

# Business Council of Co-operatives and Mutuals

17 April 2015



BUSINESS COUNCIL  
OF CO-OPERATIVES AND MUTUALS

# The BCCM

- Who are we?
- Our objectives
- How we achieve them



# Who are we?

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- The BCCM was formed in 2013 following the United Nations International Year of Co-operatives 2012
- The BCCM is the national peak body representing the co-operative and mutual models of enterprise in Australia
- We represent various sectors in the economy including agriculture, insurance, banking and finance, personal services, shared services, wholesale and purchasing, retail and housing
- Our members include some of Australia's largest companies including the CBH Group, The Co-op, NRMA and HCF along with smaller organisations across the country



# Our objectives

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- The BCCM is committed to:
- Providing leadership in research, education and advocacy
- Encouraging CMEs across all sectors to share best practice to foster partnerships
- Promoting the role of CMEs in the national economy
- Increasing the number of CMEs in the economy

# How we achieve them

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## Collaboration

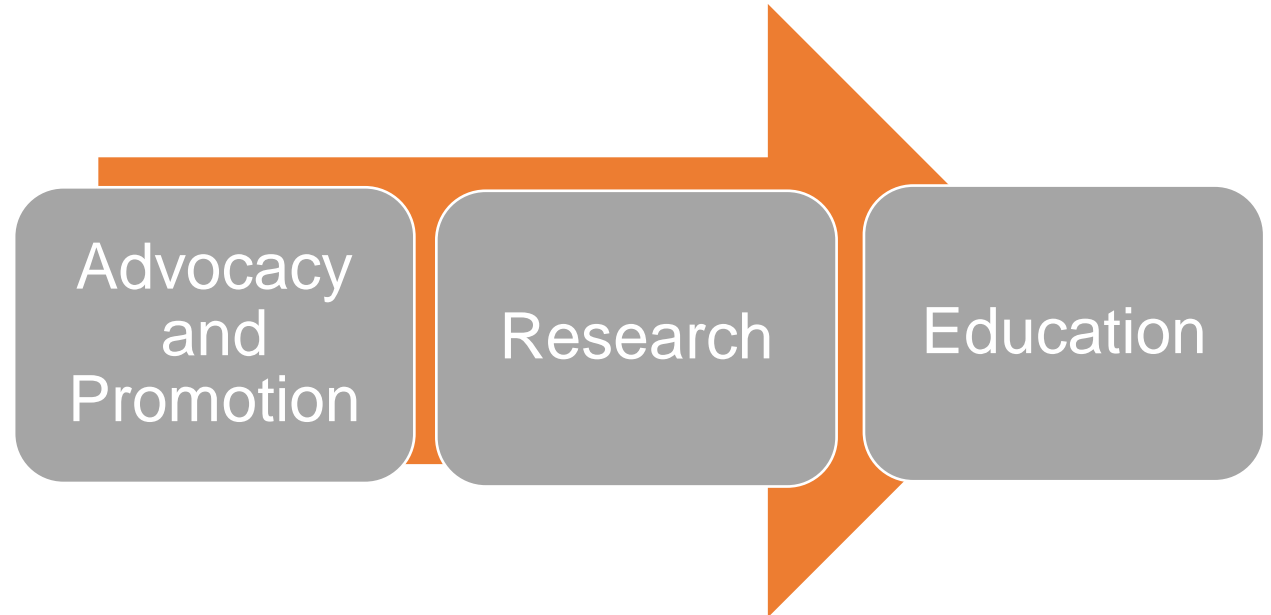
- Grow the sector
- Share best practice
- Cross-sell the brand

## Education and research

- Promote success of co-op mutual sector
- Research to provide evidence base
- Co-op/mutual toolkits
- Co-op/mutual education and training

## Advocacy and promotion

- Legislative improvements
- Policy recognition of mutuals
- Policy on co-ops and mutuals
- Thought leadership and media coverage



