



10 May 2024

# Opportunities and impacts for Australians arising out of the uptake of AI technologies

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Submission to the Select Committee on Adopting Artificial Intelligence

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## Response to terms of reference

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The Business Council of Co-operatives and Mutuals (BCCM) welcomes the opportunity to make this submission to the Select Committee on Adopting Artificial Intelligence.

The BCCM is the national peak body representing the co-operative and mutual movement across all industries.

Co-operatives and mutuals are enterprises that are owned by members, who may be consumers, workers, producers (SMEs), a community of interest or a combination of these stakeholders.

There are 1,840 co-operatives and mutuals in Australia with a combined turnover of more than \$40bn. The sector represents more than 5 million members in banking, 5.2 million members in health insurance, 8.5 million members in motoring services as well as more than 100,000 small business members of buying and banner groups.

Important components to effective implementation of AI are good governance, good data use and a commitment that use is to benefit customers.<sup>1</sup> These fundamentals support consumer trust, which can in turn allow more use of AI and data-driven innovations.

As member-owned and governed businesses focused on service provision to members (rather than profit to shareholders), co-ops and mutuals are trusted stewards of data and operate technology systems at scale. They do not have two masters and therefore are structurally well-placed to focus on **adopting AI in ways that benefit citizens, the environment and/or economic growth, for example in health and climate management:**

- Established co-operatives and mutuals are investing in AI technologies and utilising data that they believe will deliver more value to their members. An example is the RAC WA [Intellibus® trial](#) between 2016 and 2023. Many financial services innovations over the past 40 years such as EFTPOS, ATMs and [SWIFT](#) have been facilitated by member-based structures.
- Established co-operatives and mutuals play an important advocacy role on behalf of consumers in all stages of development and implementation of new technologies by other stakeholders. An example is the [recent campaign](#) led by mobility mutuals for the sharing of road crash data to optimise public investment in roads.
- New co-operatives and mutuals are forming to facilitate consumer oversight of and benefit from use of their data in a range of fields including health and agriculture. Data co-ops can interface with other aspects of innovation such as AI implementation. [Savvy Co-operative](#) is a patient-owned co-op that facilitates sharing of its members' medical information with major clients such as AstraZeneca and Bayer. There is also growing interest in mutual risk protection models for Australian farmers. Mutual models can facilitate increased trust and data sharing needed for climate-related modelling. [JoinData](#) is an example of a farmer-owned data co-operative from the Netherlands.

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<sup>1</sup> See Tim Trumper, *AI: Game On*

**We recommend that the Senate Committee recognise co-operatives and mutuals as a distinct, customer-centric model for the implementation of AI and use of data.**

**We recommend that the co-operative and mutual sector is consulted in the development of any new Australian regulation of AI.**

The BCCM would be pleased to provide further information on any matters raised in this submission.

## About the BCCM

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The BCCM is the national industry peak body for co-operatives and mutuals, working with governments, regulators and policymakers to ensure the Australian economic landscape is fully able to benefit from a competitive co-op and mutual movement.

Through its member co-ops and mutuals, the BCCM represents 11 million individuals and 160,000 businesses.

The BCCM has supported new co-operatives and mutuals to form in a range of sectors and is a member of the International Co-operative Alliance (ICA) with access to world-wide networks.

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