



2015 National Mutual Economy Report

INCORPORATING THE TOP 100

2015 Report Partner





2015 National Mutual Economy Report

Incorporating the Top 100 & Executive Insights Survey

Providing the latest research on the economic and social contribution of Australia's co-operative, mutual and member-owned business sector.



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For more information on the co-operative and mutual sector:

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About the BCCM

The Business Council of Co-operatives and Mutuals (BCCM) is the national peak body representing co-operative and mutual models of enterprise. It is the only organisation uniting the entire and diverse range of member owned businesses in Australia.

Formed in 2013, the BCCM is a powerful and informed voice in the business community, bringing together the sector of businesses owned by members or formed to benefit members, with the common objective of increasing awareness of these models of enterprise.

Through our members, the Council highlights the contribution co-operatives and mutuals make to the national economy and social development in Australia. The BCCM provides leadership in the important areas of research, education and advocacy to build a strong sector.

About the Report

This is the second annual report on the scale and performance of the Australian co-operative and mutual sector and draws on the findings of the 2014 study by way of comparison. The report aims to map the size, composition and overall health of the co-operative and mutual sector using the Australian Co-operative and Mutual Enterprise Index (ACMEI), which started in 2012 with the first national data collection process in 2014.

Strong and healthy



Welcome to the second annual National Mutual Economy Report produced by the BCCM with the research collaboration of the University of Western Australia.

It is supported in 2015 with the generous financial contribution of Bank Australia. Importantly it is made possible with the collaboration of Australia's co-operative and mutual enterprises, which take part in an annual survey collecting and collating economic and additional data so that we can build a better picture of the contribution and performance of the sector.

Recent recognition of the importance of co-operative and mutual enterprises (CMEs), such as the current Federal Senate inquiry into the operation of mutual firms in the economy, reinforces the vital role that research plays in helping us to have a better understanding of this sector and how well it is doing relative to other types of business.

This year's survey of the Top 100 CMEs provides evidence of growth and vibrancy across the sector. In terms of financial performance, the median annual turnover rose strongly as did profitability, despite increasing competition and major changes to government policy and market regulation that was not always viewed in a positive light by managers.

Overall we find that Australia's co-operative and mutual enterprise sector is strong and healthy. While the CME business sector remains poorly understood by the wider community, it is now being given greater recognition by state and federal governments.

The BCCM wishes to acknowledge the work of the researchers Tim Mazzarol, Elena Mamouni Limnios, Geoffrey N. Soutar and Johannes Kresling. Their detailed understanding of the factors influencing the performance of CMEs is reflected in this study.

This year we have included a feature case study, delving deeper into the operation of leading CMEs. Our thanks to Capricorn Society and Bank Australia for their participation.

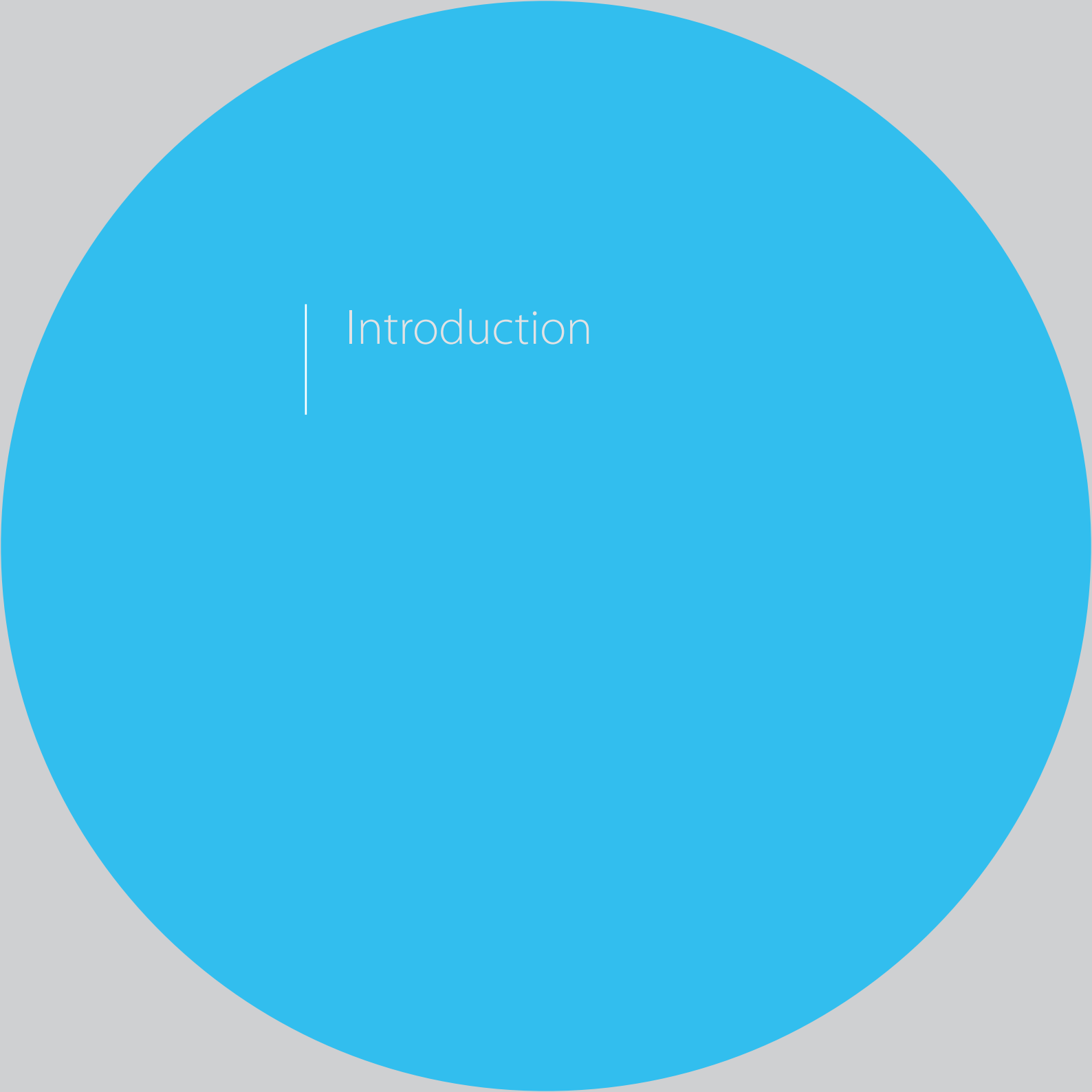
We hope you find this publication valuable.

Melina Morrison

Chief Executive Officer

Business Council of Co-operatives and Mutuals

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Introduction

About this report

This report is based on research undertaken by the University of Western Australia to map the size and structure of the co-operative and mutual enterprise (CME) sector in Australia. Its purpose is to provide a better understanding of these businesses and their contribution to the national economy. Despite representing some of the largest businesses in their sectors and being found across a wide-range of industries, the overall size, structure and contribution of the CME sector in Australia is relatively poorly understood. This is due to a paucity of reliable data, difficulties in definition and vagueness over which firms should be identified as CMEs. To address these issues the development of an Australian Co-operative and Mutual Enterprise Index (ACMEI) has commenced. This aims to provide data and analysis of the size and shape of the CME sector. In 2015 it has focused on the identification of the Top 100 co-operative and mutual enterprises in Australia to inform the peak body representing the sector, the BCCM.

This is the second annual report on the Australian CME sector and draws on the findings of the 2014 study by way of comparison (Mazzarol et al., 2014). It aims to map the size, structure and overall health of the CME sector using the ACMEI that commenced in 2012, with the first data collection process in 2014 undertaken in conjunction with the BCCM.

Research challenges

Defining the CME

The Australian Bureau of Statistics (ABS, 2012) has cautioned that there are problems with the definition of what a co-operative or mutual enterprise is. This is due to the use of many different names (e.g. co-operative, society, association, mutual), and because not all CMEs are registered under the same legislation.

Our definition of a CME draws upon the ABS (2012) framework that identifies a member owned organisation with five or more active members and one or more economic or social purposes. This organisation's governance is democratic and is based on sharing, democracy and delegation for benefit of all its members. Such organisations can be formally 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.

How many CMEs in Australia?

A challenge for this research is knowing the exact number of CMEs in Australia. Reliable data is limited by the way in which the data is recorded and reported. Not all co-operatives are registered with the state and territory authorities under the Co-operative Laws. Many are registered under the Corporations Act (2001) and operate as co-operatives under their constitutions. The various state and territory authorities that register co-operatives do not all make their data available for public use. Further, in the mutual enterprise area the diverse nature of such firms adds another layer of complexity.

In its submission to the Federal Senate inquiry into the operation of co-operative and mutual firms in the economy, the BCCM has recommended that the ABS be required to collect data on the sector as it does for other business sectors.

In 2012 it was estimated that there were around 1,700 registered CMEs in Australia (ABS, 2012; Dennis and Baker, 2012).

Source research for this report

Mazzarol, T., Mamouni Limnios, E., Soutar, G.N., & Kresling, J. (2015)

Australia's Leading Co-operative and Mutual Enterprises in 2015

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www.cemi.com.au

Centre for Entrepreneurial Management and Innovation

Phone: +618 6488-3981

Fax: +618 6488-1072

Email: tim.mazzarol@uwa.edu.au

Website: www.cemi.com.au

NOTE: This paper has been prepared in conjunction with the UWA Co-operative Enterprise Research Unit (CERU)

<http://www.business.uwa.edu.au/research/co-operative-enterprise-research-unit>



Chapter 1

Co-operation - The Idea for our Time

“

The Victorians were more imaginative than we are about principles of mutuality—credit unions, building societies, the cooperative movement. Such organizations feel creakier in an age when people want larger sums, faster. But is it really beyond the skill of our great modern business brains to develop these concepts and adapt them to modernity?”

Wall Street Journal, 2 October 2015

Global recognition



“

We know that networks of co-operation work better than geniuses acting alone or groups bent on destroying each other.”

Bill Clinton, Former U.S. President



“

This business model, built on inclusion and sustainability, offers a pathway toward economic, social and political justice for all.”

Ban Ki-moon, Secretary-General, United Nations



“

The co-operative creates a new type of economy that allows people to grow in all their potential, socially and professionally, as well as in responsibility, hope and co-operation.”

Pope Francis

National attention

“

The Australian Government will consider what it can do to foster more co-operatives in the agriculture sector.”

Barnaby Joyce, Minister for Agriculture

“

Government should work with the Business Council of Co-operatives and Mutuals to ensure legal, regulatory and economic environments promote the development of mutuals and co-operatives.”

A New System for Better Employment and Social Outcomes (McClure Report)

“

Raising awareness of co-operatives, will promote their use and potentially strengthen the bargaining position of small businesses dealing with large businesses.”

Competition Policy Review, Final Report (Harper Review)

Policy and reform

In March, the Federal Senate voted in favour of holding an inquiry to examine the role, importance, and overall performance of co-operative, mutual and member-owned firms in the Australian economy.

The Economics Reference Committee received 58 submissions from co-operative and mutual enterprises and individuals in Australia and internationally. Public hearings also took place, allowing policymakers and the wider public to learn more about the economic strength and potential for this sector in Australia. The committee is due to report by 17 March 2016.

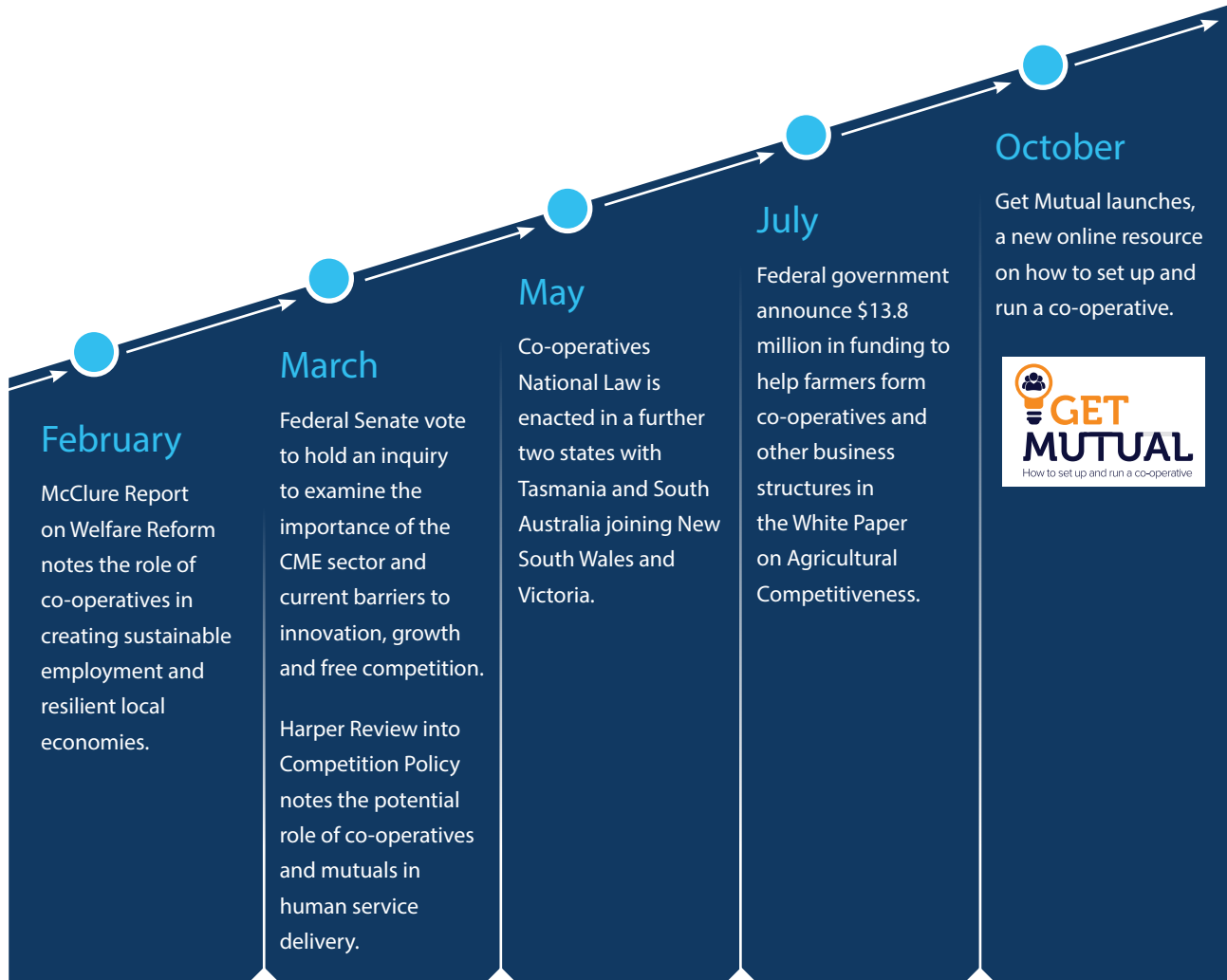


“

I strongly encourage the Senate Economics References Committee...to lay the foundations for better support and assistance for Australia's co-operatives and mutuals, ensuring continued prosperity.

