Kudos' constitution provides a statement of the benefits of membership, and what active membership within the mutual is characterised as:

- Being part of an inclusive organisation that aims to build on and sustain a positive, can-do workplace culture designed to benefit Members and make Kudos a great place to work.
- Having the opportunity to develop skills through active participation in the governance of Kudos and the shaping of our strategic direction and priorities.
- Enjoying the chance to experience a high level of engagement and meaning in our everyday work roles, knowing that as Members we have a say in how the organisation goes about achieving its objects.

According to Kudos Chair Penny Gale, enshrining these elements within the constitution provides the membership with a clear understanding that they have a say in the operation of the organisation.



## Developing the Member Value Proposition (MVP) and active membership

The ability of a CME to clearly identify its MVP and relate that to active membership is crucial. The primary focus of any CME is to create value for its members, therefore the organisation's purpose and its MVP need to be in alignment.

The declaration of the organisation's purpose, principles, benefits of membership and active membership are viewed as the foundations of developing the MVP and active membership engagement within Kudos. A set of key performance indicators (KPIs) has been developed to measure client satisfaction, and employee satisfaction surveys and member engagement surveys have been implemented.

The set of KPIs used by Kudos has drawn upon the Mutual Value Measurement (MVM) Framework© developed by Monash University and the BCCM. Over time, it is the aim of the mutual's executive team to create systems that can monitor both its overall performance as a service delivery organisation, and as a mutual entity.

The challenge for Kudos going forward is the ability to build on this foundation and use education and internal communications strategies to educate members on what mutuality is. In doing so, this would help members view Kudos as more than just a place to work within their chosen fields of professional interest.

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## Governance

The governance model of Kudos comprises the board and the Members' Advisory Council (MAC), which are both member-elected. The MAC forms an important part of the mutual's governance system and provides an active voice for members. This includes helping the board in relation to planning and ways to better support and engage with members.

Selection of directors for Kudos is an important factor in setting the "tone and culture" of the entire organisation. Kudos approaches the selection of directors seriously and is not only interested in their skills and experience, but also with their "mindset" and their appreciation for what mutuality within Kudos is about.

The initial constitution specified that the membership should appoint the board. It also specified that directors would not become members, and that the CEO would not be a director. The 2021 constitution expanded these requirements and responsibilities of the board and formally stated that members are eligible to join the board.

The focus of the board and executive management was to use the MAC as a mechanism to connect the board with the members' voices and to "upskill" the members to prepare them to assume directorships in the future.

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## Being a specialist in complexity

According to CEO Darrin Johnson, during planning the members decided Kudos should continue to focus on maintaining its established position as a "specialist in complexity". This refers to how Kudos has traditionally serviced clients with complex needs. The provision of services to such clients is more demanding of time and generally less profitable. However, the Kudos membership wanted to deliver such services due to the need they identified within the community. Because Kudos is not solely focused on profit, it is willing to undertake this work, so long as it can break even.

According to Johnson, the future development of Kudos will depend on how well it can balance the need to maintain the delivery of relatively high-cost, complex services, while expanding its services outside the ECEI Partnership and shaping the future of how the NDIA supports such programs.

## Ambitions for growth in an uncertain environment

While not focused on growth for the sake of growth, Kudos does recognise that it must grow to the point where it can achieve a suitable economy of scale and ensure that it can support all its service obligations.

Based upon current planning, Kudos needs to expand its base from 400 to around 1,000 clients. At this size, the mutual would be able to generate sufficient profits to allow it to weather any fluctuations and be sustainable. Given Kudos' current trajectory this growth forecast is considered achievable.

According to Penny Gale, the aim of Kudos was not to seek growth beyond what was necessary for sustainability. Once the optimal size was reached, the Board and membership may decide to suspend growth and focus instead on assisting new mutuals to establish that can mirror the Kudos model and deliver services in other states and territories.

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## Key lessons from the case

Kudos is both a pioneer of what an employee-owned mutual enterprise might be, providing an important case study on whether such entities can live up to the optimism advocates have for them.

By the end of 2021, Kudos had successfully navigated the phases of transitioning from government and was poised to continue sustainable development. Kudos suggests that if properly designed, and supported, employee-owned mutual enterprises can deliver both economic and social value, whilst also providing diversity among service providers.

If they are to become self-sustaining, these mutual enterprises will need to learn to operate as wise, efficient, and financially profitable businesses, while also maintaining their commitment to the delivery of social outcomes. In this, Kudos has, to date, achieved this balance.

Kudos provides a good role model for how employee-owned mutual enterprises can contribute in vitally important areas of public service delivery such as the NDIS. Key success factors will be to ensure the right purpose, leadership, and support through their formative years. Member ownership and control must be a central feature of these entities, and member participation on the Board, either as Member-Directors, or through sub-entities such as the Kudos MAC, are vital to securing member engagement. While Kudos is primarily focused on delivering services to end-user clients, how they perform such services, and what services they offer must be shaped by the members. That is the mutual difference in Kudos.



CASE STUDY

# UFS Dispensaries

This is an abridged version of the case study presented in *Australia's Leading Co-operative and Mutual Enterprises in 2022* by T. Mazzarol (part of the CEMI Discussion Paper series). The full discussion paper can be accessed from the Centre for Entrepreneurial Management and Innovation website: [cemi.com.au/cemi-discussion-papers](http://cemi.com.au/cemi-discussion-papers).



Founded in 1880, United Friendly Societies Dispensaries (UFS) is a mutual enterprise, owned and controlled by its members, headquartered in Ballarat, Victoria.

UFS operates a network of 21 pharmacies, 19 in regional Victoria, and two in Melbourne, along with three medical centres, two COVID clinics, and a day spa and wellness centre. UFS also provides nursing services across 16 locations across Victoria, which provide wound care, blood pressure tests, treatments of minor injuries and illness, and injections and immunisations.

In 2021, UFS had an annual turnover of more than \$83.5 million and employed a total of 597 people on a full-time, part-time or casual basis.



*Retail  
health  
service*

Members

*51,000+*

Years in  
operation

*142*

Turnover

*\$83.5 million*

## Background to the Friendly Societies movement

A Friendly Society is a mutually owned and managed organisation focused on the provision of mutual aid and fraternal support. Traditionally, their activities have been to provide financial assistance to cover medical, funeral, insurance, and education costs of members.

The origins of the Friendly Societies movement can be traced to the medieval guilds. Guilds and societies emerged as a collective solution to social and economic problems. The first societies reportedly emerged in Scotland and Wales in the 12th and 13th centuries. Members gained benefits in the form of unemployment support and assistance with medical, funeral and other insurance costs.

By 1800, Friendly Societies had become the dominant form of mutual assistance for working people within England and Wales. In 1815, there were an estimated 9,672 Friendly Societies, with a combined membership of more than 925,264, increasing to over 32,000 organisations with 4.7 million members by the 1870s.

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## A brief history of Friendly Societies in Australia

The identity of Australia's first Friendly Society is unclear but is recorded by one source as the Loyal Mariners' Rest Lodge of the Grand United Order of Oddfellows, founded in Sydney in 1828. Friendly Societies grew strongly, providing support to workers in the event of ill health, loss of tools, unemployment or death and by 1913 an estimated 46% of all Australians were members.

During the 1970s, the Australian health insurance system was transformed with the passage of the Health Insurance Act, 1973 (Cwt), the Health Insurance Commission Act, 1973 (Cwt) and the establishment, in 1975, of Medibank (now Medibank Private), then a state-owned enterprise. This had significant impact on the Friendly Societies and led to many members abandoning their private insurance funds.

