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STATISTICS ON COOPERATIVES

COUNTRY IN FOCUS: AUSTRALIA

This country in focus note is part of the Statistics on Cooperatives series produced by the International Labour Organization (ILO) and the Committee for the Promotion and Advancement of Cooperatives (COPAC) in support of a larger initiative to increase understanding of the ways in which countries around the world are producing and using statistics on cooperatives. Currently reliable and comparable statistics on cooperatives are missing in most countries of the world. These statistics are essential to measuring the impact of cooperatives on members, workers and the economy as a whole.

Cooperatives in Australia

The Australian co-operative sector is comprised of cooperatives registered under specific legislation for the model as well as companies that adopt a constitution with cooperative principles. The Corporations (Aboriginal and Torres Strait Islander) Act applies for co-operative companies with indigenous membership.

The existence of both legal models is firstly a product of legislative history from colonial Australia (they were first established in the 1850s) through to federation and to modern corporate legislation, and secondly due to the absence of uniform national regulation. Constitutional power for the Federal Parliament to legislate for corporations exists as a result of States referring their power to regulate company formations and financial cooperatives and mutual under the Corporations Agreement, 2001. States retained the power to make laws about cooperatives. Since 2017, States and Territories have engaged in a uniform regulatory scheme called the Co-operatives National Law, it is yet to be adopted by every State and it does not provide for a national system for recording and accessing statistical data about the sector.

The result of two separate regulatory regimes, being the federal Corporations Act 2001 and State\Territory laws for co-operatives, is a compromised system for collection of statistical data for co-operatives.

Australian co-operatives are identified under co-operatives law as either “distributing” or “non-distributing”. The former issue shares that can pay dividends while the latter do not. Many of the “non-distributing” co-operatives are also registered as charitable organisations under the Australian Charities and Not-for-Profits Commission (ACNC). These two types of co-operative typically have different strategic purposes.



The Business Council of Co-operatives and Mutuals (BCCM), formed in 2013 as the national peak body to represent the sector, estimated that in 2017 there were 2,134 active co-operative and mutual enterprises (CME) in Australia of which 82.5% were co-operatives, 13.2% mutual enterprises, 2.2% friendly societies and 2% member-owned industry superannuation funds.¹

How are statistics on cooperatives generated in Australia?

The Australian Bureau of Statistics (ABS) definition of a Co-operatives Enterprise is a member-owned organisation with five or more active members and one or more economic or social purposes; with governance that is based on sharing, democracy and delegation for a benefit of all its members; and which can be registered with one of the State or Territory authorities under their respective Co-operatives Acts, or under the Corporations Act (2001) but governed along co-operative principles. However, no official statistics on co-operatives are produced in Australia.

What statistics are available?

The Australian Business Register (ABR), managed by the Australian Taxation Office (ATO), categorises a number of co-operatives as other types of entities, including Australian public company, Other incorporated entity and Other unincorporated entity. These entity types flow through to the ABS Business Register, which is used as the frame for ABS business surveys. However, ABS surveys are not optimised by business entity type, as industry and size are generally the basis for sample selection. Also, the selection of entity type is a matter for the entity seeking registration. Up until recent years, the ABR did not readily accommodate the entity type for a co-operative, and accordingly, many co-operatives and mutuals are recorded as either Other incorporated entity or Other unincorporated entity.

Accurate statistics about financial co-operatives is lost as a result of the transfer of these entities to the federal Corporations Act as mutual companies. There is no legislative definition of a mutual and this descriptor is not available within the ABR. For these reasons, reliable data on co-operatives are generally not able to be produced from ABS business surveys. ABS is investigating the inclusion of a co-operatives flag in the Linked Employer Employee Dataset (LEED) tablebuilder product to be released in late 2018, from which aggregate data on the CME sector or de-identified unit record data may be available.

The Australian Co-operative and Mutual Enterprise Index (ACMEI) is a long-term research project undertaken by the University of Western Australia to map the size and structure of the CME sector in Australia, which started in 2012 with the first national data collection undertaken in 2014.

The BCCM publishes a yearly 'National Mutual Economy Report Incorporating the Top 100' aiming to map the size, composition and overall health of the CME sector, based on the ACMEI. This is publicly available and covers a range of financial and other data. The 2017 report includes measures of the sector's share of GDP and employment. Key data is presented separately for superannuation funds and for all other CMEs combined mines, chicken farms and cattle farms, among others.

¹ Business Council of Co-operatives and Mutuals, 2017 National Mutual Economy Report Incorporating the Top 100.



Reflection on approach of Australia to cooperative statistics

Australia does not have a fully-fledged regulatory framework for collecting statistical data for CMEs and specifically for co-operatives. As a result the overall size, structure and contribution of the co-operative and mutual sector in Australia is not comprehensively understood. In particular, there are challenges with the definition of a co-operative or mutual entity under federal law, and the collection and resolution of data for State\Territory registered co-operatives is not possible under current regulatory arrangements for measuring the economic contribution of cooperatives across different sectors. Hence as efforts continue to develop better measurement of the economic contributions of cooperatives, it will be beneficial to improve on the approach.

The 19th Session of the International Conference of Labour Statisticians (ICLS)² in 2013 included cooperatives in the Conference agenda for the first time in its history. The discussion converged towards the need for accurate, reliable, relevant and comparable statistics on the economic and social impact of cooperatives on the economies. A Resolution was passed with a view to carry out further developmental work on the measurement of cooperatives and carry out pilot studies in a number of countries to test various measurement approaches on collecting data on cooperatives.

The initiative on statistics on cooperatives is a collaboration between the ILO, COPAC, the cooperative movement, UN agencies, national statistics offices, government agencies and academic institutions to improve the quality and accessibility of statistical data on cooperatives. The outcome of this work will be guidelines for discussion at the 20th ICLS in October 2018.

COPAC is a multi-stakeholder partnership of global public and private institutions that promotes and advocates for people-centred, self-sustaining cooperative enterprises, guided by the principles of economic, social and environmental sustainable development. The current members of COPAC are the ILO, the UN Department of Economic and Social Affairs, the Food and Agriculture Organization of the United Nations, the International Co-operative Alliance and the World Farmers' Organisation.

To find out more, please visit the ILO COOP³, ILO Department of Statistics⁴ or COPAC websites⁵.

² <http://www.ilo.org/global/statistics-and-databases/meetings-and-events/international-conference-of-labour-statisticians/19/lang-en/index.htm>

³ http://www.ilo.org/global/topics/cooperatives/areas-of-work/WCMS_550541/lang-en/index.htm

⁴ <http://www.ilo.org/stat/lang-en/index.htm>

⁵ www.copac.coop

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