Senator Bridget McKenzie (Nationals, VIC)

2015 milestones



Chapter 2
Sector Snapshot

Mighty membership

In 2015, there are more than 14.8 million members of Australian CMEs.¹ When we include non-profit (mutually owned) superannuation funds, the total number of memberships of mutuals is a staggering 29 million.

Many Australians are members of more than one mutual. This is why there are more members of mutuals than the population of adult Australians. Even so, 8 in 10 Australians are members of at least one co-operative or mutually owned enterprise (79%) compared to the 6.48 million Australians (36%) who own investments listed on the share market.



1. In 2012 it was estimated that there were 13.5 million Australians who were members of CMEs (Dennis and Baker, 2012).

Local heroes

Australia's co-operative and mutual businesses help people access affordable, high quality products and services in nearly every sector of the economy.

A conservative estimate of the total number of Australian CMEs is 1700. The majority of CMEs are found in New South Wales (733) and the second highest number are found in Victoria (665). Northern Territory has the least with four CMEs.

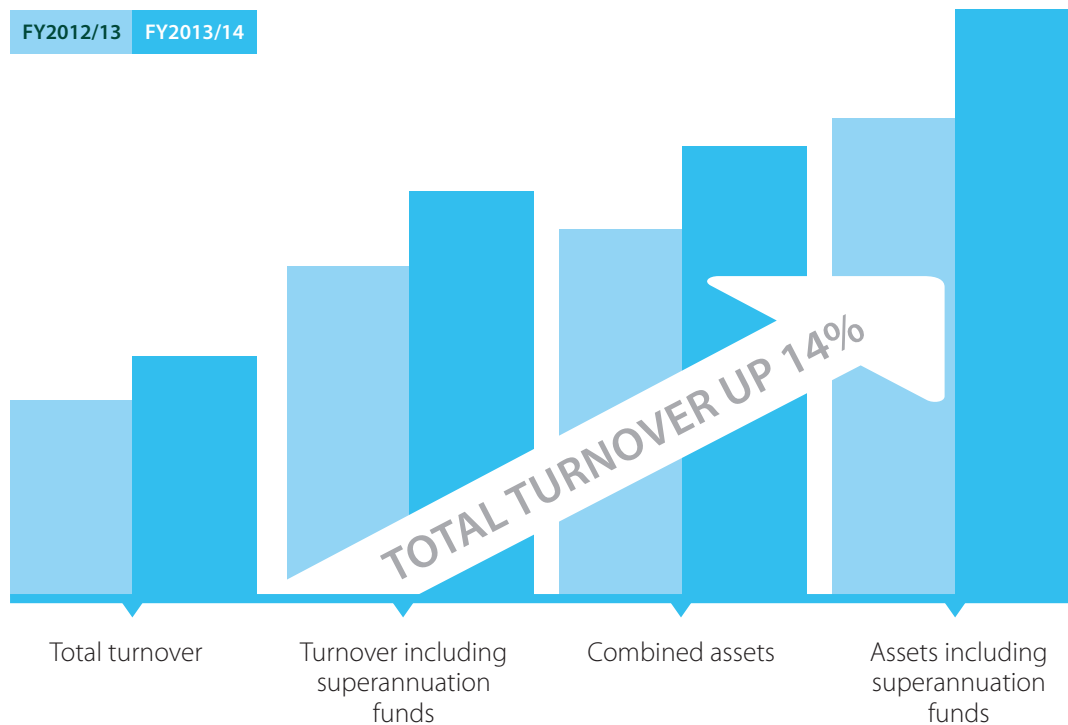
The highest concentration of CMEs are found in sport and recreation, specifically sporting clubs (e.g. skiing, bowls, golf, and yachting). Housing (mainly comprised of tenant managed housing co-operatives) is the next largest sector in terms of number of CMEs, followed by financial services (e.g. customer owned banks and friendly societies) and community services (e.g. aged care, disability and child care) which comprise the next largest sectors.

Retail, agriculture, arts and education are important sectors of the mutual economy. Many Aboriginal communities organise community services, arts and cultural activities and medical services through their community owned co-operatives.

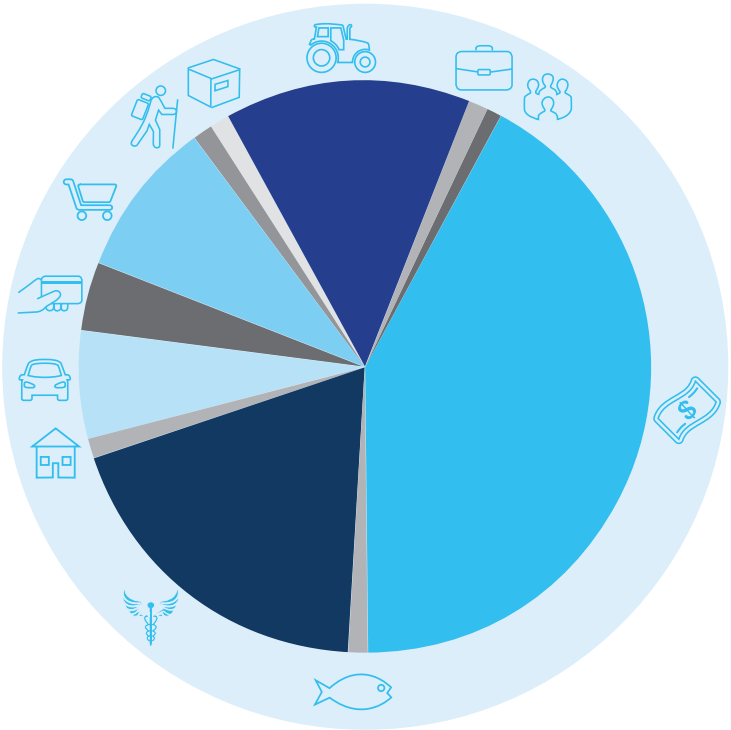


Australia's Top 100 co-operative and mutual enterprises

The combined turnover for the Top 100 Australian CMEs for FY2013/14 was just under \$27.8 billion with combined assets of around \$111.7 billion. If the Top 10 member owned superannuation funds are included in these aggregate figures, the combined annual turnover for the period was around \$107.4 billion with combined assets for the same period of \$433.5 billion. This shows a significant increase over the previous financial year of FY2012/13. The total annual turnover grew by 14% for the Top 100 CMEs while the total combined assets for the group grew by 7% compared to the FY2012/13. This growth was particularly strong across co-operatives in the agribusiness and purchasing/shared services area, as well as in health insurance and motoring services.

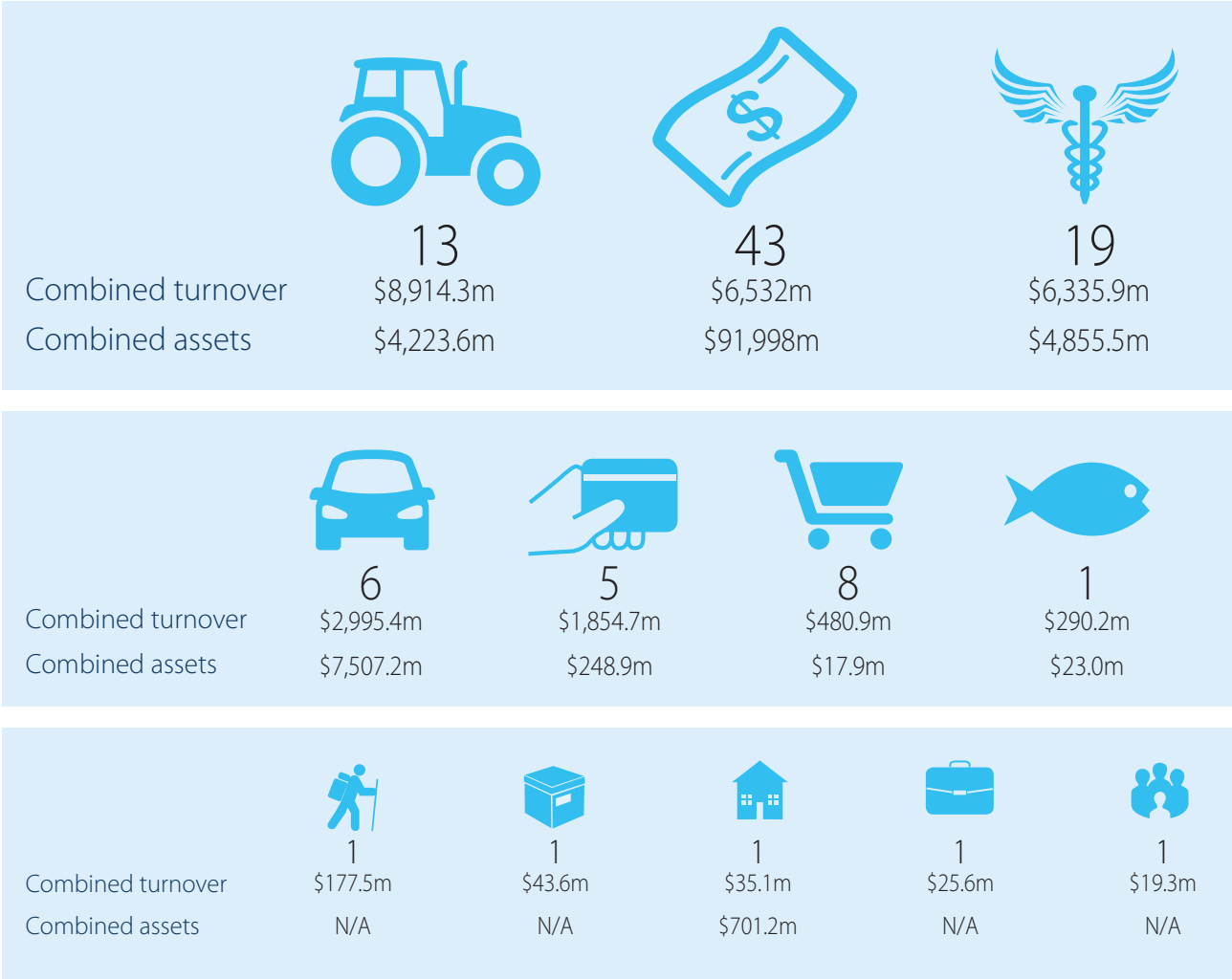


Distribution of the Top 100 CMEs by industry



	Banking & Financial Services	43%
	Fishing	1%
	Health Insurance	19%
	Housing	1%
	Motoring Services	6%
	Purchasing Services	4%
	Retailing	8%
	Sport & Recreation	1%
	Wholesaling	1%
	Agribusiness	13%
	Employment Services	1%
	Community Services	1%

Combined turnover and assets of the Top 100 CMEs



Top 10 CMEs by annual turnover for FY2013/2014

Appendix A lists the Top 100 CMEs by gross annual turnover for FY2013/14.² The largest firm by turnover was the WA-based Co-operative Bulk Handling Ltd (CBH Group), which reported an annual turnover of \$3.94 billion. This was the sixth year in a row that CBH Group was ranked as Australia's largest CME by annual turnover.

1	Co-operative Bulk Handling Ltd (CBH Group) [WA]	\$3.94 billion
2	Murray Goulburn Co-operative Ltd [VIC]	\$2.95 billion
3	Hospital Contribution Fund (HCF) [NSW]	\$2.33 billion
4	HBF Health Ltd [WA]	\$1.356 billion
5	Capricorn Society Ltd [WA]	\$1.354 billion
6	Australian Unity [VIC]	\$1.20 billion
7	RACQ [QLD]	\$994.3 million
8	RAC WA [WA]	\$656.5 million
9	Credit Union Australia [QLD]	\$649.8 million
10	Namoi Cotton Co-operative Ltd (NSW)	\$541.4 million

2. The reason for taking the data from FY2013/14 is that many firms did not have their FY2014/15 data available at the time this report was being compiled. A further reason is that many CMEs in the sector report their figures for the calendar year rather than the financial year, and others don't issue annual financial reports until late in the year.