In 2021, there were 42 Friendly Societies still operating in Australia. Many of these operate in financial services where they provide savings and tax-effective bonds, scholarship plans, funeral bonds and life insurance products. Some societies such as UFS are engaged in pharmacy and healthcare services, while others provide aged and home care services, and retirement living. In 2019, the sector had more than 800,000 members, and managed over \$7.5 billion in assets.

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## Friendly Societies in the Australian pharmaceuticals industry

Demand for pharmaceuticals in the Australian colonies was high and the number of pharmacists was generally low. Pharmacists made significant profits, often working closely with doctors who received commissions, even writing their scripts in hieroglyphics to ensure that only their selected pharmacists could dispense the drugs.

To address these issues, Friendly Societies established their own pharmacies (dispensaries) which employed qualified, salaried pharmacists, who were free from having to make profits. Throughout the second half of the 19th Century, Friendly Societies' dispensaries expanded across Australia and by 1911 there were Friendly Society pharmacies in every state.

# UFS Dispensaries



USF Dispensaries was founded in 1880 as the Ballarat United Friendly Societies' Dispensary, via a collaboration of nineteen Friendly Societies, with the first dispensary opening on 1 January 1881. Gradually, other Friendly Societies joined, and membership grew steadily from 1,724 in 1881, to 5,300 members by 1915.

Between 1919 and 1939, UFS operated a medical institute that provided medical services to its members and employed doctors working out of two surgeries. UFS had considered employing its own doctor as early as 1882, however due to good relations with the Ballarat Medical Benefit Society which sent all its scripts to UFS, a lack of support from member lodges who were keen to retain their own doctors and lobbying by the British Medical Association (Australia) (BMA), no immediate action was taken.

The final impetus came due to rising tensions between the Friendly Societies and doctors. Medical institutes operated by Friendly Societies employed doctors and pharmacists on salaries, this was opposed by doctors' associations such as the BMA who viewed this as a risk to their ability to charge higher fees. An open dispute broke out between the Friendly Societies and the BMA, with many lodge doctors withdrawing their services, resulting in the UFS Medical Institute being initiated in 1918.

Throughout the 1920s and 1930s, the UFS Medical Institute operated against the background of disputes with doctors who worked through the increasingly more powerful BMA, and concurrent battles with pharmacists working through the Pharmacy Guild of Australia (PGA).

In the late 1930s the Federal Government began to develop the foundations of a National Health and Pensions Insurance Scheme, which provided medical benefits, including medical care and prescription medicines, as well as pension benefits.

*"The establishment of UFS Medical was in direct response to the needs of the Ballarat community."*

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**Lynne McLennan**  
UFS Dispensaries, CEO

This initiative impacted the medical institutes of the Friendly Societies. In 1939, as a result of the introduction of the National Health Insurance scheme, the BMA and Friendly Societies negotiated a settlement of their long-standing dispute and the UFS ceased to operate the Medical Institute.

In 2008, UFS returned to its historical association with medical services with the creation of UFS Medical at 40 Bridge Mall, Ballarat. Significant expansion occurred resulting in UFS funding the construction of a large UFS Medical Centre in Doveton St North on 9 September 2011. UFS Medical now operates across three sites, with a fourth purpose-built centre in development, and has 28 contracted GPs and a network of allied health providers and nursing staff, as well as a thriving Occupational Medicine business. According to CEO Lynne McLennan, the establishment of UFS Medical was in direct response to the needs of the Ballarat community. At the time, many local GPs were retiring, there was a shortage of doctors and it was becoming difficult to recruit new practitioners. Further, the cost and complexity facing doctors in running their own medical practices were a barrier, particularly as several major corporate groups had entered the area and were competing with independent GPs. The GPs who joined UFS Medical preferred the "middle" alternative of working for a community-based mutual which provided corporate efficiencies but returned profits to members and the community, rather than to shareholders.

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## Recent developments

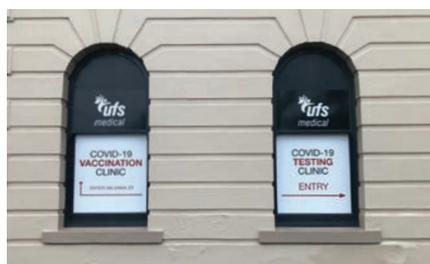
Since 2010, UFS has continued to expand its operations within Ballarat, Melbourne, and regional Victoria. In February 2011, the fifteenth UFS pharmacy was opened and during the same period, UFS assumed management of four retail pharmacies within Melbourne. In 2013, a new pharmacy was opened within the UFS Medical Centre, providing scripts for patients of the clinic and a further medical centre was opened in Buninyong, southeast of Ballarat. During the 2016–2017 financial year, UFS opened two new pharmacies in the Macedon Ranges area, adding a further 1,500 new members within that region.

By 2022, UFS operated a network of 21 retail dispensaries across metropolitan and regional western Victoria, three UFS medical centres, COVID-19 testing and vaccination clinics, a day spa, and had a membership of at least 51,188. Over the past 10 to 15 years, the Society has experienced major change, but responded to the needs of the Ballarat, metropolitan and regional Victorian communities. This has included providing support to smaller Friendly Societies.

In 2019, UFS commenced an ongoing evidence-based program of innovation, aimed at both improving existing processes and services, and creating new solutions to meet the health needs of members. The company's agile and flexible response to the pandemic has been partly attributed to the culture and mind-set generated by this work.

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## Managing the COVID-19 pandemic

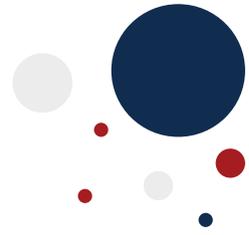


The outbreak of the pandemic in late 2019 impacted the health of the Australian community and was still of concern in mid-2022. As had been the case back in 1919–1920 with the Spanish Flu outbreak, the medical and pharmacy services were on the front lines.

One of the first initiatives undertaken by UFS was to open a testing clinic. During 2020, as the pandemic grew in intensity, UFS expanded its operations and a total of 44,211 COVID-19 tests were performed between 1 July 2020 and 30 June 2021. In addition to the testing clinic, UFS established a vaccination clinic and during the four months from March to end-June 2021, the clinic administered 11,580 doses.

UFS worked closely with the State and Federal Governments' COVID units to provide advocacy for members, while also ensuring the membership was well informed about the virus and how to take steps to protect themselves.

# Purpose and member value proposition



## Mission statement

*“UFS aims to improve the health of our members and the local community.”*

Having a clearly defined purpose and member value proposition (MVP) are strategically very important to CMEs. The services a CME provides should be relevant to this purpose, and they should be designed to deliver value to members.

The UFS constitution, which outlines the objects of the company, is consistent with its overall mission and continues the long tradition of the society’s work in providing medical, pharmaceutical and related health care to the community that was started in 1880.

The primary way UFS has delivered value to members throughout its long history has been via discounts on products and services. This continues today with members receiving discounts across a range of items. Pressure from discount pharmacies in recent years has made these discounts less attractive. This has implications for the recruitment and retention of members. As member discounts are no longer as significant as they once were, the emphasis has been to highlight the Society’s community investment, and to focus member engagement on a value added rather than a price competitive strategy.

## Strategic outlook and future directions

The need to develop a sustainable competitive advantage has led UFS to broaden its range of services. While it has reached the maximum number of pharmacies it can operate in Victoria, it has managed to increase its market share by securing management agreements. Its Supercare nursing contract has enabled UFS to deliver services state wide, and the re-establishment of its medical services has diversified the business portfolio.

UFS was also developing its entry into the area of home health care. The board and management had undertaken the necessary planning and feasibility study for this initiative, but at the time of writing their proposal for the service has been delayed, as attention has been diverted to the COVID-19 pandemic.

