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CASE
STUDY

CAPRICORN SOCIETY LTD: DRIVING MEMBERS TO THRIVE SINCE 1974



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INTRODUCTION

Since it was founded in 1974 by a small group of Western Australian (WA) service station owners, Capricorn Society Ltd. has grown to become a major provider of services to over thirty thousand members in addition to having over two thousand preferred suppliers across Australia and New Zealand (Capricorn, 2025a). As a member-owned co-operative, Capricorn provides a variety of services in the automotive repair industry, including business protection, equipment finance and travel services (Capricorn, 2025a).



In 2024 Capricorn celebrated its fiftieth anniversary, launching the “Fifty Years Strong” campaign, which featured stories from a variety of people who contributed to the Co-operative over the years (Capricorn, 2025b). The campaign also highlighted its beneficial impact not only for its members but also to the automotive services industries in Australian and New Zealand. According to Capricorn,

“As part of the celebrations, we have had the opportunity to connect with our community and reminisce about the good times, but also the challenges the community has faced. It’s been a wonderful opportunity to celebrate and reflect on the role of Capricorn, for individual businesses and for the industry as a whole.” (Capricorn, 2025b, para. 3).

Figure 1: Fifty Years Strong Campaign



Source: Capricorn, 2024.

This case study examines the history of Capricorn Society Ltd. since its establishment in 1974, delving into its challenges and triumphs throughout each decade from the 1970s to the mid-2020s. It provides a chronological narrative of Capricorn’s history while also examining the Co-operative’s activity within a conceptual research framework for understanding co-operative and mutual enterprises (CMEs) (Mazzarol, Simmons and Mamouni Limnios, 2014). It also discusses the key lessons that emerge from the history of this company.



CHAPTER 1: BACKGROUND TO THE CO-OPERATIVE'S FOUNDATION

The history of Capricorn Society Ltd. can be traced back to the Golden Fleece service stations chain whose founder sold its first "motor spirit" in 1913 and grew into one of Australia's largest fuel and restaurant networks by the 1970s.

GOLDEN FLEECE SERVICE STATIONS

Golden Fleece was Australia's first oil company and consisted of a brand of petroleum and related products which were marketed and distributed by the H. C. Sleigh Ltd. company, named after the Melbourne-based Harold Crofton Sleigh (Brandel, 2024; Golden Fleece, 2025). In 1920 the company began opening service stations in which they would sell Golden Fleece products starting with twenty across Adelaide, Melbourne and Sydney (Golden Fleece, 2025).

Figure 2: An early Golden Fleece advertisement



Source: The Herald (Melbourne), 1919.

This demonstrated a commitment to exclusive marketing, which was unusual prior to the 1950s (Brandel, 2024; Golden Fleece, 2025). At this time, petrol stations carried a variety of fuel brands, each competing for space, which gave multinational companies like Shell an advantage as they could set the price which all others had to follow (Brandel, 2024).

It wasn't until August 1951 when one-brand marketing became the standard for oil companies, in which they would build their own service stations and lease them out (Avery, 2004). One-brand marketing also meant service station operators had to comply with the company's choice of batteries, tyres and other relevant products sold. In the early 1950s, Golden Fleece service stations redesigned their branding, using the merino ram as the trademark and a bold blue and yellow colour scheme (Brandel, 2024; Golden Fleece, 2025).

Figure 3: Golden Fleece sign, 1961



Source: Golden Fleece, 2025.

In June 1954, H. C. Sleigh Ltd merged with the New South Wales (NSW) company Purr Pull Oil Industries Ltd., purchasing the latter for £1,000,000 (approx. \$42.67 million in 2024 dollars)¹ (Daily News, 1954; West Australian, 1954). In October that same year, the 79-Octane petrol was introduced to Australia, which was considered an "improved grade" of petroleum. It was marketed by nine companies including Golden Fleece to replace the existing grade of petrol sold which was only 71-Octane (West Australian, 1954; Kalgoorlie Miner, 1954).

¹ Pre-decimal Inflation calculator, Reserve Bank of Australia (www.rba.gov.au).

Figure 4: Golden Fleece Service Station, Bellevue, Western Australia



Source: State Library of Western Australia (SLWA), 1972 [cropped].

In the 1970s the company struggled due to the global fuel and energy crises (Brandel, 2024). By early 1981, the H. C. Sleight company sold its Golden Fleece subsidiary petroleum division to Caltex for an estimated \$75 million (approx. \$360.5 million in 2024 dollars) (Canberra Times, 1981; Golden Fleece, 2025). According to *The Canberra Times*, Golden Fleece was required to pay \$26 million (approx. \$124.98 million in 2024 dollars)² in outstanding loans plus interest to its parent company by May 1981 (Canberra Times, 1981).