Chart toppers

Top 5 by turnover for FY2013/14

1

Co-operative Bulk Handling

\$3.94 billion

The largest co-operative enterprise in Australia is the bulk grains handling and storage business Co-operative Bulk Handling Ltd (CBH). CBH Group had a turnover increase from 2012/13 of more than \$1.1 billion due to the largest harvest ever experienced in WA. CBH Group has a rail fleet, a shipping company, and a 50% stake in Interflour which operate mills in South East Asia and Turkey. CBH Group is Australia's second largest privately owned form according to the 2015 IbisWorld Top 500 list.

2

Devondale Murray Goulburn

\$2.95 billion

Victorian dairy co-operative Devondale Murray Goulburn had an annual turnover \$2.95 billion. The co-operative is Australia's largest dairy company and exports approximately half of its products overseas, focusing on the emerging markets of South East Asia, the Middle East, North Africa and China.

3

Hospital Contribution Fund (HCF)

\$2.33 billion

Private health insurer HCF, based in NSW with operations in all states had annual turnover of \$2.33 billion. HCF is Australia's largest not-for-profit health insurer. It comprises five operating divisions: HCF Health Insurance; Life Insurance; Health Care; Retirement and Aged Care Services; and Corporate Services.

4

HBF Health Limited (HBF)

\$1.356 billion

WA-based health insurance mutual HBF had an annual turnover of \$1.356 billion. HBF has been supporting the health of Australians for over 70 years while being one of Australia's top five biggest health funds.

5

Capricorn Society

\$1.354 billion

Capricorn Society headquartered in WA has over 16,000 members and facilitated member transactions of \$1.353 billion in 2013/14. Capricorn was established in 1974 and set up by a small group of Western Australian service station owners to increase their buying power. It now has a network that operates across Australia and New Zealand.

Competitive advantage

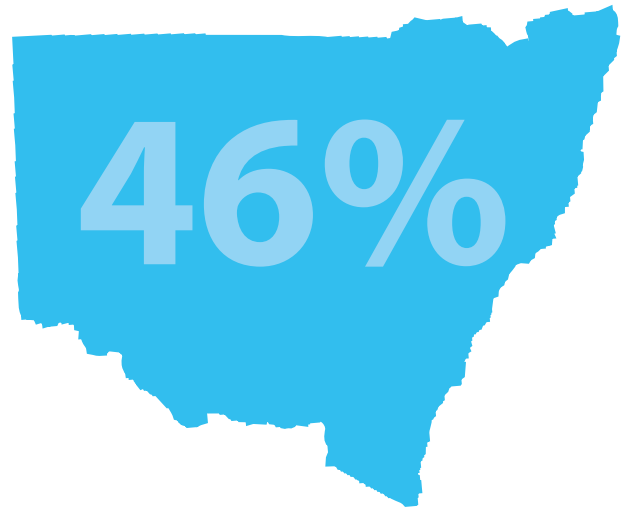
TOP 5	1	Credit Union Australia (QLD)	\$ \$10.31 billion
	2	Newcastle Permanent (NSW) ↑	\$ \$8.70 billion
	3	Heritage Bank Ltd (QLD) ↓	\$ \$8.52 billion
	4	People's Choice Credit Union (SA)	\$ \$5.88 billion
	5	Greater Building Society (NSW)	\$ \$5.09 billion

When ranked by assets held (current and non-current assets), mutuals operating in the banking and finance sector topped the list.



The combined assets for the Top 5 totalled \$38.5 billion accounting for 34.5% of the overall assets of the Top 100 (\$111.46 billion).³

The most co-operative state was NSW with 46% of the Top 100 co-operative and mutual enterprises headquartered there.



3. Appendices C and D list the top 100 CME assets and EBIT (earnings before interest and tax). EBIT performance should be viewed under consideration that CMEs generally aim to maximise member benefit and not organisational profit. In doing so, they may discount their products and services, offer additional value/services, or pay member rebates.

Economic outlook: Overcast but generally fine



The total annual turnover grew by 14% for the Top 100 CMEs while the total combined assets for the group grew by 7% compared to the FY2012/13. However this was not a universal experience. 48% of firms experienced a decline in annual turnover across the previous financial year, suggesting the economic environment is difficult for many CMEs. While annual turnover rose by \$3.34 billion in the FY2013/14 year, six firms⁴ together accounted for 79% of this increase.

Most of the revenue declines occurred within the financial services, mutual banks and credit unions while the co-operatives grew strongly. Despite decline in NPAT for many of the Top 100 during the review period, equity growth has been strong and consistent across the Top 100.

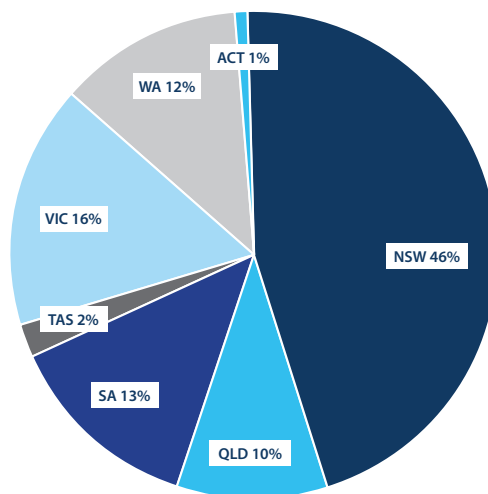
Table 1 provides a summary of the financial performance of the Top 100 CMEs over the two financial years, 2012/13 and 2013/14.

TOP 100 CMEs FINANCIAL PERFORMANCE	FY2013/14 (AUD \$)	FY2012/13 (AUD \$)	DIFFERENCE	% CHANGE
Annual Turnover (gross)	27,884,254,263	24,538,688,083	3,345,566,180	14%
Assets (gross)	111,697,151,720	104,589,557,752	7,107,593,968	7%
Annual Turnover (median)	88,601,980	91,657,000	(3,055,020)	(3%)
EBIT (median)	6,357,000	6,262,638	94,362	2%
NPAT (median)	4,669,706	4,655,000	14,706	0.3%
Assets (median)	559,385,000	374,125,646	185,259,355	50%
Liabilities (median)	513,292,000	350,749,981	162,542,020	46%
Equity (median)	100,248,000	80,175,666	20,072,334	25%

EBIT = Earnings before interest and tax. NPAT = Net profit after tax.

4. CBH, Australian Unity, Devondale Murray Goulburn, RACQ, HCF and Capricorn Society

Top 100 CME distribution by state and territory



The top state performance



Despite only having 12% of the Top 100 CMEs, WA accounted for 31% of the combined turnover on the list indicating the financial power of co-operatives in WA.⁵

5. This is a reflection of the presence in WA of several large CMEs, including the CBH Group, HBF Health Ltd, Capricorn Society Ltd and the RACWA.

Australia's best performing superfunds

The Top 10 Australian Superannuation Funds by Turnover (FY2013/14) are all member owned

1	Australian Super
2	First State Super Fund
3	UniSuper
4	Retail Employee's Superannuation Trust (REST)
5	Sunsuper
6	Health Employee's Superannuation Trust Australia (HESTA)
7	Construction & Building Superannuation (CBUS)
8	HOSTPLUS
9↑	VicSuper*
10↓	CareSuper*

* Movement in the list compared to FY2012/13

Spotlight on the exporters

The majority of firms in the Top 100 are operating outside their home state or territory. A few are actively engaged in exporting and those that do are highly successful.

Co-operative Bulk Handling (CBH) Group Ltd

CBH Group is one of the nation's leading agribusiness exporters. Established in 1933, the co-operative has around 4,200 members. This business generates 93% of its annual turnover of \$3.94 billion from exports contributing around \$3.7 billion in export earnings to the national economy. The co-operative is active in exporting to Asia (e.g. Japan, Hong Kong), the United States and Russia and maintains export offices in Hong Kong, Tokyo and Portland.



Norco Co-operative Ltd

This NSW-based dairy co-operative was established in 1895 and has around 795 employees and 237 members. It has been a major supplier of fresh milk and processed dairy products to the NSW community for much of its history. In more recent times it has been active in pioneering the export of fresh whole milk to markets such as China. The company has plans for increasing its international market share. Around 5,000 to 20,000 litres of milk are shipped each week from the company's processing plants. The outlook is for the demand for fresh milk in China to grow (Lowrey, 2015).

Geraldton Fishermen's Co-operative Ltd (GFC)

This WA-based fishing co-operative is a specialist in the export of live rock lobster, predominately to the Chinese market. It was established in the early 1950s and actively engaged in export of cooked Western Rock Lobster to Singapore and Japan in the mid-1950s. It has continued to maintain a strong export focus and is one of Australia's leading seafood exporters. The co-operative currently generates around 82% of its \$290.2 million annual turnover from exports and is a major export industry for the WA economy. The \$238 million it earns in annual export income not only strengthens the WA fishing industry, it helps to provide employment and wealth creation for the Mid-West region of the state.

Northern Co-operative Meat Company Ltd (NCMC)

Based in Casino NSW, NCMC specialises in the processing, packing and distribution of fresh meat including pork, lamb, beef and veal. It also operates a major tannery. The co-operative was established in 1933 and around 80% of the co-operative's annual turnover of \$272 million is generated from exports.

Plumbers' Supplies Co-operative Ltd

Established in NSW in 1955, this co-operative operates a network of stores across NSW, Queensland and Victoria that focus on supplying to their members, who are professional plumbers, products at the best price and quality. The co-operative has over 5,000 members and is expanding its branch network. It generates a small proportion of its revenues from exporting.

Chapter 3

Executive Insights

The ACMEI survey*

In addition to mapping the Top 100 by financial indicators we surveyed the managers of these firms to examine perceptions of co-operative and mutual market dynamics. 48% of the Top 100 completed the survey, representing 7 million Australian memberships and employment for 10,917 people. This builds on the previous year's survey of 36 firms from the 100 largest CMEs. The membership and employment statistics indicate that the CME sector can provide both employment and economic and social benefits to a large number of people. While the overall size of the sector in terms of total number of firms is small compared to alternative business models, the CME offers the unique benefit of being owned by its members and existing to satisfy their specific needs.

*Australian Co-operative and Mutual Enterprise Index (ACMEI)

What is the outlook for 2016?

Whilst the overall perception held by the managers of these firms was that the environment was generally positive, a high proportion (70%) responded that the level of market competition had significantly increased in the past year suggesting that most managers were feeling pressure from competitors regardless of their mutual status.

On a positive notes, the majority of managers (60%) agreed that community support for their business had strengthened in the preceding 12 months. However, with this increased good will from communities, there was an even split when it came to whether membership had grown strongly for these enterprises.

Government policy and regulation

-  58% (61% previously) of respondents disagreed with the view that government economic policy had profoundly helped their business.
-  51% (55% previously) disagreed with the view that the government legislation had significant positive impacts on their business



Compared to last year, it is clear that respondents feel government have not improved their economic environment during the past year.

Member value and social capital

-  83% believed that their organisation's marketing strategy was focused on the promotion of co-operative or mutual ownership as a positive attribute
-  86% agreed that they could point to several good examples of how their business delivered benefits to the community
-  93% of respondents agreed that they had a clear understanding of the member value proposition they offered their members
-  74% felt that their members had a clear understanding of their member value proposition



The past year has shown an increase in the level of confidence CMEs have in their marketing to their members and in delivering their social benefits as a co-operative and mutual enterprise.

Community awareness

-  The broader community has a clear understanding of the value proposition that we offer them.
-  38% unsure, 33% disagree



This has largely remained unchanged indicating that CMEs need to do more to promote their value proposition to the communities they inhabit.

CEO talk

Survey respondents were asked to comment on the strategic issues their firm was facing.

Comments from the banking and financial services sector

The comments from the customer owned banks, credit unions, insurance mutuals and friendly societies focused on the issues of government regulation and the market dominance of the four major banks as well as increasing competition from overseas insurance companies entering the Australian market.

"The financial landscape is dominated by the Big 4. Whilst advocating for competition it seems that as new regulation and supervisory regimes are introduced they continue to skew the landscape against smaller institutions. Major strategic issues are the continued relevance of smaller financial institutions, advocating for the mutual ideals, and attracting younger demographics to the mutual ideals."

"Our opportunities in responding to the competitive environment is to differentiate your brand and to compete competitively on value (price, products and service, etc.) and values (values based responsible banking – serving the real economy of people, planet and prosperity)."

Comments from the agribusiness and fishing sector

The main strategic concerns of agricultural producer and fishermen's co-operatives were competition within global export markets, government deregulation and competition policies, price margin pressures from within domestic supply chains, plus the loss of locally based processors.

"Retailers expect that the cost of production will decrease each year and are not always willing to assist to achieve this even though it is for their benefit (and their customers). Finding efficiencies is more and more being pushed back onto the co-operative as the processor."

Others felt that the impact of government policy was more benign, or that by adopting a strong member centric focus within targeted niches meant that a competitive position could be secured and maintained.

“Our competitive position has neither been hampered nor advanced by any government policies in the last 12 months. Our major areas of competition are in sourcing supply and in overseas markets, competing with private companies.”