UFS has promoted a concept of “health for life” and this continues to be a focus for its future strategic direction. The Society has already developed a good reputation in delivering medical and pharmacy services and, given UFS’s ageing membership, this offers the opportunity to grow with their members as their various needs evolve.

At time of writing, the board had yet to finalise its latest long-term strategic plan, however, the Society is looking forward to a bright future, pursuing the same purpose that had motivated its establishment some 140 years before. While many things have changed, the fundamental needs of their members for high-quality and affordable medical, health and pharmaceutical services have remained the same.

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## Key lessons from the case

The long and successful history of UFS is testimony to its commitment to the original purpose for which the organisation was created. While many Friendly Societies have disappeared in the face of changing political, economic, social and legal factors, the need for high-quality medical, pharmaceutical and associated healthcare services at an affordable price has remained a constant. The values of UFS remain consistent with the values that existed when the society was established, to benefit its members and the communities in which it operates.

UFS is an exemplary role model of a successful, contemporary Friendly Society. Its long history provides a legacy of commitment to the pursuit of a clear purpose, focused on creating benefit for its members. Operating, as it does in a dynamic and competitive environment, UFS will face numerous challenges in the future. However, by drawing upon the lessons of its past, and applying the expertise, competence and wisdom of its board and executive management in pursuit of steady but sustainable growth, there is no reason why the Society will not be around for a long time to come.



# Tables and data



# Appendix A:

## Australian Top 100 CMEs by gross annual turnover FY2020–21 (excluding superannuation funds)

| Rank | Name   | State | Gross Turnover  | EBIT           | NPAT           | Assets           |
|------|--|-------|-----------------|----------------|----------------|------------------|
| 1    | CBH Group  | WA    | \$3,993,212,000 | \$181,832,000  | \$133,752,000  | \$2,970,842,000  |
| 2    | HCF  | NSW   | \$3,336,499,000 | \$152,920,000  | \$149,807,000  | \$2,997,788,000  |
| 3    | Capricorn Society                                  | WA    | \$2,590,858,000 | \$53,492,000   | \$37,558,000   | \$549,955,000    |
| 4    | RACQ   | QLD   | \$1,823,586,000 | \$76,738,000   | \$56,512,000   | \$5,923,962,000  |
| 5    | HBF Health   | WA    | \$1,733,572,000 | \$17,690,000   | \$17,690,000   | \$2,080,949,000  |
| 6    | Australian Unity                                   | VIC   | \$1,706,072,000 | \$122,720,000  | \$32,907,000   | \$6,927,369,000  |
| 7    | RAC WA   | WA    | \$1,072,815,000 | \$112,587,000  | \$79,306,000   | \$2,245,048,000  |
| 8    | Teachers Federation Health                         | NSW   | \$836,734,000   | \$56,255,000   | \$55,971,000   | \$669,690,000    |
| 9    | RACV   | VIC   | \$685,400,000   | \$201,500,000  | \$130,500,000  | \$2,632,900,000  |
| 10   | GMHBA  | VIC   | \$675,022,000   | \$34,072,000   | \$34,321,000   | \$523,294,000    |
| 11   | Avant Mutual Group                                 | NSW   | \$665,100,000   | \$223,600,000  | \$161,800,000  | \$2,693,700,000  |
| 12   | Norco Co-operative                                 | NSW   | \$659,410,000   | \$13,789,000   | \$11,034,000   | \$236,610,000    |
| 13   | NRMA   | NSW   | \$555,070,000   | \$64,994,000   | \$44,917,000   | \$1,919,110,000  |
| 14   | RAA SA   | SA    | \$524,157,000   | \$17,761,000   | \$12,920,000   | \$718,721,000    |
| 15   | Catholic Church Insurance                          | VIC   | \$513,861,000   | -\$192,747,000 | -\$192,747,000 | \$1,799,038,000  |
| 16   | CBHS Health Fund                                   | NSW   | \$506,254,000   | \$34,084,000   | \$33,820,000   | \$373,808,000    |
| 17   | Great Southern Bank                                | QLD   | \$471,400,000   | \$57,000,000   | \$49,100,000   | \$16,299,300,000 |
| 18   | Employers Mutual Limited (EML)                     | NSW   | \$465,915,000   | \$9,342,000    | \$6,688,000    | \$557,266,000    |
| 19   | Independent Liquor Group Suppliers Co-operative    | NSW   | \$409,213,011   | \$3,933,971    | \$2,979,529    | \$77,142,601     |
| 20   | Independent Liquor Group Distribution Co-operative | NSW   | \$402,370,436   | \$815,856      | \$188,840      | \$44,150,856     |
| 21   | Tyrepower Group                                    | VIC   | \$393,323,000   |                |                |                  |
| 22   | WAMMCO International                               | WA    | \$389,521,000   | \$6,456,000    | \$5,876,000    | \$115,469,000    |
| 23   | Newcastle Permanent                                | NSW   | \$330,301,000   | \$58,777,000   | \$41,463,000   | \$13,696,157,000 |
| 24   | People's Choice Credit Union                       | SA    | \$317,631,000   | \$29,740,000   | \$21,072,000   | \$9,674,749,000  |

| Rank | Name  | State | Gross Turnover | EBIT         | NPAT         | Assets           |
|------|---|-------|----------------|--------------|--------------|------------------|
| 25   | Heritage Bank                               | QLD   | \$314,779,000  | \$64,396,000 | \$44,810,000 | \$11,943,038,000 |
| 26   | National Pharmacies                         | SA    | \$258,756,000  | \$630,000    | -\$2,361,000 | \$149,034,000    |
| 27   | Westfund Health                             | NSW   | \$258,240,000  | \$10,955,000 | \$10,928,000 | \$247,845,000    |
| 28   | Associated Retailers Limited (ARL)          | VIC   | \$245,364,000  | \$4,057,000  | \$3,463,000  | \$52,019,000     |
| 29   | Teachers Mutual Bank                        | NSW   | \$242,644,000  | \$40,286,000 | \$28,134,000 | \$9,757,612,000  |
| 30   | Greater Bank                                | NSW   | \$235,297,000  | \$32,735,000 | \$22,967,000 | \$8,072,987,000  |
| 31   | Queensland Country Bank                     | QLD   | \$229,717,000  | \$19,019,000 | \$12,611,000 | \$2,713,218,000  |
| 32   | Geraldton Fishermen's Co-operative          | WA    | \$229,120,733  | \$9,334,651  | \$5,305,674  | \$101,588,417    |
| 33   | Beyond Bank Australia                       | SA    | \$225,300,000  | \$46,600,000 | \$32,800,000 | \$7,755,100,000  |
| 34   | Almondco Australia                          | SA    | \$222,610,000  | \$2,971,000  | \$2,515,000  | \$226,324,000    |
| 35   | The Casino Food Co-op                       | NSW   | \$219,539,000  | -\$6,264,000 | -\$4,307,000 | \$152,458,000    |
| 36   | CUSCAL                                      | NSW   | \$216,900,000  | \$32,900,000 | \$23,100,000 | \$2,844,000,000  |
| 37   | OZ Group Co-op                              | NSW   | \$215,983,320  | \$1,343,377  | \$929,544    | \$38,493,634     |
| 38   | Bank Australia                              | VIC   | \$215,965,000  | \$58,025,000 | \$40,692,000 | \$8,470,494,000  |
| 39   | Queensland Teachers Union Health Fund       | QLD   | \$210,085,826  | \$28,672,474 | \$28,672,474 | \$191,267,550    |
| 40   | Marquis Macadamias                          | NSW   | \$207,113,921  | \$14,319,569 | \$9,078,210  | \$115,460,298    |
| 41   | IMB Bank                                    | NSW   | \$201,380,000  | \$44,217,000 | \$30,815,000 | \$6,964,875,000  |
| 42   | Health Partner                              | SA    | \$199,429,000  | \$17,791,000 | \$17,791,000 | \$230,729,624    |
| 43   | P&N Bank                                    | WA    | \$189,079,000  | \$25,410,000 | \$16,156,000 | \$6,928,372,000  |
| 44   | Latrobe Health Services                     | VIC   | \$187,427,936  | \$3,153,726  | \$3,153,726  | \$236,602,342    |
| 45   | Health Insurance Fund of Australia (HIF)    | WA    | \$184,644,748  | \$11,591,673 | \$11,559,093 | \$142,566,500    |
| 46   | St. LukesHealth                             | TAS   | \$172,009,214  | \$11,119,944 | \$11,100,180 | \$145,135,583    |
| 47   | Police Health                               | SA    | \$170,305,176  | \$6,798,407  | \$6,798,407  | \$91,664,001     |
| 48   | Peoplecare Health Insurance                 | NSW   | \$163,678,065  | \$8,473,756  | \$8,473,756  | \$148,047,845    |
| 49   | rt health                                   | NSW   | \$156,194,000  | \$2,784,000  | \$2,357,000  | \$97,176,000     |
| 50   | Australian Dairy Farmers Corporation        | VIC   | \$150,786,296  | \$434,800    | \$279,025    | \$16,203,905     |
| 51   | Futurity Investment Group                   | VIC   | \$146,139,000  | \$36,509,000 | \$5,086,000  | \$1,155,087,000  |
| 52   | MDA National                                | WA    | \$137,910,000  | \$3,198,000  | \$1,635,000  | \$508,694,000    |
| 53   | Arnhem Land Progress Aboriginal Corporation | NT    | \$129,992,885  | \$8,786,033  | \$8,779,271  | \$116,456,448    |
| 54   | Plumbers Supplies Co-operative              | NSW   | \$125,181,095  | -\$5,709,499 | -\$4,586,652 | \$78,749,679     |