# Co-operatives and mutuals in Australia

The first Australian consumer co-operative was registered in 1859

Estimated over 1700 co-operative, mutual and member-owned businesses operating nationally

More than 13.5 million memberships generating a turnover of over \$25 billion per annum

Co-operatives and mutuals including member-owned superfunds contribute around 7% of our country's earnings

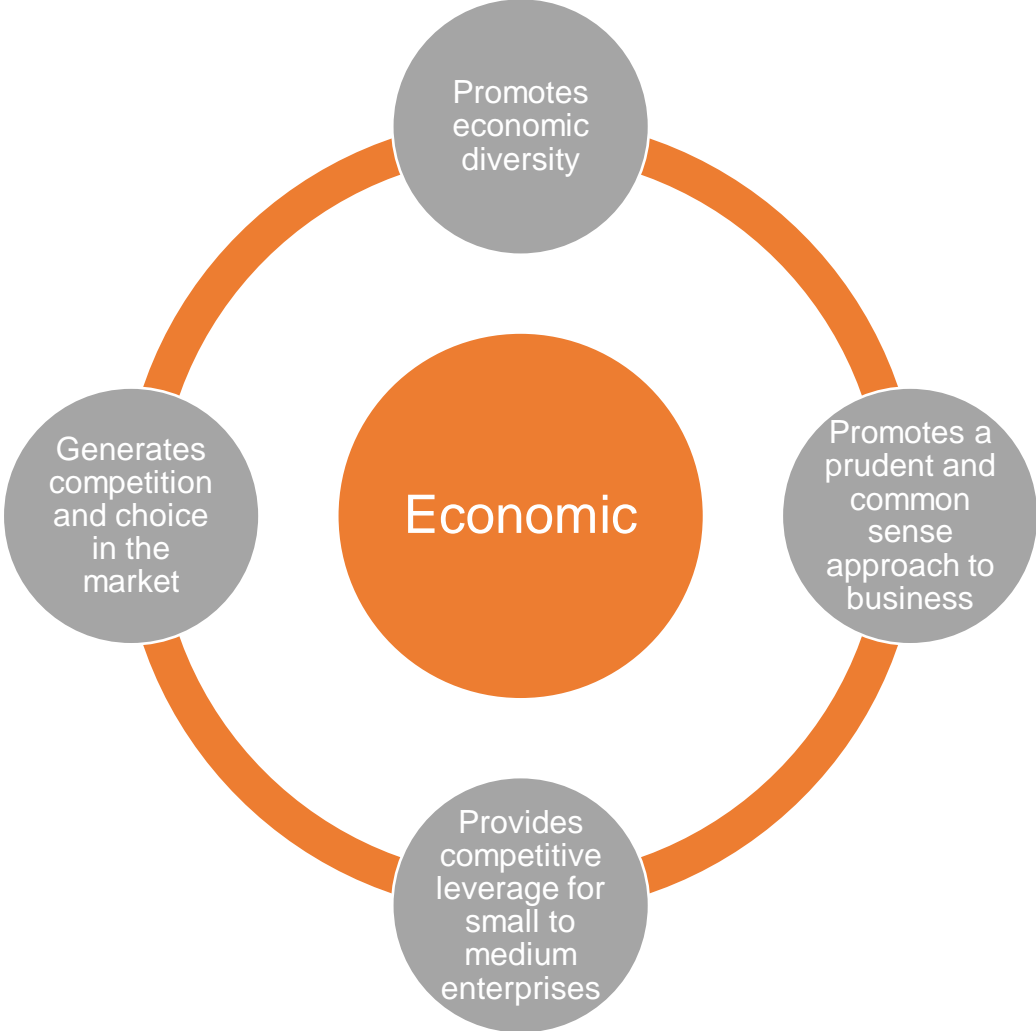
Motoring organisations are owned by more than 7 million members

Mutual insurers and friendly societies provide insurance to more than 2.3 million Australians

Customer owned banks, credit unions and building societies have 4.5 million members