Comments from the insurance sector

The strategic concerns of the insurance sector, particularly the health insurance sector centred on the federal government’s policies to privatise Medibank and change the nature of the regulatory authorities. This was viewed by some in the industry as leading to greater regulatory compliance.

The sector also expressed concern over the general level of competition within the industry and the rising cost of health insurance, leading to people dropping out of the health insurance market and trying to “self-insure”. The challenge for mutual enterprises is to focus on innovation and member service.

“Affordability and value of our products in an environment where healthcare costs are spiraling have made comparator sites successful but has led to strong churn rates. Our strategic response is continuous innovation. In other areas of our business, uncertain financial markets have led to investor uncertain/inaction. This is less a competitive challenge as our competitors face it too.”

Comments from the retail sector

The key strategic concerns of retail co-operatives were rising competition within markets, particularly from the major retailers such as Coles, Woolworths and Aldi. As most of these co-operatives are small the pressure of price competition, higher labour costs and the need to recapitalise the business are the main areas of strategic focus.

“Retail is very competitive with new and emerging players taking market share. Ability to grow business is hampered by the inability to raise genuine capital.”

Larger retail co-operatives with national distribution networks also expressed the need to compete with the major national investor owned firms and maintain a competitive position by retaining member loyalty. The impact of international competition, market deregulation and a shift to online sales were also identified.

Communicating the MVP

One of the most important considerations in the development of CMEs is to identify and communicate a strong Member Value Proposition (MVP). In terms of identifying and communicating the MVP there was a view from the managers surveyed that this “value proposition” was understood clearly by themselves but also by the majority of members. As one of the producer co-operatives explained:

“The vast majority of our members understand the value proposition that we offer, but as the largest player in our industry, our competitors are constantly trying to ‘poach’ our members with special deals. We have been very successful in repelling these moves, but it requires constant vigilance.”

The full report of the 2015 ACMI Survey is found in the source research paper: Australia’s Leading Co-operative and Mutual Enterprises in 2015.⁶

6. Mazzarol, T., Mamouni Limnios, E., Soutar, G.N., & Kresling, J. (2015) “Australia’s Leading Co-operative and Mutual Enterprises in 2015” CEMI Discussion Paper Series, DP 1502, Centre for Entrepreneurial Management and Innovation, www.cemi.com.au/node/545



Chapter 4

Business Case Studies

Successful CME growth is need driven

CMEs can find growth challenging, in particular growth via diversification. Members that have a shorter investment horizon and a different appetite for risk to that of their CME can hinder growth that requires significant upfront capital investment. In addition, as members of most Australian CMEs extract value primarily through patronage, diversification can pose a challenge in justifying added value to current members. Finally, diversified CMEs can incur higher transaction costs and governance challenges due to a non-homogenous member base. Despite the above however, there is a real need for many CMEs to grow in order to remain competitive in a more competitive, globalised market.

We have dedicated this feature article of the 2015 NME Report to this important issue, asking four industry experts to share their perspective. Capricorn Society Limited (CSL) was selected as a successful co-operative that has grown rapidly, has diversified in the insurance sector and now operates across the Tasman Sea. Bank Australia, formerly bankmecu, is a customer owned bank with an aggressive growth strategy that is expanding its services across Australia.⁷



*Greg Wall
Group CEO*



*Judith Downes
Chairman*



*Colin Heavyside
Director and Chairman*



*Damien Walsh
Managing Director*



7. This is an extract of the full Case study found in Mazzarol, T., Mamouni Limnios, E., Soutar, G.N., & Kresling, J. (2015) "Australia's Leading Co-operative and Mutual Enterprises in 2015" CEMI Discussion Paper Series, DP 1502, Centre for Entrepreneurial Management and Innovation, www.cemi.com.au

What are the key strategic aims for your organisation in the short term 2-5 years and in the long-run 5-10 years?

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By 2020 Capricorn will be an iconic automotive business; diversified subsidiaries offering insurance, financial and other services, empowering like-minded independent business owners; a co-operative philosophy commercial approach.

C. Heavyside: We took a decision seriously maybe five years ago to explore more vigorously the idea of diversification to complement our existing business model which of itself still remains strong. [We recognise] that there will be changes with technology [in the automotive industry], all of our trades as we know them, may just be no longer required. And what we looked at was an idea of Capricorn perhaps becoming something like a small businesses services co-operative, providing insurance services and financial services where we could, along with developing and maintaining our core. We came to the conclusion that we needed to build a sustainable organisation and get hold of this whole concept of sustainability in all its forms for what that means for an enterprise. We would make sure those business units were robust, of scale, healthy enterprises in their own right and we are not being propped up artificially in any way by the parent if you like on the way through. The key to understanding what drives these [strategic decisions] is the relevancy to the members' needs and that's the prime question: is this something that provides a need that others don't and can we do it better and cheaper and more efficiently?

G. Wall: By 2020 Capricorn will be an iconic automotive business; diversified subsidiaries offering insurance, financial and other services, empowering like-minded independent business owners; a co-operative philosophy commercial approach. [Planning] beyond five years we might take "automotive" out as we build businesses which do not only support automotive, but can support [other SMEs]. We are entering into what we call our growth phase which is built on four pillars ... Beyond the next five years we will see a huge transformation of the automotive industry; by 2020 your car is going to be more connected than any other instrument you have got. Fuel technology [is evolving], by 2030 they are estimating that 30 percent of vehicles will be either hydrogen or electric power. Australia lags behind is infrastructure to support that, but we will see a changing nature of the motor vehicle which will mean the changing nature of our industry. We are preparing Capricorn to ensure sustainability of our business model given the changing nature of the automotive industry. In the next five years we will aggressively grow market share, so we have got the power of numbers and that whatever happens in this industry, Capricorn has got a seat at the table.



Our aim is to be Australia's leading customer and responsible bank and have the predominant market share of the socially aware customer segment.

J. Downes: Our aim is to be Australia's leading customer and responsible bank and have the predominant market share of the socially aware customer segment. So out of that arises what I would call the key strategic issues and the big one for any financial institution of our size is to ensure we maintain enough growth and enough size to provide the service and products that our customers expect and to do it in a way that is consistent with our philosophy of responsible banking. Our growth in the last year has been 10 per cent; our cost income has drifted up a bit, quite deliberately because we put money into changing the brand and we think that will improve our prospects of continuing to grow quite strongly.

D. Walsh: In the short term it is really about building the narrative around customer owned responsible banking and differentiating ourselves in the market because we do see that that's a space that we can own and it can't be owned by a listed bank, particularly the major banks. But also I think longer term we would want to see ourselves being a larger player in the market more like the size of a regional bank where we then have sufficient resources and capacity to actually build and grow and take our message out to a broader market.

What is your member value proposition and how do you communicate that to members?

C. Heavyside: We distort the market by our existence to the extent that we are extracting capital out of transactions. If you look at any small business there is a bunch of numbers on the P&L and so the biggest number is sales; the second biggest number on any P&L is cost of sales. So what our model does is it deals with the second biggest; it deals in that space on the P&L. Now when we come down to expenses there is finance; there is insurance and these are much smaller numbers, so our impact of this model is going to be limited here. This isn't going to be a much smaller impact in terms of what it means for our members in their everyday lives. So that's the secret to Capricorn's success. When we look at what does the existence of Capricorn mean to our members and when we survey them, 90 percent say they love Capricorn. They use emotive words like love; can't live without. It tells you everything you need to know. So the social dividend is embedded in the fact that it is actually making a difference in their lives.

G. Wall: Our catch phrase is: 'Capricorn It's Easier.' And our whole objective is to try and make it easier for our members to do business ... We just did a large member survey and the number one thing that our members' value is a sense of belonging; it was very powerful. There is a sense of belonging because we do a lot of membership events, trade shows, educational forums, barbeques etc.

where we bring suppliers and our members together for catchups around the country. We have an event somewhere in Australia or New Zealand every one and a half weeks, so we are really big on that. What they like about that is that they are small businesses out in the suburbs and they can come and hear what other small businesses are doing and how they work; it is that sense of belonging that they are part of something bigger. The other ones are more around financial; we do the reward points which is a monthly patronage rebate if you like which is very powerful; the dividend, and of course insurance which is a value add product. We communicate that in a number of different ways: we have regular communications through our newsletter, in trade magazines, but also at trade shows and the annual dinner displays that we do. First we communicate what we call the member wealth index which is about the profit and the distribution and the reward points so it is not just bottom line; it is trying to measure the wealth of the organisation which they own. And we always include all the non-financial things that we are doing for them. And we just continue to educate our members. I keep saying to them: you are a member of Capricorn which means you wear two hats, the first hat is a customer; you are our only customers and the second hat is an owner; you are our only owners and the more you do with the first the more you benefit from the second. I say that at every single event we have.



Products and service are important; they are not all that's important. We have to articulate more and more the story of why we are different which is all to do with our responsible banking tagline.

J. Downes: We provide a product suite that our members expect, but we have also got to provide the pricing of products that is better than the Big 4 banks, and as long as we can service the customers in the way they want to be serviced, i.e. provide the branches if they want it; provide good telephone backup service; provide good turnaround on loan applications and all those features of customer service. And you might ask how can we do that when we are so small compared to [the Big 4]? We don't have the efficiencies of scale, we can't be as efficient as the Big 4, but we don't have to pay away part of our profits so we can stay true to our principles.

We've done our own research in leading up to the change of brand and we find that price competitiveness comes about number four and personal service comes number six. The things people value even more is the responsible investment of money; staying customer and Australian owned and not offshoring jobs, so it is a sense of identity. Products and service are important; they are not all that's important. We have to articulate more and more the story of why we are different which is all to do with our responsible banking

tagline and our membership of GABV [Global Alliance for Banking on Values]; our 'People Planet Prosperity' three ways, and we will do that now under the Bank Australia branding.

D. Walsh: We are creating mutual prosperity for our customers and we look at that across a number of different forms or different lenses. So we look at economic prosperity, in terms of peoples' personal wealth, but also prosperity across social, environmental and cultural outcomes. Knowing that we are customer owned and customer centric helps us to understand how we differentiate ourselves in the market place, so it is not just about raising deposits and funding loans, but it is actually how we can contribute to not only our customer owners' lives in terms of providing them with better outcomes, but also the broader [societal, environmental and cultural outcomes] that is really important and absolutely relevant to co-operative and mutual enterprises. Our member value proposition is foremost around customer owned, responsible banking. Do customer owned banks, credit unions, building societies and mutual banks articulate their purpose or the value proposition particularly well? I have to say historically no ... we are challenged with that as well. Scale is important because as we get bigger we will have greater capacity to spread our message and we know that our customers are often our strongest advocates in terms of word of mouth. But we also need to back that up with more traditional and modern forms of ... marketing because we do have a valuable story to tell and there is a great deal of inertia in banking so people who have a relationship with a bank often don't move unless they get really poor customer service.

What are the key challenges facing your organisation?

C. Heavyside: Future technology impacts on our industry and trades, but also the direct impact to the co-operative. As technology improves, every supplier is looking for shortening their route to market and stripping out costs. We make sure that our stakeholder value equations are valid for them and that's the glue that holds the whole thing together: it's our member's loyalty; and that the value equation for their suppliers meets their needs.

G. Wall: [External, long-term strategic challenges are around the future of the industry and building a sustainable business model in response to that.] Current issues relate to government policy and regulations. We are pushing the government to broaden the Automotive Transition Scheme, there is a \$70million fund but the rules of getting hold of it are too onerous including prior investment in R&D. This is a big issue because if they don't we are going to see a recession in South Australia and Victoria straight away. [We also lobby against] planned import changes called parallel reporting of old cars into Australia, these will introduce challenges as these cars may not conform to our safety, to our conditions and mechanics will not know how to repair them. The third issue is the need for government to regulate and enforce access to data and technology. This is a huge debate that's going on in Australia and it has been won in other parts of the world. Manufacturers won't release the technical data on new cars to the aftermarket mechanics. In every other country – in Europe, America it is legislated that they must open data to the industry. In Australia there is currently a voluntary code, but it is not working. It is a big issue for our industry so our members have the capacity to service all the cars.

J. Downes: IT is such a big expenditure that we may have to get bigger to survive what we need to put into IT. But then on the other hand, I've also seen very cheap general ledger systems for banks operating effectively around the world and IT getting cheaper; the price halving every couple of years. That's one of the things our board watches carefully because of the potential huge investment. Another issue of course is just regulation, the sheer volume of it and keeping on top of it. A prime example of that is the recent requirements to have a chief risk officer which we didn't have, and APRA talking in terms of the three lines of defense: your own risk management then oversight by your chief risk officer and the third line being internal audit. We can help to control the regulatory impost by selectively buying in knowledge. This brings me to the third area, staffing, which is our biggest cost. It is a careful balance between paying market for expertise in areas and not over paying. You haven't got a crystal ball but these are areas that you particularly focus on to watch that you are still meeting all your objectives.