| Rank | Name  | State | Gross Turnover | EBIT          | NPAT         | Assets          |
|------|---|-------|----------------|---------------|--------------|-----------------|
| 55   | Qudos Bank  | NSW   | \$121,683,000  | \$20,820,000  | \$14,535,000 | \$5,006,216,000 |
| 56   | Institute for Urban Indigenous Health                         | QLD   | \$117,878,933  | \$10,307,649  | \$10,307,649 | \$57,571,228    |
| 57   | Yenda Producers Co-operative                                  | NSW   | \$117,494,191  | \$3,020,453   | \$1,921,425  | \$63,151,975    |
| 58   | Navy Health   | VIC   | \$112,308,223  | \$13,688,044  | \$13,688,044 | \$140,859,619   |
| 59   | StateCover Mutual   | NSW   | \$109,050,000  | \$8,525,000   | \$8,525,000  | \$591,224,000   |
| 60   | Dairy Farmers Milk Co-operative                               | NSW   | \$108,799,000  | -\$403,000    | -\$422,000   | \$20,376,000    |
| 61   | NSW Sugar Milling Co-operative                                | NSW   | \$105,879,000  |               |              |                 |
| 62   | Hastings Co-operative   | NSW   | \$103,623,000  | -\$363,000    | -\$153,000   | \$46,688,000    |
| 63   | Regional Australia Bank                                       | NSW   | \$96,289,000   | \$22,429,000  | \$16,168,000 | \$2,823,107,000 |
| 64   | Tasmanian Independent Retailers Co-operative                  | TAS   | \$91,030,799   | \$2,929,887   | \$2,180,216  | \$63,051,211    |
| 65   | Medical Indemnity Protection Society (MIPS)                   | VIC   | \$90,979,000   | \$42,773,000  | \$29,061,000 | \$684,666,000   |
| 66   | CCW Co-op   | SA    | \$89,785,818   | -\$255,210    | -\$318,820   | \$3,286,474     |
| 67   | Bundaberg Friendly Society Medical Institute                  | QLD   | \$84,039,975   | \$1,752,080   | \$1,630,579  | \$84,477,206    |
| 68   | Capricorn Mutual  | WA    | \$83,591,000   | \$877,000     | \$825,000    | \$132,037,000   |
| 69   | UFS Dispensaries  | VIC   | \$83,527,928   | \$3,635,058   | \$3,326,786  | \$63,859,317    |
| 70   | Bank First  | VIC   | \$83,323,000   | \$17,073,000  | \$11,942,000 | \$3,188,886,000 |
| 71   | Victorian Aboriginal Child Care Agency                        | VIC   | \$81,857,828   | \$4,878,844   | \$4,878,844  | \$52,948,479    |
| 72   | Defence Bank  | VIC   | \$81,420,000   | \$19,933,000  | \$13,924,000 | \$3,022,808,000 |
| 73   | Lawcover  | NSW   | \$78,500,000   | \$1,300,000   | \$500,000    | \$429,500,000   |
| 74   | Master Butchers Co-operative                                  | SA    | \$77,394,133   | \$6,604,210   | \$6,293,688  | \$48,904,898    |
| 75   | Over Fifty Guardian Friendly Society                          | VIC   | \$76,676,000   | \$11,270,000  | \$227,000    | \$584,656,000   |
| 76   | MIGA Insurance  | SA    | \$75,478,000   | -\$11,584,000 | -\$5,407,000 | \$460,564,000   |
| 77   | RACT  | TAS   | \$74,698,000   | \$11,991,000  | \$7,950,000  | \$121,388,000   |
| 78   | BankVic   | VIC   | \$67,849,000   | \$15,627,000  | \$10,619,000 | \$2,664,070,000 |
| 79   | The Barossa Co-op   | SA    | \$67,744,866   | \$1,416,340   | -\$322,830   | \$82,571,890    |
| 80   | Police Bank   | NSW   | \$67,700,000   | \$6,300,000   | \$4,200,000  | \$2,270,600,000 |
| 81   | Cowboys Leagues Club  | QLD   | \$66,958,853   | \$20,567,707  | \$19,990,930 | \$59,550,636    |
| 82   | Mildura District Hospital Fund                                | VIC   | \$64,900,156   | \$6,970,279   | \$6,970,279  | \$117,830,936   |
| 83   | Central Australian Aboriginal Congress Aboriginal Corporation | NT    | \$58,440,752   | \$15,786,248  | \$1,559,407  | \$51,129,026    |

| Rank | Name  | State | Gross Turnover | EBIT        | NPAT         | Assets          |
|------|---|-------|----------------|-------------|--------------|-----------------|
| 84   | Kimberley Aboriginal Medical Services                                   | WA    | \$55,564,265   | \$1,710,930 | \$1,710,930  | \$47,554,435    |
| 85   | Phoenix Health Fund   | NSW   | \$51,728,432   | \$3,140,552 | \$3,140,552  | \$42,244,391    |
| 86   | TGT Hardware (N. Q. Co-op)  | QLD   | \$50,527,123   | -\$252,228  | \$806,292    | \$38,250,212    |
| 87   | Murrumbidgee Irrigation   | NSW   | \$47,433,000   | -\$566,000  | -\$3,889,000 | \$640,698,000   |
| 88   | Australian Military Bank  | NSW   | \$46,956,000   | \$4,801,000 | \$3,348,000  | \$1,506,043,000 |
| 89   | Aboriginal and Torres Strait Islander Community Health Service Brisbane | QLD   | \$46,196,338   | \$3,700,434 | \$3,700,434  | \$64,231,893    |
| 90   | Unity Bank  | NSW   | \$45,637,000   | \$7,598,000 | \$5,366,000  | \$1,508,908,000 |
| 91   | Australian Mutual Bank  | NSW   | \$42,956,000   | \$1,380,000 | \$955,000    | \$1,726,141,000 |
| 92   | Miwatj Health Aboriginal Corporation                                    | NT    | \$42,310,510   | \$755,929   | \$630,173    | \$25,229,220    |
| 93   | Police Credit Union   | SA    | \$41,137,000   | \$8,886,000 | \$6,538,000  | \$1,207,612,000 |
| 94   | Rapid Group Co-operative  | NSW   | \$38,711,300   | \$152,633   | \$101,614    | \$8,920,582     |
| 95   | Hume Bank   | NSW   | \$38,605,000   | \$6,132,000 | \$4,377,000  | \$1,497,688,000 |
| 96   | Civic Risk Mutual   | NSW   | \$37,628,789   | \$6,881,038 | \$6,881,038  | \$99,822,701    |
| 97   | Murray Irrigation   | NSW   | \$37,501,000   | \$3,919,000 | \$39,107,000 | \$510,041,000   |
| 98   | G&C Mutual Bank   | NSW   | \$36,575,000   | \$8,030,000 | \$6,018,000  | \$1,298,340,000 |
| 99   | Community First Credit Union  | NSW   | \$36,238,000   | \$2,521,000 | \$2,002,000  | \$1,227,994,000 |
| 100  | Bank of us  | TAS   | \$36,149,323   | \$8,245,647 | \$6,103,414  | \$1,239,668,285 |