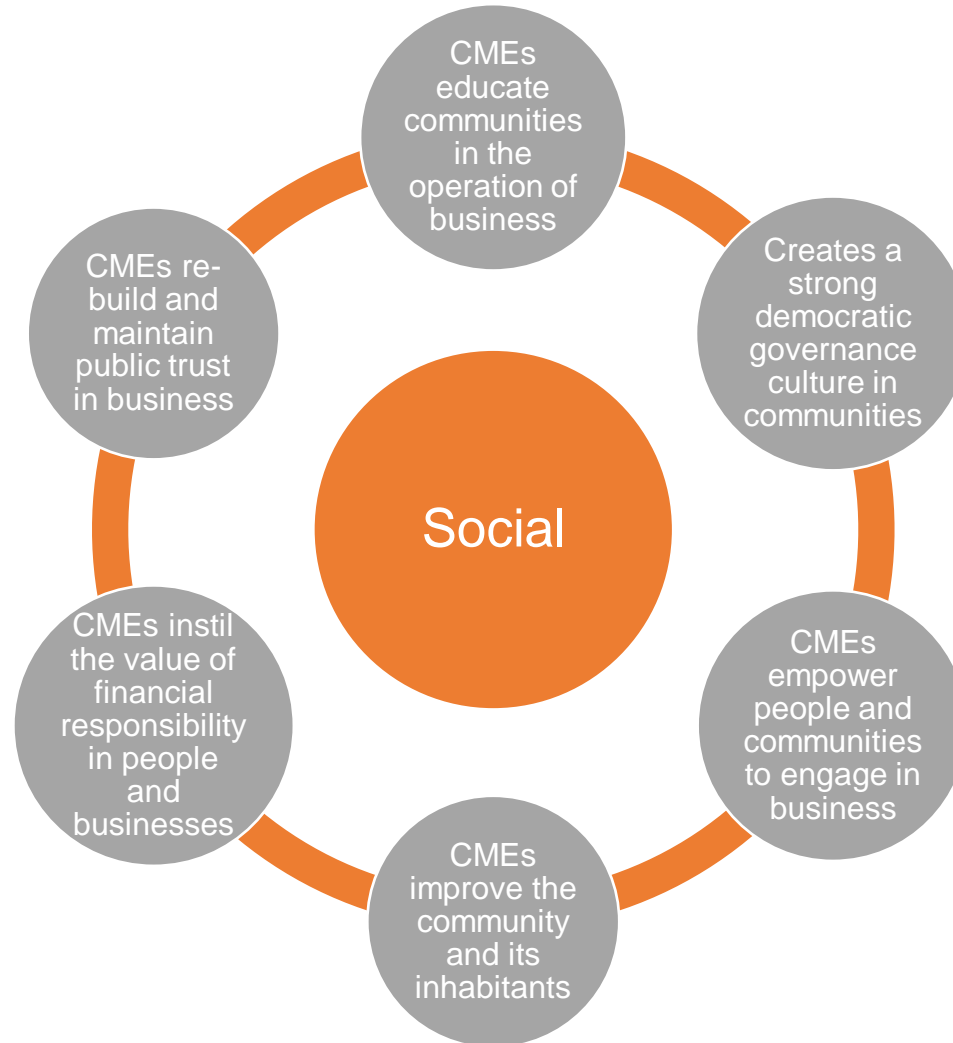
# Benefits of our sector

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