

A strong economy: It's everyone's business

Blueprint for an enterprising South Australia 2024

Co-operatives and mutual enterprises help to build an economy that is as strong, resilient and inclusive as the people of South Australia. They do this by mobilising the sense of collaboration and common purpose between businesses and communities across the State.

Co-operatives and mutuals strengthen market competitiveness and diversity and improve social and economic well-being by generating employment and contributing to sustainable development. They spread wealth by focusing on delivering value rather than capital accumulation. They are always domestically owned, employ local people and pay domestic taxes.

South Australian co-operatives and mutuals turnover more than \$2.6 billion, directly employ over 6,300 workers, and facilitate the operations of thousands of small, medium and family-sized businesses across a range of industry sectors.

South Australia has over 100 co-operatives and mutuals. The people of South Australia hold over 1.9 million memberships with co-ops and mutuals.

The Business Council of Co-operatives and Mutuals would like to engage directly with the South Australian Government to explore how co-operative and mutual enterprises can help to deliver progress in a number of priority policy areas:

Manufacturing growth:

The co-operative sector can contribute even more to economic growth by boosting advanced manufacturing, creating jobs and driving our export capability.

Energy transition:

As we move towards a greener economy and climate resilience, energy co-operatives can help to embed local ownership and engagement in the future of energy security.



Kudos Services
photographed by
Nat Rogers



Affordable homes:

Housing co-operatives and the mutual financial sector can be boosted to provide more secure, affordable housing – particularly for key workers priced out of the housing market.

Caring together:

Co-ops and mutuals give people a stake in the delivery of social care, particularly in regional, rural and remote areas where current models are not working.

The context

In the last few years, businesses and communities in South Australia have faced new and rapidly evolving challenges. Trade tensions, Covid lockdowns, and repeated natural disasters have highlighted the importance of building greater self-reliance and resilience into the economy. These years of turmoil have also opened opportunities, especially for regional communities, to secure a new period of economic and social development.

We have learned three things from this experience:

South Australia needs more self-reliance – co-operative ownership guarantees local supply and control.

South Australia needs more onshore manufacturing and processing – co-operatives create value and re-circulate it into their communities.

The people of South Australia expect more fairness – co-operatives are equitable wealth sharers.

South Australia needs more self-reliance

The interruption to global supply chains caused by the pandemic demonstrated a need for greater domestic manufacturing. The importance of control over domestic production is just as relevant in the value-adding of manufacturing as with primary industries.

South Australian-based food producers and processors like AlmondCo and Limestone Coast Fishermen's Co-operative are the key to local food security. Agricultural co-operatives – owned exclusively by family farms – work together to add value to primary produce, export and return the value to regional communities.

South Australia needs more onshore manufacturing and processing

The twin objectives of more manufacturing and the growth of a medium-sized business sector can be delivered through co-operatives. Co-operatives and mutuals are always domestically owned and controlled.

Co-ops are a proven model for SME collaboration across agriculture, manufacturing, retail and professional services, boosting productivity and investment in skills, training and the digital economy, especially in the regions.

The co-operative cluster of independent engineering services firms working through HunterNet in NSW, is an example of how SME collaboration strengthens their supply chains, increases production and boosts exports.

The people of South Australia expect more fairness

Co-operatives are equitable businesses. They share the benefits of business fairly with all stakeholders – employees, customers and other participants, ensuring that wealth remains in South Australia. Co-ops spread their wealth among their communities through lower prices, access to otherwise inaccessible services, or sharing profits.

The twin objectives of more South Australian manufacturing and the growth of a medium-sized business sector can both be delivered through co-operatives.

Unleashing the new era of co-operation

There now needs to be a new spirit of co-operation between the people of South Australia, its government and the co-operative and mutual movement. Working towards the common goal of strengthening the business environment will help to release the full potential of these people-centred businesses to do good for South Australia and its people.

South Australia should be a world-leading business environment for co-operatives and mutuals.

The policy, legislative, regulatory and business services environment play an essential role in deciding the success or otherwise of businesses. If we look around the world, these factors significantly influence the size and scope of each country's co-operative and mutual sectors.

South Australian Government business policies are fundamental to securing the potential of co-operatives to create growth and spread prosperity. They should provide a supportive policy and legal framework for these businesses. By adopting recognised international best practice (e.g. ILO Recommendation 193 on the promotion of cooperatives), co-operatives should be considered as one of the pillars of South Australia's economic and social development.

1.

The registration of co-operatives should be as rapid, simple and affordable as possible.

2.

Policies should support capital access and retention in co-operatives and mutuals.

3.

Regulations should treat co-operatives and mutuals on terms no less favourable than those accorded to other forms of enterprise.

4.

Policy should encourage the development of co-operatives and mutuals in areas where they have an important role or provide services not found elsewhere.



AlmondCo's Brenton Woolston, photographed by Ben Searcy



Limestone Coast Fishermen's Co-op

To enable co-operatives and mutuals to play their full role in the future South Australian economy, the Business Council of Co-operatives and Mutuals calls on political parties to commit to the following measures:

Create a co-ops and mutuals unit in an industry-focused department

Co-ops and mutuals are significant businesses in the South Australian economy, yet there is no policy capacity within Government to provide expert advice on the model. A co-ops and mutuals policy unit should sit within a core industry or economic department and provide a solid knowledge base and liaison point between co-ops and mutuals, Ministers and officials to deliver on shared social and economic goals.

Appoint a Minister for co-ops and mutuals in that department

A Minister should be formally responsible for all economic and social policy affecting co-operatives and mutuals operating in South Australia, distinct from responsibility for operation of the co-op registry in Consumer and Business Services. As Minister for co-ops and mutuals, this would be an important cross-cutting responsibility and signal the significance that South Australia places on the contribution of the sector and the fair treatment of collaborative enterprise.

A South Australian co-op and mutual business development plan

Working in consultation with the co-operative and mutual movement, South Australia can develop a plan to grow existing co-operatives and to facilitate their engagement with new sectors. This plan could focus on the immense opportunities to support thriving communities in regional South Australia through the growth of established and new co-operatives and mutuals in agriculture, small business, care, housing, community retail and energy.

Single national regulator for co-operatives

Now that Co-operatives National Law has been consistently adopted across all states and territories, a single national regulator for co-operatives should be instituted to ensure national consistency and access to full information about co-operatives. Because of the under-resourcing of the registry in Consumer and Business Services, co-operatives face a range of barriers including a lack of regulatory guidance on offer documentation in relation to member and public offers of securities. This process should be managed under a principle of no disadvantage – adopting best practice from different jurisdictions and ensuring all types of co-ops are treated equally and fairly.



About the BCCM

The Business Council of Co-operatives and Mutuals (BCCM) is Australia's peak body for co-operatives and mutuals across all industries. BCCM is the representative body for Australian co-ops and mutuals, working with governments, regulators and policy makers to ensure the Australian economic landscape is able to fully benefit from a competitive co-op and mutuals sector. The BCCM is funded by our co-operative and mutual members.

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