## Appendix A: Notes to table

1. Gross turnover comprises total revenue earned by each entity as disclosed in their Statement of Profit and Loss and Other Comprehensive Income. Turnover comprises revenue from contracts with customers, grants, investment income, gains on sale of assets and fair value increments through the profit and loss (e.g. investment property and financial instruments fair value increments).
2. Gross turnover for some CMEs includes 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. EBIT = earnings before interest and tax.  
NPAT = net profit after tax.  
Blank = not available.  
All values are reported in AUD\$.
4. Financial information has been sourced in most cases from company annual reports, and where that has not been available from IBISWorld industry reports. While all care has been taken to ensure accuracy of data, it remains possible that some information may be incorrect.

# Appendix B:

## Australian Top 10 superannuation CMEs by gross annual turnover FY2020–21

| Rank | Name   | State | Gross Turnover   | ABBT             | ABAT             | Total Assets      |
|------|--|-------|------------------|------------------|------------------|-------------------|
| 1    | Australian Super   | VIC   | \$40,107,000,000 | \$39,324,000,000 | \$36,064,000,000 | \$242,179,000,000 |
| 2    | Aware Super  | NSW   | \$20,677,000,000 | \$19,953,000,000 | \$18,470,000,000 | \$153,637,000,000 |
| 3    | Sunsuper   | QLD   | \$15,834,000,000 | \$15,366,000,000 | \$14,157,000,000 | \$93,799,000,000  |
| 4    | UniSuper   | VIC   | \$14,237,000,000 | \$13,807,000,000 | \$12,941,000,000 | \$102,184,000,000 |
| 5    | Health Employee's Superannuation Trust Australia (HESTA) | VIC   | \$10,958,276,000 | \$10,572,158,000 | \$9,661,115,000  | \$66,818,040,000  |
| 6    | Construction & Building Superannuation (CBUS)            | VIC   | \$10,859,079,000 | \$10,364,864,000 | \$9,492,001,000  | \$66,217,280,000  |
| 7    | Retail Employee's Superannuation Trust (REST)            | NSW   | \$10,537,552,000 | \$10,125,816,000 | \$9,246,294,000  | \$67,009,448,000  |
| 8    | HOSTPLUS   | VIC   | \$10,395,964,000 | \$10,341,713,000 | \$10,303,561,000 | \$62,640,506,000  |
| 9    | CareSuper  | NSW   | \$3,131,780,000  | \$3,021,344,000  | \$2,757,817,000  | \$21,064,314,000  |
| 10   | Spirit Super   | ACT   | \$2,935,800,000  | \$2,829,399,000  | \$2,577,500,000  | \$26,496,413,000  |

### Appendix B: Notes to table

ABBT = allocation of benefits before tax.

ABAT = allocation of benefits after tax. All values are reported in AUD\$.

# Appendix C:

## Australian Top 10 superannuation CMEs by gross assets FY2020–21

| Rank | Name   | State | Gross Assets      | Liabilities     | Equity            |
|------|--|-------|-------------------|-----------------|-------------------|
| 1    | Australian Super   | VIC   | \$242,179,000,000 | \$9,417,000,000 | \$232,762,000,000 |
| 2    | Aware Super  | NSW   | \$153,637,000,000 | \$5,611,000,000 | \$148,026,000,000 |
| 3    | UniSuper   | VIC   | \$102,184,000,000 | \$2,971,000,000 | \$99,213,000,000  |
| 4    | Sunsuper   | QLD   | \$93,799,000,000  | \$2,932,000,000 | \$90,867,000,000  |
| 5    | Retail Employee's<br>Superannuation Trust<br>(REST)            | NSW   | \$67,009,448,000  | \$2,126,435,000 | \$64,883,013,000  |
| 6    | Health Employee's<br>Superannuation Trust<br>Australia (HESTA) | VIC   | \$66,818,040,000  | \$2,556,233,000 | \$64,261,807,000  |
| 7    | Construction & Building<br>Superannuation (CBUS)               | VIC   | \$66,217,280,000  | \$2,664,740,000 | \$63,552,540,000  |
| 8    | HOSTPLUS   | VIC   | \$62,640,506,000  | \$648,954,000   | \$61,991,552,000  |
| 9    | Togethr (Equipsuper &<br>Catholic Super)                       | VIC   | \$31,173,042,000  | \$697,206,000   | \$30,475,836,000  |
| 10   | Spirit Super   | ACT   | \$26,496,413,000  | \$719,929,000   | \$25,776,484,000  |

# Appendix D:

## Australian Top 100 CMEs by gross assets FY2020-21 (excluding superannuation funds)

| Rank | Name                         | State | Gross Assets     | Liabilities      | Equity          |
|------|------------------------------|-------|------------------|------------------|-----------------|
| 1    | Great Southern Bank          | QLD   | \$16,299,300,000 | \$15,140,500,000 | \$1,158,800,000 |
| 2    | Newcastle Permanent          | NSW   | \$13,696,157,000 | \$12,662,504,000 | \$1,033,653,000 |
| 3    | Heritage Bank                | QLD   | \$11,943,038,000 | \$11,286,421,000 | \$656,617,000   |
| 4    | Teachers Mutual Bank         | NSW   | \$9,757,612,000  | \$9,144,645,000  | \$612,967,000   |
| 5    | People's Choice Credit Union | SA    | \$9,674,749,000  | \$9,012,397,000  | \$662,352,000   |
| 6    | Bank Australia               | VIC   | \$8,470,494,000  | \$7,868,542,000  | \$601,952,000   |
| 7    | Greater Bank                 | NSW   | \$8,072,987,000  | \$7,472,820,000  | \$600,167,000   |
| 8    | Beyond Bank Australia        | SA    | \$7,755,100,000  | \$7,172,900,000  | \$582,200,000   |
| 9    | IMB Bank                     | NSW   | \$6,964,875,000  | \$6,525,346,000  | \$439,529,000   |
| 10   | P&N Bank                     | WA    | \$6,928,372,000  | \$6,467,109,000  | \$461,263,000   |
| 11   | Australian Unity             | VIC   | \$6,927,369,000  | \$6,060,875,000  | \$866,494,000   |
| 12   | RACQ                         | QLD   | \$5,923,962,000  | \$4,405,842,000  | \$1,518,120,000 |
| 13   | Qudos Bank                   | NSW   | \$5,006,216,000  | \$4,704,911,000  | \$301,305,000   |
| 14   | Bank First                   | VIC   | \$3,188,886,000  | \$2,942,829,000  | \$246,057,000   |
| 15   | Defence Bank                 | VIC   | \$3,022,808,000  | \$2,819,905,000  | \$202,903,000   |
| 16   | HCF                          | NSW   | \$2,997,788,000  | \$1,058,352,000  | \$1,939,436,000 |
| 17   | CBH Group                    | WA    | \$2,970,842,000  | \$1,078,320,000  | \$1,892,522,000 |
| 18   | CUSCAL                       | NSW   | \$2,844,000,000  | \$2,502,300,000  | \$341,700,000   |
| 19   | Regional Australia Bank      | NSW   | \$2,823,107,000  | \$2,633,234,000  | \$189,873,000   |
| 20   | Queensland Country Bank      | QLD   | \$2,713,218,000  | \$2,437,906,000  | \$275,312,000   |
| 21   | Avant Mutual Group           | NSW   | \$2,693,700,000  | \$1,317,600,000  | \$1,376,100,000 |
| 22   | BankVic                      | VIC   | \$2,664,070,000  | \$2,457,729,000  | \$206,341,000   |
| 23   | RACV                         | VIC   | \$2,632,900,000  | \$781,000,000    | \$1,851,900,000 |
| 24   | Police Bank                  | NSW   | \$2,270,600,000  | \$2,060,200,000  | \$210,400,000   |
| 25   | RAC WA                       | WA    | \$2,245,048,000  | \$1,250,014,000  | \$995,034,000   |
| 26   | HBF Health                   | WA    | \$2,080,949,000  | \$590,900,000    | \$1,490,049,000 |