THE FORMATION OF GROUP 11

Every year, commencing in 1959, Golden Fleece would hold a conference and four-day training course for its service station operators (Amery, 2004; Capricorn, 2025c). In 1970, at the eleventh course, a number of WA Golden Fleece service station operators travelled to the William Street offices, staying at a nearby hotel in South Perth, to discuss products and services (Amery, 2004).

According to Frank O'Connor, one of the service station operators who attended the course,

“Over those four days we got to know these complete strangers, because Golden Fleece had a service station about every third suburb [...] One of the topics was ‘How to improve your business’ and one of the ways was to buy better” (Capricorn, 2025c).

² Inflation calculator, Reserve Bank of Australia (www.rba.gov.au).



Figure 5: Golden Fleece Service Station, Victoria Park, Western Australia



Source: SLWA, 1974 [cropped].

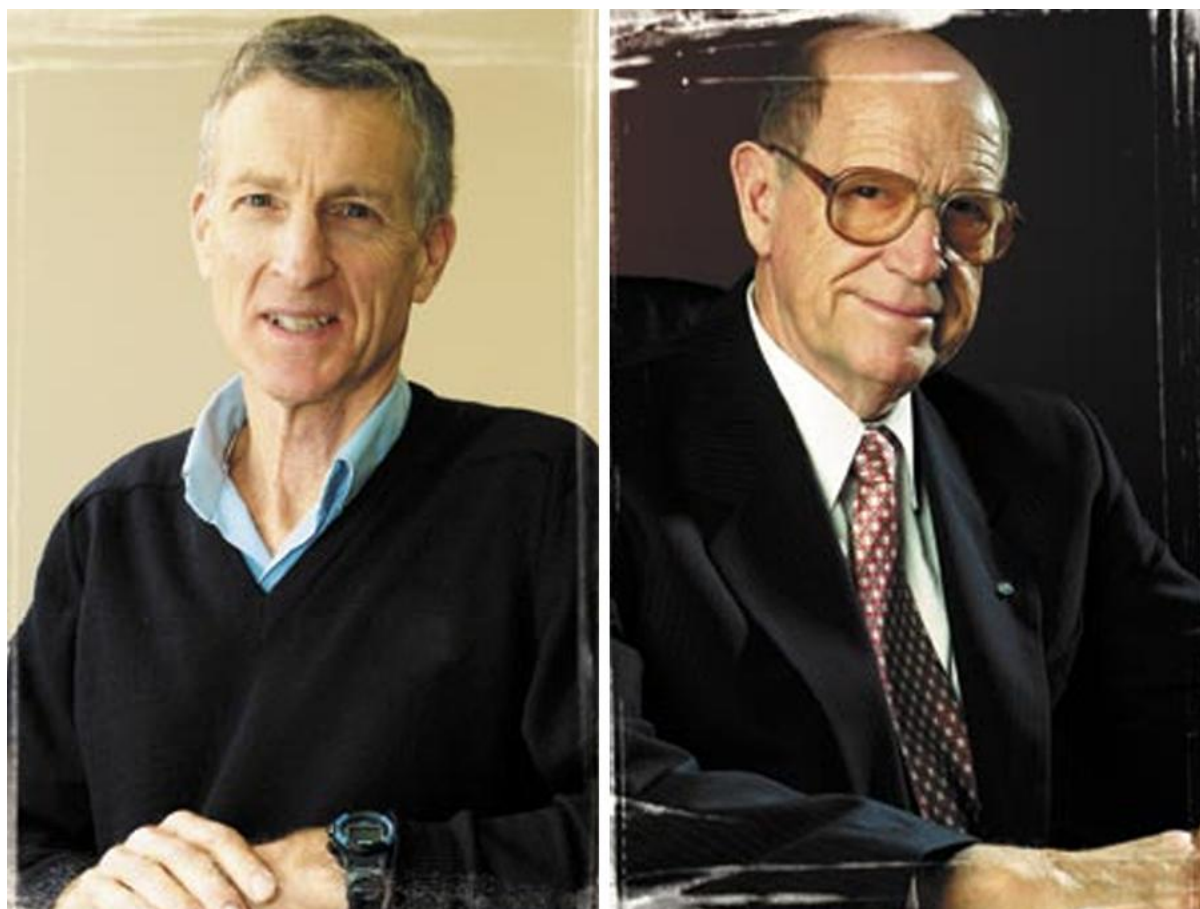
Another service station operator, Brian Tulloch, who attended the program recalled,

“It was an intensive course of seminars, meetings and business exercises, and one of the recurring themes that cropped up between the West Australian dealers was how poorly we believed we were being treated by the various parts suppliers in the city. The Western Australian Spare Parts Association (WASPA) maintained a very strong control over their members and as a result, service stations were buying at very disadvantageous rates compared to others in the automotive industry” (Amery, 2004, p. 8).