D. Walsh: Size is really critical in terms of capabilities and being able to invest in your business and grow profitably, but what's really important is relevance as well. We need to be relevant in the market place and be able to live our values because if we are not relevant to the members then we don't really have a reason to exist. If we can't do it better than our competitors, particularly those in the listed space, then we might as well wind up, let's be frank and honest about that. Some other challenges for us going forward, and this is not unusual and I'm sure it never really goes away, but there is also the regulatory environment, the legislative environment and also the political one and economic environment as well. So I think that they are elements that all businesses face and they are always on your longer-term agenda. The Business Council of Co-operatives and Mutuals has helped create that broader ecosystem, being able to say that we encompass agriculture, manufacturing, retail, banking, insurance, road side assistance, some really large entities and some small entities as well, that's helped create or raise the profile of the sector. Maybe I'm an optimist, but I do think that we've got now an opportunity to have a greater voice and have greater influence at the political level going forward, particularly as our businesses grow and mature.

Is growth and diversification more challenging for a CME than for its investor-owned competitors?

C. Heavyside: It can be ... A CME is very much different and that's why I think that [diversified] offerings need to be driven, based on the purpose, which is the core of all successful co-operatives. It does meet specialised need, but it has also got to be financially strong. The day that any co-operative fails to be able to articulate that need, which is absolutely relevant to its members, that's the day you are starting to wind down.

J. Downes: We remain open to mergers and collaboration with other organisations, but it must not be at the expense of departing from our values and our strategy. We would hope to achieve efficiencies with collaboration, but we would need significant proof there, partly because the sorts of efficiencies that we might be able to achieve by collaboration with some of our peers may result in jobs loss or moving jobs from where they are currently located. This would be inconsistent with the way we operate, to achieve a

minor efficiency ... at the expense of some of our regional areas. Without making the very hard decisions, which sometimes happen in organisations, can we grow quickly and grow profitably; my answer to that is yes, we can. We do make hard decisions when we have to and so, on occasion we do close branches when they are not profitable over a long period of time and we can offer alternatives to our customers. So we can make tough decisions, but decisions that are really based on making sure we continue to use our member funds wisely.

D. Walsh: We've got a commodity product so at a product level there are no issues. A lot of our distribution is moving now into online and digital spaces so that just enables you to cross boundaries and borders quite easily. So, for us it would be really healthy having a diversity of customers across the country because at the moment we have got a concentration risk in Victoria ... We really focus on our target market of socially aware consumers and historically that did represent people from the education sector, scientists, who had an alignment of interest but we are not bonded so we are out in the general market. I think most people want to do good; some are more motivated than others in terms of their social awareness, so the way that we see that value proposition and that co-operative or mutual ownership structure is around creating an alignment of values based communities. If we are attracting consumers that are aligned to those values then we will deal with any cultural or parochial differences you might have between Queensland and Western Australia because we are not really representing any particular group or industry; it is more around an alignment of psychological profiling and interests rather than where you live and where you work.

How does growth and in particular diversification add value to your members?

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I've seen many companies go broke trying to stretch themselves and do things they are not qualified to do, hence we have established the five Cs (capabilities) in Capricorn.

C. Heavyside: We have different membership groups for the different entities. You would not pollute that capital with outsiders that are not aligned to your needs and interests or even more importantly, do not trade with the co-operative. [Our co-operative] could provide services to businesses [in a different sector] for a fee, but our members are auto members. I have this absolutely crystal clear understanding that if you do not trade with a co-operative you cannot be a member of it; I don't care who you are. We give an incredible return on our shares every year but you can't be an investor, our members can be investors. A mutual might be able to [grow] where there is an identifiable common need, because you don't necessarily trade with a mutual. That's the difference I always see.

G. Wall: I've seen many companies go broke trying to stretch themselves and do things they are not qualified to do, hence we have established the five Cs (capabilities) in Capricorn. Before we ever went out into another sector we would do another mini five Cs around capability and then ambition. I am much more measured in my ambition; I think we have got opportunities for expansion but I actually still think a lot of opportunities are in our core particularly having just come back from an automotive industry summit in Canberra last week. For example, Australia falls behind in infrastructure for the hydrogen and battery powered cars; there are also significant opportunities to market co-operative to co-operative in the whole Asia Pacific region.

D. Walsh: We are focused on our story and on organic growth, so whilst mergers are part of our strategic plan, they are not our primary mode of growth. What we are focused on is building a really positive message around our value proposition about the mutual prosperity that we create for our customers and the communities that we operate in, and then if there were others that are interested in our story or interested in partnering with us, interested in trying to deliver greater outcomes to their members, with that focus on governance and member benefit, then we would certainly consider whether merger is one of the pathways forward. And so I would see, much like our recent past, our future will be a combination of both organic growth and merger growth where there are like minded parties, efficiencies to be gained and in the bottom line delivery of member value.

What social value does your organisation generate for its members and the wider community?

“

We are targeting up to 4 per cent of our after tax profits in terms of investments that we make into the communities where we operate ... Failures in the ecosystem impact on communities and businesses, creating a challenging [socio-economic] environment. We want to see a healthy planet because we want to see strong economies and we want to see resilient communities,

C. Heavyside: Capricorn is highly sociable. So we actually have good fun. And people see Capricorn as fun. We spend a lot of time socialising and putting on socialising events. Our members build their networks and importantly enjoy the flow of knowledge and information between themselves and from the co-operative to them. We have two new initiatives that are specifically on that.

G. Wall: In terms of social capital within the sector; we play a big role in the connection of the co-operative movement. My predecessor started the whole journey and I have been quite proud to be able to continue that journey. In my opinion, there is no one more dominant in the co-operative space than Capricorn. In terms of the wider community this current generation are searching for something different and I believe there is a change; it is a slow change, not everybody is about the corporate greed. We [Capricorn] can't afford to put that on TV but we can [make an impact] through social media. [A united sector in marketing of co-operativeness] is important.

D. Walsh: We have been reporting on our community investment programme for many years, we are now calling it our Bank Australia Impact Fund where we are targeting up to 4 per cent of our after tax profits in terms of investments that we make into the communities where we operate. We have done some work on impacting investing; what's the social impact in terms of providing investments into affordable housing for example. We have more work to do about how we understand the multiplier effects, so if you are doing work with organisations around support services for women who have been facing violence in the home and providing them with avenues of support and alternate accommodation, capacity building, then there are long term benefits from that and how you measure those I think is a really interesting aspect, and it is something that we are certainly turning our minds towards as we move forward.

We also need a healthy environment to support strong economies, resilient communities and societies, so if we don't have a healthy natural environment then we are going to get stressors, whether that's drought or floods or natural disasters. Failures in the ecosystem, impact on communities and businesses, creating a challenging [socio-economic] environment. We want to see a healthy planet because we want to see strong economies and we want to see resilient communities, which deliver better economic outcomes for not only the country, but for us as well. And so we believe that we have got an important role to play in building a strong national economy but also a strong and healthy natural environment.



Chapter 5

Tables and Data

APPENDIX A: TOP 100 CME BY ANNUAL TURNOVER FOR FY2013-14

RANK	NAME	STATE	TURNOVER (AUD \$)	EBIT (AUD \$)	NPAT (AUD \$)	TOTAL ASSETS (AUD \$)
1	Co-operative Bulk Handling Ltd	WA	3,938,655,000	248,234,000	149,154,000	1,980,248,000
2	Murray Goulburn Co-operative Co Ltd	VIC	2,947,282,000	32,247,000	29,297,000	1,763,436,000
3	Hospital Contribution Fund (HCF)	NSW	2,329,892,000	77,322,000	75,714,000	1,716,644,000
4	HBF Health Ltd	WA	1,356,228,000	122,649,000	122,849,000	1,493,446,000
5	Capricorn Society Ltd	WA	1,353,575,000	24,639,000	17,478,000	2,471,700,000
6	Australian Unity	VIC	1,197,432,000	59,303,000	29,645,000	4,111,691,000
7	RACQ	QLD	994,274,000	117,503,000	90,176,000	2,354,989,000
8	RAC WA	WA	656,472,000	39,967,000	37,945,000	1,621,917,000
9	Credit Union Australia	QLD	649,756,000	66,326,000	49,651,000	10,307,132,000
10	Namoi Cotton Co-operative Ltd	NSW	541,441,000	7,680,000	5,313,000	213,564,000
11	RACV	VIC	514,000,000	118,700,000	117,900,000	1,829,000,000
12	NRMA	NSW	501,171,000	73,550,000	67,428,000	1,209,170,000
13	Teachers Health Fund	NSW	460,403,872	17,217,282	17,217,282	337,901,951
14	Heritage Bank Ltd	QLD	443,418,000	50,041,000	35,757,000	8,518,887,000
15	Norco Co-operative Ltd	NSW	430,729,000	7,688,000	500,000	170,265,000
16	Newcastle Permanent	NSW	421,631,000	51,933,000	36,025,000	8,695,911,000
17	People's Choice Credit Union	SA	386,344,000	33,495,000	24,288,000	5,878,454,000
18	GMH Health	WA	352,771,000	20,144,000	20,231,000	255,884,000
19	GMHBA Limited	VIC	352,410,000	20,144,000	20,231,000	165,832,000
20	CBHS Health Fund Limited	NSW	308,902,319	17,262,749	17,262,749	219,967,326
21	Geraldton Fisherman's Co-operative Ltd	WA	290,225,708	3,474,909	1,296,105	23,009,139
22	Greater Building Society	NSW	287,909,000	44,095,000	31,361,000	5,087,914,000
23	Royal Automobile Association of SA	SA	286,681,000	18,929,000	15,964,000	408,154,000
24	Northern Co-operative Meat Co. Ltd	NSW	272,096,000	30,327,000	17,667,000	117,884,000

APPENDIX A: TOP 100 CME BY ANNUAL TURNOVER FOR FY2013-14 [continued]

RANK	NAME	STATE	TURNOVER (AUD \$)	EBIT (AUD \$)	NPAT (AUD \$)	TOTAL ASSETS (AUD \$)
25	CUSCAL	NSW	271,000,000	14,400,000	10,200,000	2,839,600,000
26	IMB Limited	NSW	258,086,000	41,624,000	29,069,000	4,831,739,000
27	Dairy Farmers Milk Co-operative Ltd	NSW	256,481,000	520,000	589,000	23,562,000
28	Independent Liquor Group Distribution Co-operative	NSW	249,038,000	N/A	N/A	N/A
29	Teachers Mutual Bank Ltd	NSW	242,582,000	36,758,000	25,806,000	4,394,472,000
30	Beyond Bank	SA	240,461,000	36,211,000	22,987,000	4,091,999,000
31	Avant Mutual Group	NSW	223,332,000	152,668,000	107,468,000	1,911,526,000
32	WA Meat Marketing Co-op Ltd (WAMMCO)	WA	211,946,000	8,244,000	7,848,000	69,991,000
33	Australian Scholarships Group	VIC	193,548,000	17,657,000	517,000	1,733,432,000
34	Independent Liquor Group Suppliers Co-operative Ltd	NSW	180,457,000	N/A	N/A	N/A
35	Chester Hill RSL & Bowling Club Co-op Ltd	NSW	177,519,671	N/A	N/A	N/A
36	P&N Bank	WA	169,274,000	11,929,000	9,110,000	2,910,207,000
37	Bank Australia (formerly bankmecu)	VIC	162,557,000	34,780,000	25,486,000	3,230,077,000
38	QANTAS Credit Union	NSW	151,118,000	22,075,000	15,523,000	3,008,422,000
39	Westfund Health Ltd	NSW	141,696,519	5,588,851	5,588,851	154,007,351
40	Latrobe Health Services Ltd	VIC	134,436,000	N/A	N/A	N/A
41	Plumbers Suppliers Co-operative Ltd	NSW	131,641,899	805,392	(254,598)	57,258,036
42	Queensland Teachers Union Health Fund	QLD	123,678,182	5,285,876	5,285,876	115,047,934
43	Health Partners Ltd	SA	122,054,000	9,868,000	9,868,000	122,227,000
44	Peoplecare Health Insurance	NSW	114,586,923	7,275,185	7,275,185	78,789,093
45	University Co-operative Bookshop Ltd	NSW	114,298,750	(2,980,133)	(2,980,133)	59,888,642
46	Railway and Transport Health Fund	NSW	113,493,000	1,700,000	1,700,000	70,116,000
47	Health Insurance Fund of Australia	WA	109,710,546	5,768,340	5,769,038	104,485,983
48	Victoria Teachers Mutual Bank	VIC	104,312,000	19,065,000	13,539,000	1,921,815,000