| Rank | Name  | State | Gross Assets    | Liabilities     | Equity          |
|------|---|-------|-----------------|-----------------|-----------------|
| 27   | NRMA  | NSW   | \$1,919,110,000 | \$838,915,000   | \$1,080,195,000 |
| 28   | Catholic Church Insurance                   | VIC   | \$1,799,038,000 | \$1,517,598,000 | \$281,440,000   |
| 29   | Australian Mutual Bank                      | NSW   | \$1,726,141,000 | \$1,549,016,000 | \$177,125,000   |
| 30   | Unity Bank                                  | NSW   | \$1,508,908,000 | \$1,389,100,000 | \$119,808,000   |
| 31   | Australian Military Bank                    | NSW   | \$1,506,043,000 | \$1,406,108,000 | \$99,935,000    |
| 32   | Hume Bank                                   | NSW   | \$1,497,688,000 | \$1,408,137,000 | \$89,551,000    |
| 33   | Credit Union SA                             | SA    | \$1,307,239,000 | \$1,195,770,000 | \$111,469,000   |
| 34   | G&C Mutual Bank                             | NSW   | \$1,298,340,000 | \$1,175,794,000 | \$122,546,000   |
| 35   | Bank of us                                  | TAS   | \$1,239,668,285 | \$1,158,246,012 | \$81,422,273    |
| 36   | Community First Credit Union                | NSW   | \$1,227,994,000 | \$1,129,619,000 | \$98,375,000    |
| 37   | Police Credit Union                         | SA    | \$1,207,612,000 | \$1,111,934,000 | \$95,678,000    |
| 38   | Futurity Investment Group                   | VIC   | \$1,155,087,000 | \$1,048,889,000 | \$106,198,000   |
| 39   | Gateway Bank                                | NSW   | \$1,083,255,000 | \$971,054,000   | \$112,201,000   |
| 40   | Common Equity Housing Limited (CEHL)        | VIC   | \$1,051,811,712 | \$100,524,132   | \$951,287,580   |
| 41   | Qbank                                       | QLD   | \$934,913,000   | \$849,543,000   | \$85,370,000    |
| 42   | Summerland Credit Union                     | NSW   | \$933,015,000   | \$864,079,000   | \$68,936,000    |
| 43   | The Mutual Bank                             | NSW   | \$902,522,000   | \$845,906,000   | \$56,616,000    |
| 44   | Illawarra Credit Union                      | NSW   | \$762,945,000   | \$715,097,000   | \$47,848,000    |
| 45   | RAA SA                                      | SA    | \$718,721,000   | \$441,119,000   | \$277,602,000   |
| 46   | Coastline Credit Union                      | NSW   | \$718,085,000   | \$668,939,000   | \$49,146,000    |
| 47   | MOVE Bank                                   | QLD   | \$714,430,089   | \$645,782,731   | \$68,647,358    |
| 48   | Southern Cross Credit Union                 | NSW   | \$688,369,000   | \$626,686,000   | \$61,683,000    |
| 49   | Medical Indemnity Protection Society (MIPS) | VIC   | \$684,666,000   | \$339,994,000   | \$344,672,000   |
| 50   | Teachers Health                             | NSW   | \$669,690,000   | \$232,954,000   | \$436,736,000   |
| 51   | Murrumbidgee Irrigation                     | NSW   | \$640,698,000   | \$62,861,000    | \$577,837,000   |
| 52   | WAW Credit Union Co-operative               | VIC   | \$621,141,900   | \$584,745,818   | \$36,396,082    |
| 53   | StateCover Mutual                           | NSW   | \$591,224,000   | \$418,851,000   | \$172,373,000   |
| 54   | Horizon Bank                                | NSW   | \$585,506,935   | \$547,439,689   | \$38,067,246    |
| 55   | Over Fifty Guardian Friendly Society        | VIC   | \$584,656,000   | \$582,652,000   | \$2,004,000     |
| 56   | Employers Mutual Limited (EML)              | NSW   | \$557,266,000   | \$389,097,000   | \$168,169,000   |
| 57   | Capricorn Society                           | WA    | \$549,955,000   | \$278,289,000   | \$271,666,000   |

| Rank | Name                                      | State | Gross Assets  | Liabilities   | Equity        |
|------|---|-------|---------------|---------------|---------------|
| 58   | Goulburn Murray Credit Union Co-operative | VIC   | \$525,159,740 | \$474,741,393 | \$50,418,347  |
| 59   | GMHBA                                     | VIC   | \$523,294,000 | \$242,903,000 | \$280,391,000 |
| 60   | Murray Irrigation                         | NSW   | \$510,041,000 | \$17,523,000  | \$492,518,000 |
| 61   | MDA National                              | WA    | \$508,694,000 | \$357,199,000 | \$151,495,000 |
| 62   | Australian Settlements                    | NSW   | \$504,033,426 | \$488,152,548 | \$15,880,878  |
| 63   | MIGA Insurance                            | SA    | \$460,564,000 | \$302,246,000 | \$158,318,000 |
| 64   | Lawcover                                  | NSW   | \$429,500,000 | \$269,500,000 | \$160,000,000 |
| 65   | The Capricornian                          | QLD   | \$409,693,507 | \$381,290,763 | \$28,402,744  |
| 66   | Foresters Financial                       | VIC   | \$406,507,282 | \$382,773,136 | \$23,734,146  |
| 67   | Northern Inland Credit Union              | NSW   | \$396,616,632 | \$354,767,060 | \$41,849,572  |
| 68   | Warwick Credit Union                      | QLD   | \$387,263,864 | \$359,474,824 | \$27,789,040  |
| 69   | CBHS Health Fund                          | NSW   | \$373,808,000 | \$144,440,000 | \$225,726,000 |
| 70   | Macarthur Credit Union                    | NSW   | \$317,331,686 | \$291,727,848 | \$25,603,838  |
| 71   | Nunkuwarrin Yunti of South Australia      | SA    | \$284,680,523 | \$6,066,483   | \$22,401,540  |
| 72   | Central Irrigation Trust                  | SA    | \$277,643,000 | \$6,939,000   | \$270,705,000 |
| 73   | KeyInvest                                 | SA    | \$276,157,398 | \$248,665,829 | \$27,491,569  |
| 74   | Orange Credit Union                       | NSW   | \$264,712,114 | \$237,427,031 | \$27,285,083  |
| 75   | First Option Bank                         | VIC   | \$250,232,125 | \$234,731,036 | \$15,501,089  |
| 76   | Westfund Health                           | NSW   | \$247,845,000 | \$72,190,000  | \$175,655,000 |
| 77   | Coleambally Irrigation Co-operative       | NSW   | \$238,973,000 | \$6,465,000   | \$232,508,000 |
| 78   | Norco Co-operative                        | NSW   | \$236,610,000 | \$145,450,000 | \$80,777,000  |
| 79   | Latrobe Health Services                   | VIC   | \$236,602,342 | \$73,236,865  | \$163,365,477 |
| 80   | Laboratories Credit Union (LCU)           | NSW   | \$230,956,736 | \$214,931,851 | \$16,024,885  |
| 81   | Health Partners                           | SA    | \$230,729,624 | \$52,597,404  | \$178,132,220 |
| 82   | Dnister Ukrainian Credit Co-operative     | VIC   | \$228,389,000 | \$202,934,000 | \$25,455,000  |
| 83   | Almondco Australia                        | SA    | \$226,324,000 | \$181,986,000 | \$44,338,000  |
| 84   | South West Slopes Credit Union            | NSW   | \$223,900,000 | \$200,900,000 | \$23,000,000  |
| 85   | APS Benefits Group                        | VIC   | \$218,777,346 | \$212,842,669 | \$5,934,677   |
| 86   | Central West Credit Union                 | NSW   | \$214,114,000 | \$192,866,000 | \$21,248,000  |
| 87   | Family First Credit Union                 | NSW   | \$203,995,051 | \$190,418,066 | \$13,576,985  |