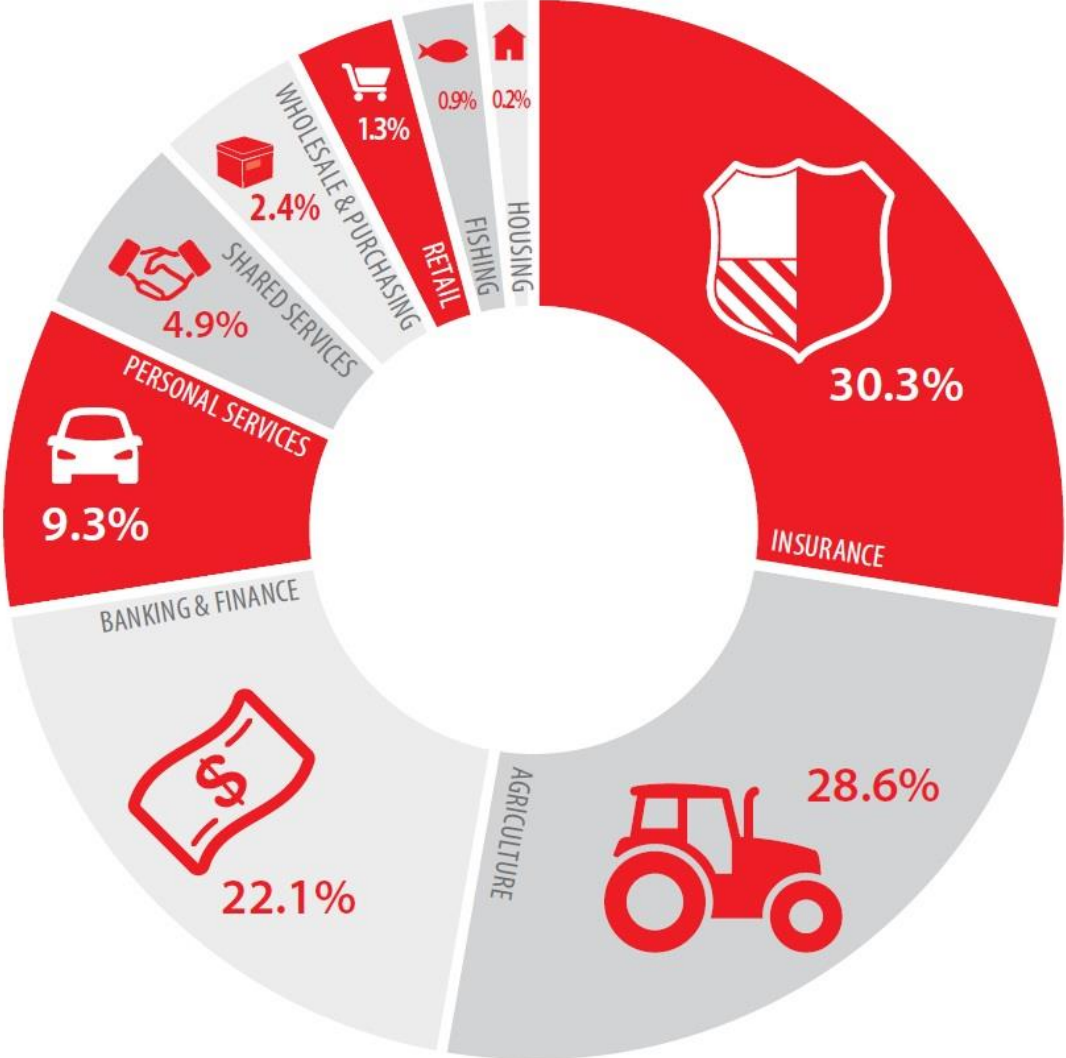
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\*CMEs – Co-operative and mutual enterprises

