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5A Does your Association Want to be a Co-operative?

Blake Wilson
General Manager & Deputy CEO of National Health Co-op

Katie Innes
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Robyn Kaczmarek
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Melina Morrison
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In collaboration with:

BUSINESS COUNCIL OF CO-OPERATIVES AND MUTUALS

Business Council of Co-operatives and Mutuals

Associations Forum National Conference

18 July 2017

BUSINESS COUNCIL
OF CO-OPERATIVES AND MUTUALS

Co-operatives in Australia

- 14.8 million members of Australian CMEs
- 29 million members (when member-owned super funds included)
- 8 in 10 Australians are members of one or more CMEs (79%)
- This compares to 6.48 million Australians who own investments listed on ASX (36%)
- Turnover of over $30 billion

BUT

- Low awareness
- 16% of Australians can name a co-op.
- 1 in 3 Australians know if they are a member of a co-op.

BCCM, 2015 National Mutual Economy Report

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Co-operatives around the world

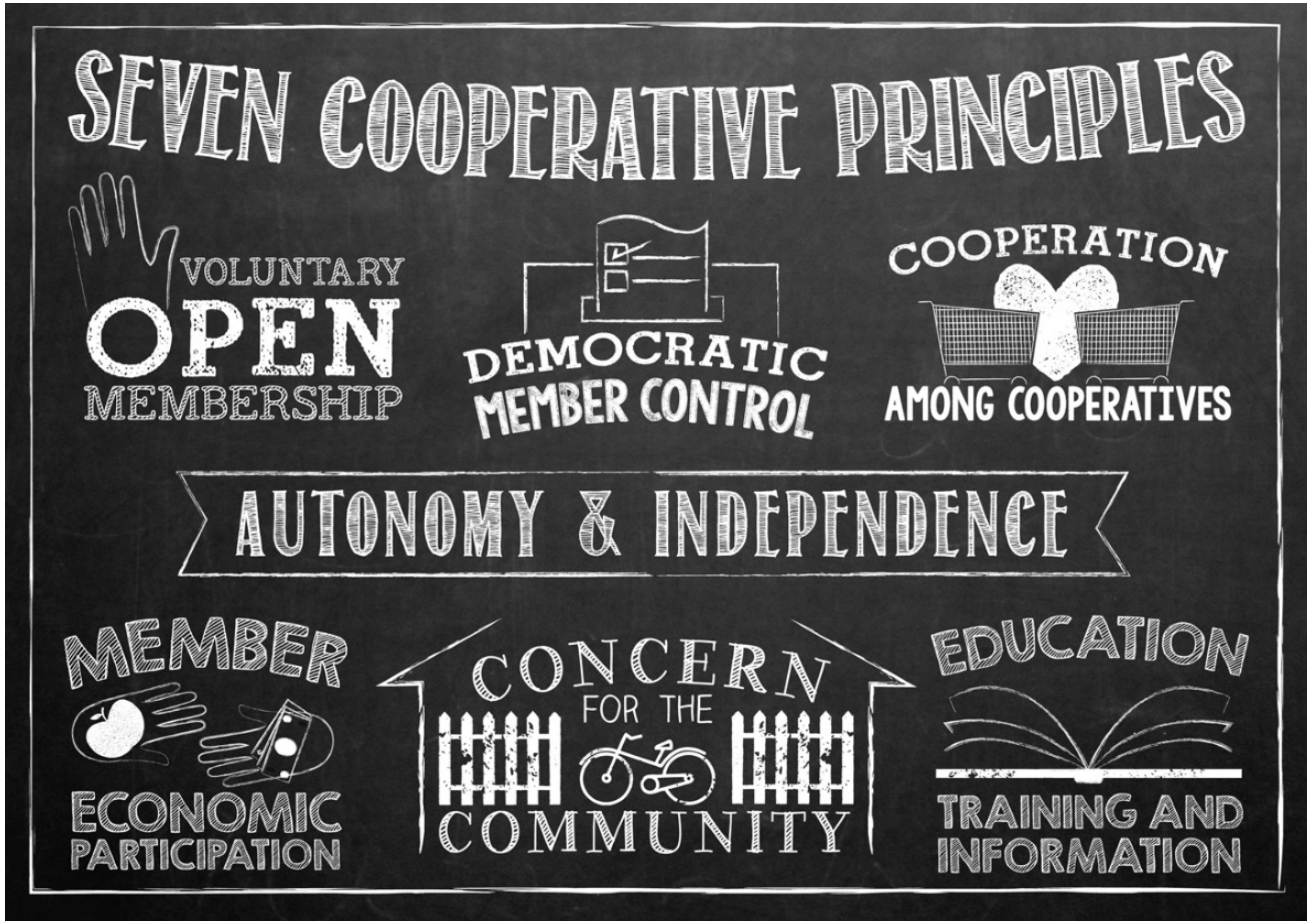
More than 1 billion members globally

More than 100 million jobs globally

International Co-operative Alliance – formed 1895

The Allicance has member organisations from 100 countries

What are co-operatives?



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Examples

Australian Unity

COMMUNITY CHILD CARE CO-OPERATIVE LTD. (NSW)

cua
Life rich banking

BATHURST WHOLEFOOD CO-OPERATIVE

SILC
SUPPORTING INDEPENDENT LIVING CO-OPERATIVE

Community Care and Transport Cooperative

Pingala

CEHL
Common Equity Housing Ltd
More Than Just Housing

hepburn wind

National Health Co-op
Better Health Together

CBH GROUP

Bega Valley Meals Plus on Wheels

BUSINESS COUNCIL
OF CO-OPERATIVES AND MUTUALS

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BCCM_AU

Business Council of Co-operatives and Mutuals

BUSINESS COUNCIL
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CO-OPERATIVES 101

Associations Forum National Conference
Does your Association want to be a Co-operative?

KATIE INNES • 18.07.17

