

Sent: Thursday, 10 March 2016 10:27 PM

To: Economics, Committee (SEN)

Subject: Senate Economics Committee - Cooperative, mutual and member-owned firms inquiry - Questions on Notice

Dear Senate Economics Committee

Please find below a response to Questions on Notice Q1 and Q2 from Chartered Accountants Australia and New Zealand's Head of Education Mr Jason Dale.

Best regards

Sarah

Sarah Davidson

Leader of Business & Government Affairs

1. [How much knowledge about co-operative and mutual business structures is required to be admitted to practice accounting in Australia](#)

No direct or specific knowledge of co-operative or mutual business structures is included in the great majority of university accounting courses. It may be briefly covered in some cases, in corporate law subjects where many of them devote a week or two to partnerships, trusts and maybe other business structures. The CA program has minimal coverage of co-operative or mutual business structure

2. [Would you agree that there is a chronic lack of education about co-ops and mutual legal structures leading to a lack of professional business advisors with requisite knowledge of the business models?](#)

I have spent most my career working for, or being a director of co-operatives or mutuals (CAANZ is one). I can say that my general background in accounting made it quite easy to take on those duties and I had no difficulties in acting as a director and coping with the particular structure of a co-operative. I think that would be true of accounting professionals generally. The co-operative structure is not difficult to understand and the conduct of the business of at least most co-operatives is not very different from those of other businesses. The main issue, in my experience, is if the co-operative has a very large number of members who do not take any real interest in its affairs. It is then possible for a determined small group to organise enough votes from a relatively small number of members to take control of the Board and, in some cases, to use the organisation to further their own private interests. I have seen no evidence of an issue with advisors with the requisite knowledge, indeed my experience is the reverse and that the market responds to needs for advice very efficiently.

Jason Dale, FCA

Head of Education



Chartered Accountants Australia and New Zealand