| Rank | Name                                      | State | Gross Assets  | Liabilities   | Equity        |
|------|---|-------|---------------|---------------|---------------|
| 88   | South-West Credit Union Co-operative      | VIC   | \$201,914,170 | \$189,887,141 | \$12,027,029  |
| 89   | Queensland Teachers Union Health Fund     | QLD   | \$191,267,550 | \$45,075,094  | \$146,192,456 |
| 90   | Geelong Bank                              | VIC   | \$185,794,000 | \$173,971,000 | \$11,823,000  |
| 91   | Sureplan Friendly Society                 | QLD   | \$178,866,473 | \$165,890,177 | \$12,976,296  |
| 92   | Australian Friendly Society               | VIC   | \$173,245,000 | \$160,484,000 | \$12,761,000  |
| 93   | The Casino Food Co-op                     | NSW   | \$152,458,000 | \$64,151,000  | \$88,307,000  |
| 94   | National Pharmacies                       | SA    | \$149,034,000 | \$88,303,000  | \$60,731,000  |
| 95   | Peoplecare Health Insurance               | NSW   | \$148,047,845 | \$48,056,539  | \$99,991,306  |
| 96   | St.LukesHealth                            | TAS   | \$145,135,583 | \$43,864,993  | \$101,270,590 |
| 97   | Health Insurance Fund of Australia (HIF)  | WA    | \$142,566,500 | \$59,936,174  | \$82,630,326  |
| 98   | Navy Health                               | VIC   | \$140,859,619 | \$38,189,120  | \$102,670,499 |
| 99   | YHA Australia                             | NSW   | \$140,279,391 | \$104,212,954 | \$36,066,437  |
| 100  | Australian Air Pilots Mutual Benefit Fund | VIC   | \$138,544,383 | \$58,109,825  | \$80,434,558  |

## Appendix D: Notes to table

1. This list contains businesses ranked by total assets not turnover and includes several firms that did not appear in the Top 100 lists by turnover (Appendix A), while some of the firms listed there do not appear in this list.
2. Financial information has been sourced in most cases from company annual reports, and where this is unavailable, 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 E:

## Australian Top 100 CMEs Top 10 per state and territory by gross turnover FY2020–21 (excluding superannuation funds)

### Western Australia

| State Rank     | Name                                     | Gross Turnover          | Assets                  | Top 100 Rank |
|----------------|--|-------------------------|-------------------------|--------------|
| 1              | CBH Group                                | \$3,993,212,000         | \$2,970,842,000         | 1            |
| 2              | Capricorn Society                        | \$2,590,858,000         | \$549,955,000           | 3            |
| 3              | HBF Health                               | \$1,733,572,000         | \$2,080,949,000         | 5            |
| 4              | RAC WA                                   | \$1,072,815,000         | \$2,245,048,000         | 7            |
| 5              | WAMMCO International                     | \$389,521,000           | \$115,469,000           | 22           |
| 6              | Geraldton Fishermen's Co-operative       | \$229,120,733           | \$101,588,417           | 32           |
| 7              | P&N Bank                                 | \$189,079,000           | \$6,928,372,000         | 43           |
| 8              | Health Insurance Fund of Australia (HIF) | \$184,644,748           | \$142,566,500           | 45           |
| 9              | MDA National                             | \$137,910,000           | \$508,694,000           | 52           |
| 10             | Capricorn Mutual                         | \$83,591,000            | \$132,037,000           | 68           |
| <b>Totals:</b> |  | <b>\$10,604,323,481</b> | <b>\$15,775,520,917</b> |              |

### New South Wales

| State Rank     | Name   | Gross Turnover         | Assets                  | Top 100 Rank |
|----------------|--|------------------------|-------------------------|--------------|
| 1              | HCF  | \$3,336,499,000        | \$2,997,788,000         | 2            |
| 2              | Teachers Federation Health                         | \$836,734,000          | \$669,690,000           | 8            |
| 3              | Avant Mutual Group                                 | \$665,100,000          | \$2,693,700,000         | 11           |
| 4              | Norco Co-operative                                 | \$659,410,000          | \$236,610,000           | 12           |
| 5              | NRMA   | \$555,070,000          | \$1,919,110,000         | 13           |
| 6              | CBHS Health Fund                                   | \$506,254,000          | \$373,808,000           | 16           |
| 7              | Employers Mutual Limited (EML)                     | \$465,915,000          | \$557,266,000           | 18           |
| 8              | Independent Liquor Group Suppliers Co-operative    | \$409,213,011          | \$77,142,601            | 19           |
| 9              | Independent Liquor Group Distribution Co-operative | \$402,370,436          | \$44,150,856            | 20           |
| 10             | Newcastle Permanent                                | \$330,301,000          | \$13,696,157,000        | 23           |
| <b>Totals:</b> |  | <b>\$8,166,866,447</b> | <b>\$23,265,422,457</b> |              |

## Victoria

| State Rank     | Name                                 | Gross Turnover         | Assets                  | Top 100 Rank |
|----------------|--------------------------------------|------------------------|-------------------------|--------------|
| 1              | Australian Unity                     | \$1,706,072,000        | \$6,927,369,000         | 6            |
| 2              | RACV                                 | \$685,400,000          | \$2,632,900,000         | 9            |
| 3              | GMHBA                                | \$675,022,000          | \$523,294,000           | 10           |
| 4              | Catholic Church Insurance            | \$513,861,000          | \$1,799,038,000         | 15           |
| 5              | Tyrepower Group                      | \$393,323,000          |                         | 21           |
| 6              | Associated Retailers Limited (ARL)   | \$245,364,000          | \$52,019,000            | 28           |
| 7              | Bank Australia                       | \$215,965,000          | \$8,470,494,000         | 38           |
| 8              | Latrobe Health Services              | \$187,427,936          | \$236,602,342           | 44           |
| 9              | Australian Dairy Farmers Corporation | \$150,786,296          | \$16,203,905            | 50           |
| 10             | Futurity Investment Group            | \$146,139,000          | \$1,155,087,000         | 51           |
| <b>Totals:</b> |                                      | <b>\$4,919,360,232</b> | <b>\$21,813,007,247</b> |              |