RANK	NAME	STATE	TURNOVER (AUD \$)	EBIT (AUD \$)	NPAT (AUD \$)	TOTAL ASSETS (AUD \$)
49	Queensland Country Credit	QLD	95,359,000	7,335,000	5,176,000	1,210,479,000
50	Police Bank	NSW	90,977,970	14,570,523	4,312,564	1,394,625,828
51	Defence Bank	VIC	86,226,000	11,847,000	8,373,000	1,465,850,000
52	St Luke's Medical & Hospital Benefits Association Ltd	TAS	85,741,000	N/A	N/A	N/A
53	Police Health	VIC	85,730,000	8,983,000	8,983,000	53,217,000
54	NSW Sugar Milling Co-operative	NSW	84,300,000	N/A	N/A	N/A
55	Bananacoast Community Credit Union	NSW	80,801,000	6,357,000	4,512,000	1,419,040,000
56	QTMB	QLD	78,475,000	7,564,000	5,554,000	1,329,842,000
57	Hastings Co-operative	NSW	75,099,257	566,690	525,241	21,545,624
58	Police Credit (BankVic)	VIC	69,170,000	13,429,000	9,440,000	1,224,737,000
59	Community Co-operative Store (Nuriootpa) Ltd	SA	67,168,297	2,785,825	775,663	47,506,748
60	Navy Health Ltd	VIC	64,643,000	N/A	N/A	N/A
61	MDA National	WA	61,954,093	N/A	11,060,162	366,646,458
62	CCW Co-op	SA	59,234,692	229,596	183,947	3,389,116
63	Australian Defence Credit Union	NSW	58,570,769	5,813,316	4,012,939	950,605,904
64	Yenda Producers Co-operative Ltd	NSW	58,269,593	3,322,655	1,276,322	31,965,182
65	Employers Mutual	NSW	56,758,000	23,716,000	15,779,000	286,573,000
66	Hume Bank	NSW	48,132,000	3,967,000	2,763,000	903,173,000
67	Maritime, Mining & Power Credit Union Ltd	NSW	47,588,337	4,368,631	3,133,022	751,968,996
68	Credit Union SA Ltd	SA	47,416,000	6,474,000	4,813,000	836,317,000
69	Community First Credit Union	NSW	45,461,000	2,879,000	2,211,000	738,338,000
70	Police Credit Union Limited	SA	45,076,000	3,969,572	3,113,000	723,894,000
71	Ravensdown Fertiliser Co-operative Ltd	QLD	44,547,000	(4,854,000)	(6,236,000)	13,103,000
72	Master Butchers Co-operative Ltd	SA	43,605,164	8,209,460	5,099,182	37,599,447

APPENDIX A: TOP 100 CME BY ANNUAL TURNOVER FOR FY2013-14 [continued]

RANK	NAME	STATE	TURNOVER (AUD \$)	EBIT (AUD \$)	NPAT (AUD \$)	TOTAL ASSETS (AUD \$)
73	UniMutual	NSW	43,226,438	4,287,740	4,000,022	39,150,769
74	Royal Automobile Club of Tasmania	TAS	42,791,042	5,181,736	4,526,411	83,966,305
75	Lenswood Cold Stores Co-operative Ltd	SA	42,609,876	39,504,971	1,396,071	1,337,108
76	Gateway Credit Union	NSW	40,560,000	2,404,000	1,725,000	871,348,000
77	Queensland Police Credit Union Ltd	QLD	39,494,803	4,619,579	3,252,711	672,769,229
78	SGE Credit Union	NSW	37,850,000	4,045,000	2,838,000	651,059,000
79	Mildura District Hospital Fund Ltd	VIC	37,572,000	N/A	N/A	N/A
80	Sydney Credit Union	NSW	36,204,812	2,321,402	1,865,127	669,276,440
81	CEHL	VIC	35,058,984	1,110,239	1,110,239	701,166,242
82	Summerland Credit Union Limited	NSW	33,976,000	4,757,000	3,350,000	571,544,000
83	Railways Credit Union	QLD	32,763,433	4,170,529	2,953,764	575,844,749
84	Holiday Coast Credit Union	NSW	30,291,000	2,480,000	1,791,000	492,980,000
85	Maitland Mutual Building Society Ltd	NSW	29,973,000	3,404,000	2,382,000	547,226,000
86	Community Alliance Credit Union	NSW	29,685,000	1,896,000	1,407,000	512,513,000
87	Wesbuilders Co-operative Ltd	WA	28,079,474	228,306,000	163,679,000	1,743,864
88	Mount Barker Co-operative Ltd	WA	27,671,368	367,798	337,135	14,397,566
89	Batlow Fruit Co-operative Ltd	NSW	26,990,000	1,469,998	(78,211)	16,227,777
90	Phoenix Health Fund	NSW	26,465,506	566,721	566,721	21,169,999
91	Key Invest	SA	26,203,004	3,815,972	3,545,830	222,133,627
92	Labour Co-operative Ltd	NSW	25,613,700	N/A	N/A	N/A
93	Australian Wine Consumers Co-operative Ltd	NSW	25,226,000	(306,000)	(306,000)	4,650,000
94	ACA Health Benefits Fund	NSW	21,961,000	N/A	N/A	N/A
95	WAW Credit Union Co-operative	VIC	21,246,846	1,716,802	1,251,525	386,401,464
96	Associated Newsagents Co-operative	SA	20,018,502	413,453	464,847	12,794,195

RANK	NAME	STATE	TURNOVER (AUD \$)	EBIT (AUD \$)	NPAT (AUD \$)	TOTAL ASSETS (AUD \$)
97	Terang & District Co-operative	VIC	19,808,905	70,347	50,146	9,690,993
98	Queenslanders Credit Union Limited	QLD	19,793,079	1,028,895	1,028,895	325,062,082
99	Service One	ACT	19,326,000	74,000	111,000	297,304,000
100	Rumbalara Aboriginal Co-op Ltd	VIC	19,271,288	N/A	N/A	N/A

Notes to Table

1. EBIT= earnings before interest and tax. NPAT = net profit after tax. n/a=not available. All values are reported in Australian dollar.
2. Turnover for Capricorn Society Ltd and Wesbuilders Co-operative Ltd represents the total value of member business facilitated by the co-operative (sale of goods to members by suppliers) and not the revenue figure reported on the P&L statement.
3. Financials for WAMMCO, Chester Hill RSL & Bowling Club Co-op Ltd, Police Health, Master Butchers' Co-op Ltd, Labour Co-op Ltd, and Rumbalara Aboriginal Co-op Ltd and Legion Cabs are all for FY2012/13 as no more recent figures were available at time of reporting.
4. Private health insurers that are not member-owned businesses are not included in this list, unless they are a subsidiary of an Australian co-operative or mutual entity. In this case the turnover of the parent entity includes all for-profit and not-for-profit subsidiaries. The following private health insurers are therefore included in the parent entity consolidated financials: Australian Unity Health Ltd and Grand United Corporate Health Ltd (parent entity Australian Unity Ltd), The Doctors' Health Fund (parent entity Avant Mutual Group Ltd), and Queensland Country Health Fund (parent entity Queensland Country Credit).
5. Data was sourced from firms' annual reports from their websites and other publicly available sources such as IBISWorld. Data was also collected through an online survey and follow-up calls to increase the participation rate.
6. Organisations that provide services to members but are either listed on the ASX, or are owned by a listed or privately owned (non-member owned or not Australian) organisations were not included in the list.
7. Superannuation funds are reported separate to this list.

APPENDIX B: TOP 10 AUSTRALIAN SUPERANNUATION FUNDS 2015 BY TURNOVER FY2013-14

RANK	NAME	STATE	TURNOVER (AUD \$)	ABBT (AUD \$'000)	ABAT (AUD \$'000)	TOTAL ASSETS (AUD \$'000)
1	Australian Super	VIC	21,156,343,000	14,808,317,000	13,406,526,000	79,916,228,000
2	First State Super Fund	NSW	10,287,548,000	7,479,401,000	6,563,824,000	47,392,193,000
3	UniSuper	VIC	8,885,314,000	6,992,719,000	6,399,073,000	43,400,319,000
4	Retail Employee's Superannuation Trust (REST)	NSW	8,424,661,000	7,612,793,000	6,978,010,000	34,201,363,000
5	Sunsuper	QLD	7,936,013,000	5,779,968,000	5,246,264,000	29,882,803,000
6	Health Employee's Superannuation Trust Australia (HESTA)	VIC	6,807,544,000	6,577,363,000	6,016,710,000	28,664,947,000
7	Construction & Building Superannuation (CBUS)	VIC	6,583,160,000	6,287,307,000	5,755,730,000	27,507,322,000
8	HOSTPLUS	VIC	4,019,284,112	3,730,781,785	3,405,133,109	15,683,245,800
9	VicSuper	VIC	3,206,456,000	2,890,207,000	2,664,306,000	13,429,310,000
10	CareSuper	NSW	2,169,378,000	74,619,000	75,714,000	1,716,644,000

APPENDIX C: TOP 100 AUSTRALIAN CME BY ASSETS FY2013-14

RANK	NAME	STATE	ASSETS (AUD \$)	LIABILITIES (AUD \$)	EQUITY (AUD \$)	RANK BY TURNOVER
1	Credit Union Australia	QLD	10,307,132,000	9,500,064,000	807,068,000	9
2	Newcastle Permanent	NSW	8,695,911,000	7,878,457,000	817,454,000	16
3	Heritage Bank Ltd	QLD	8,518,887,000	8,145,315,000	373,572,000	14
4	People's Choice Credit Union	SA	5,878,454,000	5,419,908,000	458,546,000	17
5	Greater Building Society	NSW	5,087,914,000	4,697,656,000	387,258,000	22
6	IMB Limited	NSW	4,831,739,000	8,569,000	14,993,000	26
7	Teachers Mutual Bank Ltd	NSW	4,394,472,000	4,029,484,000	364,988,000	29
8	Australian Unity	VIC	4,111,691,000	3,603,351,000	508,340,000	6
9	Beyond Bank	SA	4,091,999,000	3,735,343,000	356,656,000	30
10	Bank Australia (formerly bankmecu)	VIC	3,230,077,000	2,852,902,000	377,175,000	37
11	QANTAS Credit Union	NSW	3,008,422,000	2,798,834,000	209,588,000	38
12	P&N Bank	WA	2,910,207,000	2,667,748,000	242,459,000	36
13	CUSCAL	NSW	2,839,600,000	2,622,500,000	217,100,000	25
14	RACQ	QLD	2,354,989,000	1,284,873,000	1,070,116,000	7
15	Co-operative Bulk Handling Ltd	WA	1,980,248,000	464,181,000	1,516,067,000	1
16	Victoria Teachers Mutual Bank	VIC	1,921,815,000	1,769,496,000	152,319,000	48
17	Avant Mutual Group	NSW	1,911,526,000	963,792,000	947,734,000	31
18	RACV	VIC	1,829,000,000	466,800,000	1,362,200,000	11
19	Murray Goulburn Co-operative Co Ltd	VIC	1,763,436,000	1,017,545,000	745,891,000	2
20	Australian Scholarships Group	VIC	1,733,432,000	1,633,489,000	99,943,000	33
21	Hospital Contribution Fund (HCF)	NSW	1,716,644,000	706,870,000	1,009,774,000	3
22	RAC WA	WA	1,621,917,000	842,748,000	779,169,000	8
23	HBF Health Ltd	WA	1,493,446,000	396,944,000	1,096,502,000	4
24	Defence Bank	VIC	1,465,850,000	1,334,381,000	131,469,000	51

APPENDIX C: TOP 100 AUSTRALIAN CME BY ASSETS FY2013-14 [continued]

RANK	NAME	STATE	ASSETS (AUD \$)	LIABILITIES (AUD \$)	EQUITY (AUD \$)	RANK BY TURNOVER
25	Bananacoast Community Credit Union	NSW	1,419,040,000	1,317,522,000	101,518,000	55
26	Police Bank	NSW	1,394,625,828	1,239,947,900	154,677,928	50
27	QTMB	QLD	1,329,842,000	1,207,889,000	121,953,000	56
28	Police Credit (BankVic)	VIC	1,224,737,000	1,090,841,000	133,896,000	58
29	Queensland Country Credit	QLD	1,210,479,000	1,121,198,000	89,281,000	49
30	NRMA	NSW	1,209,170,000	415,570,000	793,600,000	12
31	Australian Defence Credit Union	NSW	950,605,904	875,969,729	74,636,176	63
32	Hume Bank	NSW	903,173,000	842,833,000	60,340,000	66
33	Gateway Credit Union	NSW	871,348,000	778,290,000	93,058,000	76
34	Credit Union SA Ltd	SA	836,317,000	752,226,000	84,091,000	68
35	Maritime, Mining & Power Credit Union Ltd	NSW	751,968,996	688,284,707	63,684,289	67
36	Community First Credit Union	NSW	738,338,000	672,574,000	65,764,000	69
37	Police Credit Union Limited	SA	723,894,000	664,081,000	59,813,000	70
38	CEHL	VIC	701,166,242	92,368,917	608,797,325	81
39	Queensland Police Credit Union Ltd	QLD	672,769,229	602,812,418	69,956,811	77
40	Sydney Credit Union	NSW	669,276,440	603,089,915	66,186,525	80
41	SGE Credit Union	NSW	651,059,000	575,181,000	75,878,000	78
42	Railways Credit Union	QLD	575,844,749	519,308,442	56,536,307	83
43	Summerland Credit Union Limited	NSW	571,544,000	524,476,000	47,068,000	82
44	Community Alliance Credit Union	NSW	512,513,000	513,292,000	33,974,000	86
45	Holiday Coast Credit Union	NSW	492,980,000	474,066,000	38,447,000	84
46	Royal Automobile Association of SA	SA	408,154,000	456,307,000	36,673,000	23
47	WAW Credit Union Co-operative	VIC	386,401,464	202,599,000	205,555,000	95
48	MDA National	WA	366,646,458	361,956,609	24,444,855	61