BAL LAWYERS

UNDERSTANDING THE CO-OPERATIVE STRUCTURE

DISTRIBUTING CO-OPERATIVES

- With share capital
- Allows for distribution of dividends or rebates
- More favourable for those interested in financial returns

NON-DISTRIBUTING CO-OPERATIVES

- With share capital - shares do not carry a dividend but there is an entitlement to services or rebates
- Without share capital
- No distribution of ‘profits’ or surplus assets to members
- More favourable for those with broader social, public benefit or charitable purposes

CO-OPERATIVE PRINCIPLES

SEVEN PRINCIPLES UNDERLYING ALL CO-OPERATIVES

1. Voluntary and open membership
2. Democratic member control
3. Member economic participation
4. Autonomy and independence
5. Education, training and information
6. Co-operation among co-operatives
7. Concern for the community

Enshrined in the National Law – ss. 10 and 11

SIMILARITIES

COMPARED WITH INCORPORATED ASSOCIATIONS & COMPANIES

- Separate legal entity – with limited liability for members;
- Can engage in a business activity;
- Governed by a set of rules;
- Holds general meetings and annual general meetings;
- Has a board of Directors which govern the entity who are elected by the members;
- (for co-operatives and companies) each structure can have share capital with rights to dividends
- Similar financial reporting requirements

BAL LAWYERS

KEY DISTINCTIONS

STRUCTURE, PHILOSOPHY AND PURPOSE

- More flexible structure
  - » Can be "not for profit" or can trade and distribute profits to members
  - » Can convert the structure from distributing to non-distributing; with share capital to without share capital (and vice versa)
- Active membership
  - » Minimum ongoing commitment from members
  - » Encourages participation and loyalty
- Based on values of self-help, self-responsibility, democracy, equality and equity
- One member one vote (regardless of number of shares)
- Member may hold a maximum of 20% of all issued share capital

ANY QUESTIONS?

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12TH ANNUAL
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17–18 JULY 2017
INTERNATIONAL CONVENTION CENTRE SYDNEY
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