## Queensland

| State Rank     | Name  | Gross Turnover         | Assets                  | Top 100 Rank |
|----------------|---|------------------------|-------------------------|--------------|
| 1              | RACQ  | \$1,823,586,000        | \$5,923,962,000         | 4            |
| 2              | Great Southern Bank   | \$471,400,000          | \$16,299,300,000        | 17           |
| 3              | Heritage Bank   | \$314,779,000          | \$11,943,038,000        | 25           |
| 4              | Queensland Country Bank   | \$229,717,000          | \$2,713,218,000         | 31           |
| 5              | Queensland Teachers Union Health Fund                                   | \$210,085,826          | \$191,267,550           | 39           |
| 6              | Institute for Urban Indigenous Health                                   | \$117,878,933          | \$57,571,228            | 56           |
| 7              | Bundaberg Friendly Society Medical Institute                            | \$84,039,975           | \$84,477,206            | 67           |
| 8              | Cowboys Leagues Club  | \$66,958,853           | \$59,550,636            | 81           |
| 9              | TGT Hardware (N.Q. Co-op)   | \$50,527,123           | \$38,250,212            | 86           |
| 10             | Aboriginal and Torres Strait Islander Community Health Service Brisbane | \$46,196,338           | \$64,231,893            | 89           |
| <b>Totals:</b> |   | <b>\$3,415,169,048</b> | <b>\$37,374,866,725</b> |              |

## South Australia

| State Rank     | Name                         | Gross Turnover         | Assets                  | Top 100 Rank |
|----------------|------------------------------|------------------------|-------------------------|--------------|
| 1              | RAA SA                       | \$524,157,000          | \$718,721,000           | 14           |
| 2              | People's Choice Credit Union | \$317,631,000          | \$9,674,749,000         | 24           |
| 3              | National Pharmacies          | \$258,756,000          | \$149,034,000           | 26           |
| 4              | Beyond Bank Australia        | \$225,300,000          | \$7,755,100,000         | 33           |
| 5              | Almondco Australia           | \$222,610,000          | \$226,324,000           | 34           |
| 6              | Health Partner               | \$199,429,000          | \$230,729,624           | 42           |
| 7              | Police Health                | \$170,305,176          | \$91,664,001            | 47           |
| 8              | CCW Co-op                    | \$89,785,818           | \$3,286,474             | 65           |
| 9              | Master Butchers Co-operative | \$77,394,133           | \$48,904,898            | 74           |
| 10             | MIGA Insurance               | \$75,478,000           | \$460,564,000           | 76           |
| <b>Totals:</b> |                              | <b>\$2,160,846,127</b> | <b>\$19,359,076,996</b> |              |

## Tasmania

| State Rank     | Name   | Gross Turnover       | Assets                 | Top 100 Rank |
|----------------|--|----------------------|------------------------|--------------|
| 1              | St.LukesHealth                               | \$172,009,214        | \$145,135,583          | 46           |
| 2              | Tasmanian Independent Retailers Co-operative | \$91,030,799         | \$63,051,211           | 63           |
| 3              | RACT   | \$74,698,000         | \$121,388,000          | 77           |
| 4              | Bank of us                                   | \$36,149,323         | \$1,239,668,285        | 100          |
| <b>Totals:</b> |  | <b>\$373,887,336</b> | <b>\$1,569,243,079</b> |              |

## Northern Territory

| State Rank     | Name  | Gross Turnover       | Assets               | Top 100 Rank |
|----------------|---|----------------------|----------------------|--------------|
| 1              | Arnhem Land Progress Aboriginal Corporation                   | \$129,992,885        | \$116,456,448        | 53           |
| 2              | Central Australian Aboriginal Congress Aboriginal Corporation | \$58,440,752         | \$51,129,026         | 83           |
| 3              | Miwatj Health Aboriginal Corporation                          | \$42,310,510         | \$25,229,220         | 92           |
| <b>Totals:</b> |   | <b>\$230,744,147</b> | <b>\$192,814,694</b> |              |

# Appendix F:

## Modelling framework for Hunter Valley analysis

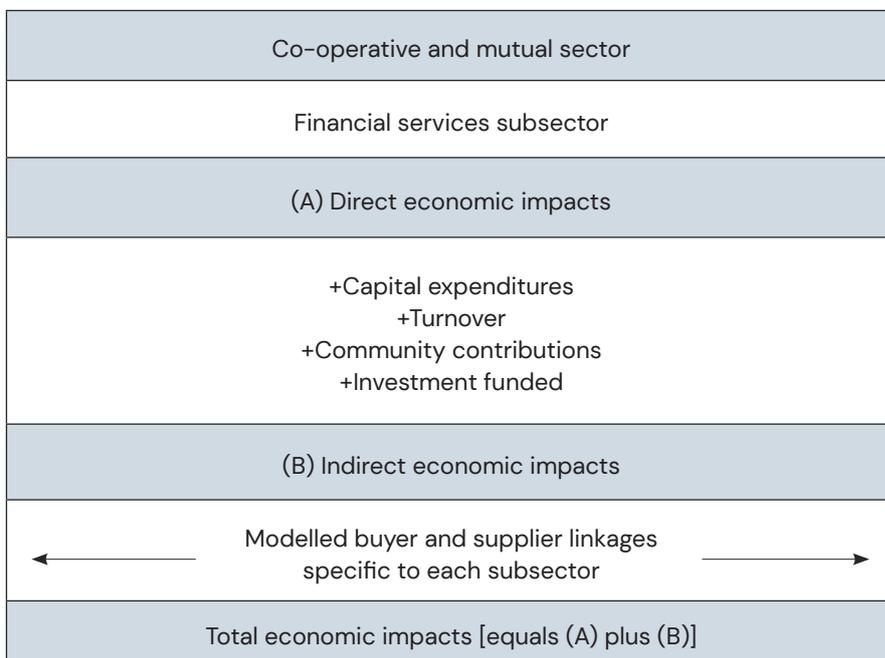
SGS assessed the regional economic impacts of mutual banking in the Hunter region via these steps:

- Assembled the direct economic impacts generated by the CME subsector in 2021
- Used these direct economic impacts to shock SGS' Input-Output (I-O) model of the Hunter economy
- Estimated the indirect economic impacts generated by this shock through the multiple rounds of buyer (downstream) and supplier (upstream) transactions triggered, and;
- Added these indirect impacts to the direct impacts assembled to measure the total economic impacts attributable to the CME subsector.

The direct economic impacts include each of the CME's operating expenditures, capital expenditures, distributions of sponsorships and community contributions, and consumer investment funded in 2021.

The following figure depicts how the economic impact modelling has been undertaken.

**Economic impact framework**



Source: SGS Economics & Planning Note: Capital expenditures, turnovers, community contributions and investments funded sourced from CME-specific financial statements.

# Limitations of I-O modelling

Though a cost-effective and widely used technique for economic impact analysis, I-O modelling has some limitations:

- The model assumes relationships between industries are static over the forecast period. That is, productivity improvements are not factored in and historic relationships are assumed to hold.
- The I-O model derives relationships between industries using total production estimates. Consequently, the relationships are "average", whereas the stimulus used as an input is "marginal". Such an approach does not account for any 'underutilised capacity' at the industry level or additional economies of scale that might ensue as production expands from its existing base.
- The model assumes that there are no supply constraints. A drawback is that the model does not consider the "crowding out" of other sectors; recognition that resources are scarce.

A feasible alternative to using I-O modelling for economic impact assessments is to utilise partial or general equilibrium models.

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*Report ends*

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