RANK	NAME	STATE	ASSETS (AUD \$)	LIABILITIES (AUD \$)	EQUITY (AUD \$)	RANK BY TURNOVER
49	Teachers Health Fund	NSW	337,901,951	N/A	N/A	13
50	Queenslanders Credit Union Limited	QLD	325,062,082	102,645,962	235,255,989	98
51	Service One	ACT	297,304,000	283,435,449	41,626,633	99
52	Employers Mutual	NSW	286,573,000	180,418,000	106,155,000	65
53	GMH Health	WA	255,884,000	274,683,000	22,621,000	18
54	Capricorn Society Ltd	WA	247,170,000	4,547,037,000	284,702,000	5
55	Key Invest	SA	222,133,627	95,155,000	160,729,000	91
56	CBHS Health Fund Limited	NSW	219,967,326	131,109,000	116,061,000	20
57	Namoi Cotton Co-operative Ltd	NSW	213,564,000	191,213,583	30,920,044	10
58	Norco Co-operative Ltd	NSW	170,265,000	70,310,192	149,657,134	15
59	GMHBA Limited	VIC	165,832,000	94,724,000	118,840,000	19
60	Westfund Health Ltd	NSW	154,007,351	100,865,000	61,230,000	39
61	Australian Friendly Society	VIC	143,424,000	95,155,000	160,729,000	110
62	Health Partners Ltd	SA	122,227,000	42,463,171	111,039,697	43
63	Northern Co-operative Meat Co. Ltd	NSW	117,884,000	132,443,000	10,981,000	24
64	Queensland Teachers Union Health Fund	QLD	115,047,934	21,979,000	100,248,000	42
65	Health Insurance Fund of Australia	WA	104,485,983	25,928,734	89,119,200	47
66	Royal Automobile Club of Tasmania	TAS	83,966,305	29,469,263	75,016,720	74
67	Peoplecare Health Insurance	NSW	78,789,093	15,421,062	53,430,520	44
68	South West Irrigation Management Co-operative (Harvey Water)	WA	73,316,314	21,782,824	57,006,269	116
69	Railway and Transport Health Fund	NSW	70,116,000	20,378,232	52,938,082	46
70	WA Meat Marketing Co-op Ltd (WAMMCO)	WA	69,991,000	24,343,000	45,773,000	32
71	South West Irrigation Asset Co-operative	WA	63,583,731	10,159,146	53,424,585	113

APPENDIX C: TOP 100 AUSTRALIAN CME BY ASSETS FY2013-14 [continued]

RANK	NAME	STATE	ASSETS (AUD \$)	LIABILITIES (AUD \$)	EQUITY (AUD \$)	RANK BY TURNOVER
72	Central Murray Credit Union Ltd	VIC	62,497,350	N/A	N/A	124
73	University Co-operative Bookshop Ltd	NSW	59,888,642	31,872,460	27,983,134	45
74	Plumbers Suppliers Co-op Ltd	NSW	57,258,036	N/A	N/A	41
75	Police Health	VIC	53,217,000	29,837,313	9,313,456	53
76	Community Co-operative Store (Nuriootpa) Ltd	SA	47,506,748	23,272,608	8,692,574	59
77	UniMutual	NSW	39,150,769	N/A	N/A	73
78	Master Butchers Co-operative Ltd	SA	37,599,447	18,771,566	2,774,058	72
79	Yenda Producers Co-operative Ltd	NSW	31,965,182	N/A	N/A	64
80	Dairy Farmers Milk Co-operative Ltd	NSW	23,562,000	N/A	N/A	27
81	Geraldton Fisherman's Co-operative Ltd	WA	23,009,139	5,771,896	10,355,216	21
82	Hastings Co-operative	NSW	21,545,624	3,106,484	12,787,932	57
83	Phoenix Health Fund	NSW	21,169,999	3,809,124	10,588,441	90
84	Gascoyne Water Co-operative Ltd	WA	19,251,220	11,700,000	1,403,000	117
85	Batlow Fruit Co-operative Ltd	NSW	16,227,777	1,871,253	10,651,383	89
86	Genetics Australia Co-operative Ltd	VIC	16,127,112	1,751,686	10,513,399	105
87	Health Care Insurance Ltd (HCI)	TAS	15,894,416	3,672,686	6,018,307	104
88	Mount Barker Co-operative Ltd	WA	14,397,566	N/A	N/A	88
89	Ravensdown Fertiliser Co-operative Ltd	QLD	13,103,000	N/A	N/A	71
90	Associated Newsagents Co-operative	SA	12,794,195	2,389,663	3,380,031	96
91	Reserve Bank Health Society	NSW	12,265,085	3,032,969	2,540,196	106
92	Terang & District Co-operative	VIC	9,690,993	2,024,166	3,728,272	97
93	Riverina Co-operative Society	NSW	9,219,000	6,231,000	(1,581,000)	102
94	Gascoyne Water Mutual Co-operative Ltd	WA	7,755,970	739,706	3,062,872	127

RANK	NAME	STATE	ASSETS (AUD \$)	LIABILITIES (AUD \$)	EQUITY (AUD \$)	RANK BY TURNOVER
95	OZ Group Co-op	NSW	6,421,854	1,542,215	1,846,901	101
96	York & Districts Co-operative Ltd	WA	5,769,694	1,055,407	1,596,242	104
97	Macleay Regional Co-operative Ltd	NSW	5,573,165	9,500,064,000	807,068,000	108
98	Australian Wine Consumers Co-operative Ltd	NSW	4,650,000	7,878,457,000	817,454,000	93
99	Southern Quality Produce Co-operative Ltd	VIC	3,802,578	8,145,315,000	373,572,000	115
100	CCW Co-op	SA	3,389,116	5,419,908,000	458,546,000	62

Notes to Table

1. N/A=not available. All values are reported in Australian dollar.
2. Information on the assets of WAMMCO, Police Health and Master Butchers' Co-operative are from FY2012/13 as no more recent data was available.
3. Private health insurers that are not member-owned businesses are not included in this list, unless they are a subsidiary of an Australian co-operative or mutual entity. In this case the turnover of the parent entity includes all for-profit and not-for-profit subsidiaries. The following private health insurers are therefore included in the parent entity consolidated financials: Australian Unity Health Ltd and Grand United Corporate Health Ltd (parent entity Australian Unity Ltd), The Doctors' Health Fund (parent entity Avant Mutual Group Ltd), and Queensland Country Health Fund (parent entity Queensland Country Credit).
4. Data was sourced from firms' annual reports from their websites and other publicly available sources such as IBISWorld. Data was also collected through an online survey and follow-up calls to increase the participation rate.
5. Organisations that provide services to members but are either listed on the ASX, or are owned by a listed or privately owned (non-member owned or not Australian) organisations were not included in the list.
6. Superannuation funds are reported separate to this list.

APPENDIX D: TOP 100 AUSTRALIAN CME BY EBIT FY2013-14

RANK	NAME	STATE	EBIT (AUD \$)	NPAT (AUD \$)	RANK BY TURNOVER
1	Co-operative Bulk Handling Ltd	WA	160,515,000	149,154,000	1
2	Avant Mutual Group	NSW	152,338,000	107,468,000	31
3	HBF Health	WA	122,649,000	122,849,000	4
4	RACV	VIC	118,700,000	117,900,000	11
5	RACQ	QLD	117,503,000	90,176,000	7
6	Hospital Contribution Fund (HCF)	NSW	74,619,000	75,714,000	3
7	NRMA	NSW	73,550,000	67,428,000	12
8	Credit Union Australia	QLD	66,326,000	49,651,000	9
9	Australian Unity	VIC	59,303,000	29,645,000	6
10	Newcastle Permanent	NSW	51,933,000	36,025,000	16
11	Heritage Bank Ltd	QLD	50,041,000	35,757,000	14
12	Greater Building Society	NSW	44,095,000	31,361,000	22
13	IMB Limited	NSW	41,624,000	29,069,000	26
14	RAC WA	WA	39,967,000	37,945,000	8
15	Lenswood Cold Stores Co-operative Ltd	SA	39,504,971	1,396,071	75
16	Teachers Mutual Bank Ltd	NSW	36,758,000	25,806,000	29
17	Bank Australia (formerly bankmecu)	VIC	34,780,000	25,486,000	37
18	People's Choice Credit Union	SA	33,495,000	24,288,000	17
19	Beyond Bank	SA	32,873,000	23,623,000	30
20	Murray Goulburn Co-operative Co Ltd	VIC	32,247,000	29,297,000	2
21	Northern Co-operative Meat Co. Ltd	NSW	30,327,000	17,667,000	24
21	Employers Mutual	NSW	23,716,000	15,779,000	65
23	Capricorn Society Ltd	WA	23,533,000	17,478,000	5
24	QANTAS Credit Union	NSW	22,075,000	15,523,000	38

RANK	NAME	STATE	EBIT (AUD \$)	NPAT (AUD \$)	RANK BY TURNOVER
25	GMH Health	WA	20,144,000	20,231,000	18
26	GMHBA Limited	VIC	20,144,000	20,231,000	19
27	Victoria Teachers Mutual Bank	VIC	19,065,000	13,539,000	48
28	Royal Automobile Association of South Australia	SA	18,929,000	15,964,000	23
29	Australian Scholarships Group	VIC	17,657,000	517,000	33
30	CBHS Health Fund Limited	NSW	17,262,749	17,262,749	20
31	Teachers Health Fund	NSW	17,217,282	17,217,282	13
32	Police Bank	NSW	14,570,523	4,312,564	50
33	CUSCAL	NSW	14,400,000	10,200,000	25
34	Police Credit (BankVic)	VIC	13,429,000	9,440,000	58
35	P&N Bank	WA	11,929,000	9,110,000	36
36	Defence Bank	VIC	11,847,000	8,373,000	51
37	Health Partners Ltd	SA	9,868,000	9,868,000	43
38	Namoi Cotton Co-operative Ltd	NSW	7,680,000	5,313,000	10
39	QTMB	QLD	7,564,000	5,554,000	56
40	Queensland Country Credit	QLD	7,335,000	5,176,000	49
41	Peoplecare Health Insurance	NSW	7,275,185	7,275,185	44
42	Credit Union SA Ltd	SA	6,522,000	4,813,000	68
43	Australian Friendly Society	VIC	6,448,000	5,387,000	110
44	Bananacoast Community Credit Union	NSW	6,357,000	4,512,000	55
45	Centuria Life	VIC	5,919,000	3,403,000	107
46	Australian Defence Credit Union	NSW	5,813,316	4,012,939	63
47	Health Insurance Fund of Australia	WA	5,768,340	5,769,038	47
48	Westfund Health Ltd	NSW	5,588,851	5,588,851	39

APPENDIX D: TOP 100 AUSTRALIAN CME BY EBIT FY2013-14 [continued]

RANK	NAME	STATE	EBIT (AUD \$)	NPAT (AUD \$)	RANK BY TURNOVER
49	Queensland Teachers Union Health Fund	QLD	5,285,876	5,285,876	42
50	Royal Automobile Club of Tasmania	TAS	5,181,736	4,526,411	74
51	Summerland Credit Union Limited	NSW	4,757,000	3,350,000	82
52	Queensland Police Credit Union Ltd	QLD	4,619,579	3,252,711	77
53	Police Credit Union Limited	SA	4,387,000	3,113,000	70
54	Maritime, Mining & Power Credit Union	NSW	4,368,631	3,133,022	67
55	UniMutual	NSW	4,287,740	4,000,022	73
56	Railways Credit Union	QLD	4,170,529	2,953,764	83
57	Yenda Producers Co-operative Ltd	NSW	4,107,333	1,276,322	64
58	SGE Credit Union	NSW	4,045,000	2,838,000	78
59	Hume Bank	NSW	3,967,000	2,763,000	66
60	Key Invest	SA	3,815,972	3,545,830	91
61	Geraldton Fishermen's Co-operative Ltd	WA	3,474,909	1,296,105	21
62	Maitland Mutual Building Society Ltd	NSW	3,404,000	2,382,000	85
63	Community Co-op Store (Nuriootpa) Ltd	SA	2,785,825	775,663	59
64	Holiday Coast Credit Union	NSW	2,480,000	1,791,000	84
65	Gateway Credit Union	NSW	2,404,000	1,725,000	76
66	Sydney Credit Union	NSW	2,321,402	1,865,127	80
67	Community First Credit Union	NSW	2,211,000	2,211,000	69
68	Community Alliance Credit Union	NSW	1,896,000	1,407,000	86
69	WAW Credit Union Co-operative	VIC	1,716,802	1,251,525	95
70	Railway and Transport Health Fund	NSW	1,700,000	1,700,000	46
71	Batlow Fruit Co-operative Ltd	NSW	1,469,998	(78,211)	89

RANK	NAME	STATE	EBIT (AUD \$)	NPAT (AUD \$)	RANK BY TURNOVER
72	South West Irrigation Asset Co-operative Ltd (Harvey Water)	WA	1,385,968	1,123,529	116
73	CEHL	VIC	1,110,239	1,110,239	81
74	Queenslanders Credit Union Limited	QLD	1,028,895	1,028,895	98
75	Plumbers Suppliers Co-operative Ltd	NSW	805,392	(254,598)	41
76	Reserve Bank Health Society	NSW	750,024	750,024	106
77	Phoenix Health Fund	NSW	566,721	566,721	90
78	Hastings Co-operative	NSW	566,690	525,241	57
79	Dairy Farmers Milk Co-operative Ltd	NSW	520,000	589,000	27
80	Riverina Co-operative Society	NSW	422,000	175,000	102
81	Associated Newsagents Co-operative	SA	413,453	464,847	96
82	Mount Barker Co-operative Ltd	WA	367,798	337,135	88
83	South West Irrigation Management Co-operative Ltd	WA	365,878	304,455	113
84	Health Care Insurance Ltd (HCI)	TAS	346,358	346,358	104
85	Norco Co-operative Ltd	NSW	316,000	316,000	15
86	Southern Quality Produce Co-op Ltd	VIC	294,226	237,001	115
87	Automobile Association of Northern Territory	NT	292,165	292,502	114
88	Community Child Care Co-operative Ltd	NSW	261,088	261,088	111
89	CCW Co-op	SA	229,596	183,947	62
90	Wesbuilders Co-operative Ltd	WA	228,306	163,679	87
91	Service One Alliance Bank	ACT	74,000	111,000	99
92	Terang & District Co-operative Ltd	VIC	70,347	50,146	97
93	Genetics Australia Co-operative Ltd	VIC	68,927	68,297	105
94	York & Districts Co-operative Ltd	WA	(73,751)	(50,131)	104

