

Chapter 1

Introduction

1.1 On 2 March 2015, the Senate referred the following matters to the Economics Reference Committee for inquiry and report by 14 May 2015.

- (a) the role, importance, and overall performance of cooperative, mutual and member-owned firms in the Australian economy;
- (b) the operations of cooperatives and mutuals in the Australian economy, with particular reference to:
 - (i) economic contribution,
 - (ii) current barriers to innovation, growth, and free competition,
 - (iii) the impact of current regulations, and
 - (iv) comparisons between mutual ownership and private sale of publicly held assets and services; and
- (c) any related matters.

1.2 On 24 March 2015, the Senate granted an extension to the committee to report by 30 November 2015. On 7 September 2015, the Senate granted the committee a further extension to report by 26 February 2016. On 30 November 2015, the Senate granted the committee a further extension to report by 17 March 2016.

Conduct of the inquiry

1.3 The committee received 60 submissions, as listed in Appendix 1.

1.4 The committee held three public hearings in Sydney, Melbourne and Canberra. The witnesses are listed in Appendix 2.

Structure of the report

1.5 The report addresses the committee's terms of reference and is divided into four chapters:

- Chapter one (this chapter) states the administrative arrangements for the inquiry;
- Chapter two defines the concepts and issues discussed in the report;
- Chapter three discusses the broad issues facing the cooperative and mutuals sector, examines the perceived recognition and establishment barriers faced by organisations in the sector; and
- Chapter four concludes the report and considers regulation and access to capital.

Term of reference (b)(iv) - Comparisons between mutual ownership and private sale of publicly held assets and services

1.6 The inquiry's terms of reference ask the committee to compare mutual ownership of publicly held assets to the private sale of those assets. During the course of the inquiry, the committee did not receive enough evidence on this issue that would allow it to undertake a comparative analysis of the preferred model for management of publicly held assets. However, the committee did receive submissions from BCCM and a small number of other mutual enterprises recommending the Public Service Mutual (PSM) model as a possible vehicle for the delivery of public services. The Community and Public Sector Union (CPSU) argued against the prospect referring to experiences in the United Kingdom.

1.7 As such, while the report does consider opportunities for co-operative and mutual enterprises, and some of these will be in areas that could be considered traditional public services, it does not address this term of reference.

Notes on references

1.8 References to submissions in this report are to individual submissions received by the committee and published on the committee's website. References to the committee Hansards are to the official transcripts from inquiry hearings.

Acknowledgements

1.9 The committee thanks the many individuals and organisations that made written submissions, as well as those who gave evidence at the public hearings.