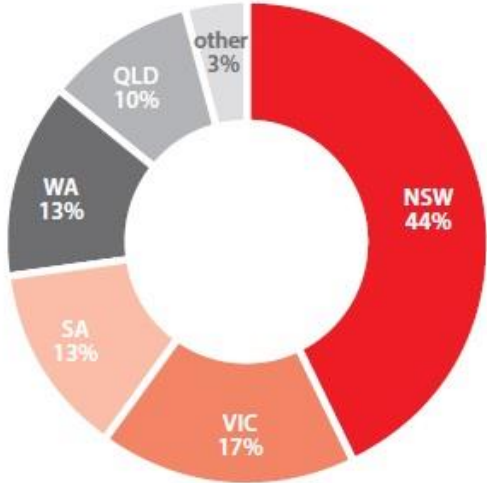


# Sector breakdown

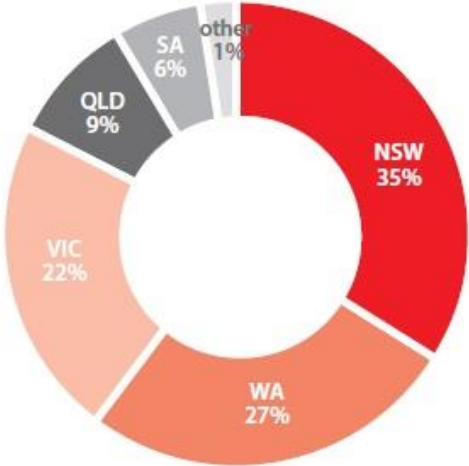


# Sector breakdown: By region

DISTRIBUTION OF THE TOP 100 PER STATE AND TERRITORY



BREAKDOWN OF COLLECTIVE TURNOVER FOR THE FY2013 BY STATE AND TERRITORY



### BEST PERFORMING STATE

WA had only 13% of the Top 100 co-operative and mutual businesses but accounted for 27% of the combined turnover.



# Some Australian co-ops and mutuals



# Agriculture in Australia

In 2012-2013, there were 157,000 farmers in Australia

The main types of farming include mixed crop and livestock (22%), beef cattle (20%) and dairy (8%)

The gross value of Australian farm production in 2012-2013 was \$48 billion

Australian farmers produce 93% of Australia's daily domestic food supply

Australian farmers export around 60% of what they grow and produce

99% of farms are Australian owned

# Agricultural co-operatives

Our members include some of the biggest agriculture entities in Australia:



40% of Australia's grain is exported by the CBH Group.



Devondale Murray Goulburn processes around a third of Australia's milk supply and is our largest dairy exporter.



The Northern Co-operative Meat Company Ltd, a livestock processing facility, supplies product throughout the world including; Australia, the America's, Japan, Korea, European Union, Halal and organic markets.



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# Trade destinations

Top five trade destinations (by value) for Australian produce:

1. China – \$7.8 billion
2. Japan – \$4.3 billion
3. EU – \$2.7 billion
4. Indonesia – \$2.6 billion
5. Republic of Korea – \$2.5 billion

To compare, all Australian exports to Vietnam totals:

\$3.8 billion

# Australian co-operatives in Asia

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- CBH Group has begun work on site at a malt processing facility in Vietnam
  - The \$75 million project will break ground and begin a two-year construction process on what will be the only malting plant in South East Asia
  - The malting site, about two hours south of Ho Chi Min city, is part of a \$150 million investment which will also include three new flour mills
  - The barley facility is expected to process 110,000 tonnes of barley each year



# Australian co-operatives in Asia

Norco Foods



347 members  
on 225 farms

Milk volume  
over 200  
million litres

120 Year old  
farmer owned  
co-operative

705  
employees

2013-2014  
\$430 million  
turnover

- Norco has been exporting fresh milk to China since April 2014
- Exports up to 50,000 litres of milk a week to the Chinese market via Aeon Guangzhou, one of Chinas largest retailers



# Future challenges and opportunities

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- Legislation covering the sector is inconsistent between jurisdictions, restricts free trade across states and territories and suffers from duplicative federal and state regulatory requirements
- There is a need for more funding for focussed research on the value of co-operatives in the agricultural sector
- Lack of awareness (political and public) of the co-operative model of doing business
- Limited access to capital for co-operatives
- Lack of education on the co-operative business model in government and in professions (accounting, law etc)

# What government has said about co-ops:

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“The most successful rural organisations in Australia are co-operatives. It allows people the capacity to reach further down the supply chain.”

- Minister for Agriculture, Joyce Barnaby, October 2014

# Thank you for your time!

## For more information:



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