APPENDIX D: TOP 100 AUSTRALIAN CME BY EBIT FY2013-14 [continued]

RANK	NAME	STATE	EBIT (AUD \$)	NPAT (AUD \$)	RANK BY TURNOVER
95	Australian Wine Consumers Co-op Ltd	NSW	(306,000)	(306,000)	93
96	Macleay Regional Co-operative Ltd	NSW	(1,796,961)	(1,268,682)	108
97	University Co-operative Bookshop Ltd	NSW	(2,980,133)	(2,980,133)	45
98	Ravensdown Fertiliser Co-operative Ltd	QLD	(4,854,000)	(6,236,000)	71
99	MDA National	WA	N/A	11,060,162	61
100	No reliable data available				

Notes to Table

1. EBIT= earnings before interest and tax. NPAT = net profit after tax. All values are reported in Australian dollar.
2. EBIT was not available for MDA National.
3. There was insufficient financial data for the 100th ranking.
4. Private health insurers that are not member-owned businesses are not included in this list, unless they are a subsidiary of an Australian co-operative or mutual entity. In this case the turnover of the parent entity includes all for-profit and not-for-profit subsidiaries. The following private health insurers are therefore included in the parent entity consolidated financials: Australian Unity Health Ltd and Grand United Corporate Health Ltd (parent entity Australian Unity Ltd), The Doctors' Health Fund (parent entity Avant Mutual Group Ltd), and Queensland Country Health Fund (parent entity Queensland Country Credit).
5. Data was sourced from firms' annual reports from their websites and other publicly available sources such as IBISWorld. Data was also collected through an online survey and follow-up calls to increase the participation rate.
6. Organisations that provide services to members but are either listed on the ASX, or are owned by a listed or privately owned (non-member owned or not Australian) organisations were not included in the list.
7. Superannuation funds are reported separate to this list.

APPENDIX E: TOP AUSTRALIAN CME BY STATE AND TERRITORY FY2013-14

RANK	NAME	TURNOVER	ASSETS	TOP 100 RANK
ACT HEADQUARTERED				
1	Service One	19,326,000	297,304,000	99
Combined turnover & assets held		19,326,000	297,304,000	
NSW HEADQUARTERED				
1	Hospital Contribution Fund (HCF)	2,308,822,000	1,716,644,000	3
2	Namoi Cotton Co-operative Ltd	541,441,000	213,564,000	10
3	NRMA	501,171,000	1,209,170,000	12
4	Teachers Health Fund	460,403,872	337,901,951	13
5	Norco Co-operative Ltd	430,729,000	170,265,000	15
6	Newcastle Permanent	421,631,000	8,695,911,000	16
7	CBHS Health Fund Limited	308,902,319	219,967,326	20
8	Greater Building Society	287,909,000	5,087,914,000	22
9	Northern Co-operative Meat Co. Ltd	272,096,000	6,538,000	24
10	CUSCAL	271,000,000	2,839,600,000	25
Combined turnover & assets held		5,804,105,191	20,497,475,277	
NT HEADQUARTERED				
1	Automobile Association of Northern Territory	4,210,026	5,480,265	112
Combined turnover & assets held		4,210,026	5,480,265	
QLD HEADQUARTERED				
1	RACQ	994,274,000	2,354,989,000	7
2	Credit Union Australia	649,756,000	10,307,132,000	9
3	Heritage Bank Ltd	443,418,000	8,518,887,000	14
4	Queensland Teachers Union Health Fund	123,678,182	115,047,934	42
5	Queensland Country Credit	95,359,000	1,210,479,000	49
6	QTMB	78,475,000	1,329,842,000	56

APPENDIX E: TOP AUSTRALIAN CME BY STATE AND TERRITORY FY2013-14 [continued]

RANK	NAME	TURNOVER	ASSETS	TOP 100 RANK
7	Ravensdown Fertiliser Co-operative Ltd	44,547,000	13,103,000	71
8	Queensland Police Credit Union Ltd	39,494,803	672,769,229	77
9	Railways Credit Union	32,763,433	575,844,749	83
10	Queenslanders Credit Union Limited	19,793,079	325,062,082	98
Combined turnover & assets held		2,521,558,497	25,423,155,994	

SA HEADQUARTERED

1	People's Choice Credit Union	386,344,000	5,878,454,000	17
2	Royal Automobile Association of South Australia	286,681,000	408,154,000	23
3	Beyond Bank	240,461,000	4,091,999,000	30
4	Health Partners Ltd	122,054,000	122,227,000	43
5	Police Health	85,730,000	N/A	53
6	Community Co-op Store (Nuriootpa) Ltd	67,168,297	47,506,748	59
7	CCW Co-op	59,234,692	3,389,116	62
8	Credit Union SA Ltd	47,416,000	836,317,000	68
9	Police Credit Union Limited	45,076,000	723,894,000	70
10	Lenswood Cold Stores Co-operative Ltd	42,609,876	1,337,108	75
Combined turnover & assets held		1,382,774,865	12,113,277,972	

TAS HEADQUARTERED

1	St Luke's Medical & Hospital Benefits Association Ltd	85,741,000	N/A	52
2	Royal Automobile Club of Tasmania	42,791,042	83,966,305	74
3	Health Care Insurance Ltd (HCI)	14,836,483	15,894,416	104
Combined turnover & assets held		143,368,535	99,860,721	

VIC HEADQUARTERED

1	Murray Goulburn Co-operative Co Ltd	2,947,282,000	1,763,436,000	2
2	Australian Unity	1,197,432,000	4,111,691,000	6

RANK	NAME	TURNOVER	ASSETS	TOP 100 RANK
3	RACV	514,000,000	1,829,000,000	11
4	GMHBA Limited	352,410,000	165,832,000	19
5	Australian Scholarships Group	193,548,000	1,733,432,000	33
6	Bank Australia (formerly bankmecu)	162,557,000	3,230,077,000	37
7	Latrobe Health Services Ltd	134,436,000	N/A	40
8	Victoria Teachers Mutual Bank	104,312,000	1,921,815,000	48
9	Defence Bank	86,226,000	1,465,850,000	51
10	Police Credit (BankVic)	69,170,000	1,224,737,000	58
Combined turnover & assets held		5,761,373,000	17,445,870,000	

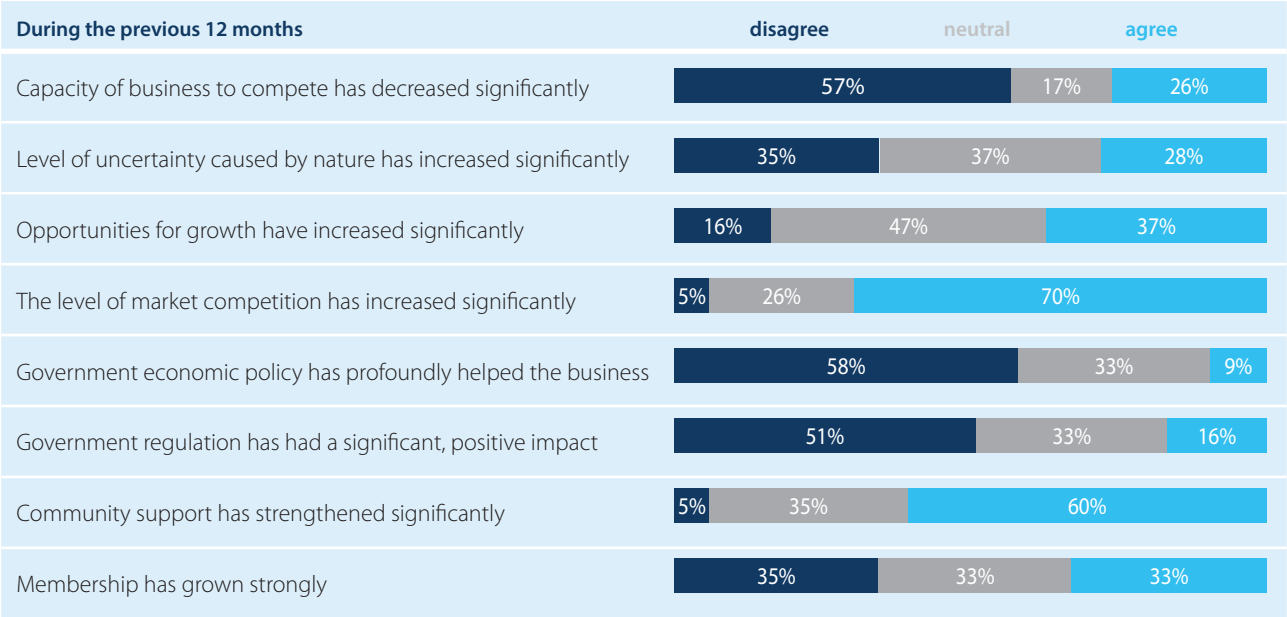
WA HEADQUARTERED

1	Co-operative Bulk Handling Ltd	3,938,655,000	1,980,248,000	1
2	HBF Health	1,356,228,000	1,493,446,000	4
3	Capricorn Society Ltd	1,353,575,000	247,170,000	5
4	RAC WA	656,472,000	1,621,917,000	8
5	GMH Health	352,771,000	255,884,000	18
6	Geraldton Fishermen's Co-operative Ltd	290,225,708	23,009,139	21
7	WA Meat Marketing Co-op Ltd (WAMMCO)	211,946,000	69,991,000	32
8	P&N Bank	169,274,000	2,910,207,000	36
9	Health Insurance Fund of Australia	109,710,546	104,485,983	47
10	MDA National	61,954,093	366,646,458	61
Combined turnover & assets held		8,500,811,347	9,073,004,580	

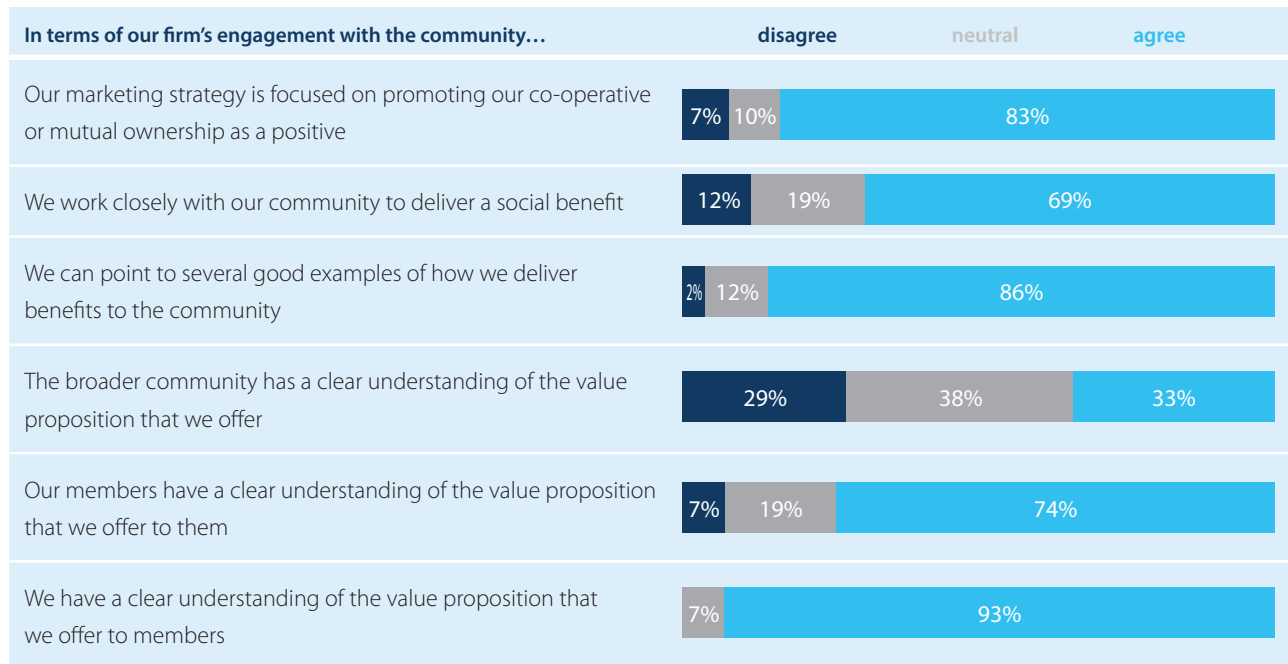
Notes to Table

1. Only the Top 100 Australian CME by turnover for the FY 2012/13 were considered for inclusion in this list.
2. All values are reported in Australian dollar.

PERCEPTIONS OF ORGANISATIONAL TASK ENVIRONMENT



MEMBER VALUE PROPOSITION (MVP) AND SOCIAL CAPITAL BUILDING





BUSINESS COUNCIL
OF CO-OPERATIVES AND MUTUALS