

**Submission
No 40**

**A FRAMEWORK FOR PERFORMANCE REPORTING AND DRIVING
WELLBEING OUTCOMES IN NSW**

Organisation: Business Council of Co-Operatives and Mutuals

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A framework for performance reporting and driving wellbeing outcomes in NSW

Submission to the Public Accounts Committee

Introduction

The Business Council of Co-operatives and Mutuals (BCCM) welcomes the opportunity to make this submission to the New South Wales Parliament Public Accounts Committee inquiry into a framework for performance reporting and driving wellbeing outcomes in NSW.

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

Co-operatives and mutuals are businesses that are owned and democratically controlled by members. Members may be consumers, workers, producers (SMEs), a community of interest or a combination of these stakeholders. They differ from investor-owned businesses because their corporate purpose is to provide economic, social and cultural benefits to their members and communities, rather than maximising profits to shareholders.

As acknowledgement of their significant contribution to sustainable development, the [UN has declared 2025 the second international year of co-operatives](#). Co-ops and mutuals are the only business type to have had an international year. The objectives of the year include for governments to create an enabling environment for co-operative and mutual formation and growth.

Response to terms of reference

The BCCM welcomes the focus of the NSW Government and NSW Parliament on improving how the government evaluates and reports on the impact of government policies and programs. Our responses are focused on how this effort can be inclusive of co-operatives and mutuals and the impact they have on the NSW economy and community.

1. c) Draft outcomes and indicators in the Performance and Wellbeing – Consultation Paper included in the NSW Budget Papers 2024–25

The consultation paper describes a prosperous society as one which has a 'vibrant, diverse and resilient economy that benefits everyone'. We agree with this description and submit that the indicators and metrics of prosperity must capture the diversity (or lack of diversity) of ownership models operating in the NSW economy.

There are 750 co-ops and mutuals based in New South Wales. They have a combined turnover of more than \$15bn, 11.8 million memberships including 20,000 SMEs, and directly employ more than 28,000 people. Co-operative and mutual ownership contributes significantly to a vibrant, diverse and resilient economy, including through:

- **Shaping markets for the benefit of consumers.** Co-ops and mutuals provide business model competition with investor-owned businesses in sectors like banking, insurance and housing leading to better value for all consumers. Research shows that mutual health insurers

regularly pay out higher rates of premiums as benefits to members than the large listed insurers.¹

- **Supporting the SME sector.** Co-ops allow small businesses to compete with larger businesses and access export markets. This benefits the SMEs, creates export earnings and maintains competition with corporate providers in sectors such as agriculture, building supplies, groceries, manufacturing and auto repairs. The retention of a manufacturing sector post-BHP in Newcastle has largely been underpinned by the HunterNet Co-operative, for example.²
- **Resilient service providers and employers.** Research has shown that because they are motivated primarily to serve members rather than maximise profits, co-ops and mutuals can operate sustainably and provide stable employment in so-called thin markets, such as regional NSW, that may not be sufficiently profitable for shareholder-owned businesses.³ Their focus on service and community networks also means they perform strongly in economic downturns and other crises.⁴
- **Better services through empowerment of marginalised groups.** Research has shown that co-operatives and mutuals deliver better service and social outcomes in sectors such as Aboriginal Community Controlled Health, social housing and social care because they empower the primary stakeholders.⁵

In its report on [measuring, managing and maximising impact in the social economy](#), the OECD commented that 'policy makers do not always recognise the full value created by the social economy [i.e. co-ops, mutuals and other socially-driven businesses and not-for-profits], since it is often not measured properly.'

Unfortunately, the draft indicators and metrics (e.g. export levels, small business procurement levels) included in the consultation paper do not capture the diversity of ownership models in the NSW economy and would not enable policymakers to recognise the value that is being generated by co-operatives, mutuals and other diverse ownership models in terms of outcomes of economic vibrancy, diversity and resilience.

Therefore, the BCCM recommends that at least one prosperity indicator and metric is designed to measure the diversity of ownership models in the New South Wales economy, inclusive of co-operatives and mutuals.

3. Any other related matter

The BCCM and Monash University have developed the [Mutual Value Measurement](#) framework to measure the total value creation of co-operatives and mutuals. Three NSW headquartered mutuals (HCF, Statecover, and Unimutual) are among the first Mutual Value Accredited businesses having

¹ See Members Health, [About Our Funds](#)

² See BCCM case studies of [HunterNet Co-operative](#) and [Co-operatives in Northern Rivers](#)

³ See Per Capita, [Co-operative Employment Economics: Sustaining Employment and Community Prosperity](#)

⁴ See BCCM, [Leading the resilience: co-operatives and mutuals in COVID-19](#) and BCCM, [Primary Producer Co-ops: the beating heart of community resilience](#).

⁵ See NACCHO, [Key facts on why ACCHS are needed](#) and L.Crabtree et al, [The Value of Housing Co-Operatives in Australia](#)

committed their organisations to holistic and continuous evaluation of their impact on their members, their community, and the economy and wider society.

Mutual Value Measurement is also an integral component of the performance evaluation and monitoring framework for the Commonwealth-funded \$7 million Care Together Program being delivered by the BCCM.

The BCCM recommends that the NSW Government engage with BCCM and Monash University to explore the applicability of Mutual Value Measurement to the design of NSW wellbeing indicators.

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

About the BCCM

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 60,000 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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