O’Connor explained that some of the operators were bragging about how they could buy certain products and stock cheaper than others at the course. They collectively agreed to meet in a month’s time to provide invoices to prove that they were getting a better deal (Capricorn, 2025c).

According to Amery (2004) at that time there was no Trade Practices Act to protect lessees, in this case, service station operators, and the oil companies had complete control over the product stocked at service stations, the price lessees had to pay for them, and the price they sold it for. In addition, Golden Fleece was a small player in the oil market, only capturing about four percent in the WA marketplace (Amery, 2004). It wasn’t until the first *Trade Practices Act 1974* (Cth) was introduced, with the object to “enhance the welfare of Australians through the promotion of competition and fair trading and provision for consumer protection” did things change (p. 1).

Figure 6: Brian Tulloch and Frank O'Connor



Source: Amery, 2004.

A month later at the meeting, the men were able to prove they were getting better prices (Capricorn, 2025c). They realised that not only were they getting “screwed” by the oil companies, but as individuals they did not have the power or influence to challenge it (Amery, 2004, p. 2). As a result, twelve of the men and their wives decided to form a social club, believing that even as a small group they had the potential to “create just enough buying power to make a difference” (Amery, 2004, p. 3). This became known as Group 11.

Together, Group 11 pooled their individual purchases, allotting each person a role as the buyer of products and accessories which they were able to get the best deal on, through which as a group they were able to strengthen their bargaining power (Amery, 2004). Initially there was considerable resistance from suppliers.

However, the group did have support early on. Notably, Alan Campbell, the man who provided the training for the eleventh week-long Golden Fleece course, became Group 11’s mentor (Amery, 2004). Additionally, Dover Leads, a firm on Murray Street in Perth, offered to run a single account for all twelve members, also offering a “trade price of less than five per cent” plus discounts of up to ten per cent on some items (Amery, 2004, p. 6).



Figure 7: A Shell Service Station, WA and Bob Bloffwitch



Source: SLWA, 1972; Amery, 2004.

Tom Drinkwater began doing the bookkeeping in an office at his Kewdale service station, and according to Brian Tulloch, Drinkwater was “a very enthusiastic member and very much instrumental in getting the buying group going” (Amery, 2004, p. 8).

Another key figure in Group 11 was Bob Bloffwitch. According to Amery (2004), “change became more rapid” after he joined as “his enthusiasm and commitment to Capricorn was such that he became a crucial part of the Group in the formative years” of Capricorn (p. 11-12). As a Shell retailer, Bloffwitch was the first member who was outside the Golden Fleece network. Brian Tulloch described him as “a visionary” who saw the advantage of growing larger, while being balanced as a “conservative operator” (Amery, 2004, p. 8).

By December 1974, membership numbers had grown from the initial twelve to seventeen and at that point the group began considering registering as a co-operative (Amery, 2004; Capricorn, 2025a; Capricorn, 2025d). However, according to Amery (2004), they “understood little” about co-operatives as an enterprise structure (p. vii). What they did know was the model was more flexible than an investor-owned firm (IOF). They also liked the democratic one-member-one-vote structure and realised that it would require significant capital to succeed (Amery, 2004). This decision was exacerbated by their misplaced hopes in the *Trade Practices Act 1974* (Cth). According to O’Connor,

“We believed that it was going to be moulded on the one used in the United States that protected small business so well. As we decided to become a corporate body, we designed Capricorn Society to fit in with an American type of Act so we could all get similar benefits when Australia followed that lead. But when the Act did happen, our legislation was different and did not protect the small business operator anything like as well as we had expected.” (Amery, 2004, p. 18-19).



On 8 December 1974 the members of Group 11 met at the Park Towers hotel in Perth, WA to discuss details. There they passed a resolution to register “Capricorn Co-operative Limited” and it was decided each member was to put up \$5,000 (approx. \$50,063 in 2024 dollars), which secured 5,000 \$1 shares and had to be fully paid up by the end of the year (Amery, 2004).

In addition, they agreed to lease premises and offices. According to Frank O’Connor,

“It was decided that AU\$100,000 was needed — AU\$5,000 each for 20 members. It was a large amount in the 1970s. None of us had that type of money, so I went to the ANZ Bank and saw the manager. I said he could have all our accounts and the Capricorn Society business if he lent 20 of us AU\$5,000. He did and we agreed to ANZ becoming the Society’s bankers. The commitment by those first members, made possible by the ANZ Bank, was a tremendous act of faith by all in the ability of the Co-operative to succeed.” (Amery, 2004, p. 19).

The group met again on 16 December 1974 to nominate directors of the board (Amery, 2004). Frank O’Connor along with Barry Hatton, Ray Kenon, Brian Tulloch and Tom Drinkwater were elected as directors, with Frank O’Connor serving as the first Chairperson. In 2025 the Capricorn Society celebrated and memorialised these seventeen members of Group 11, dubbing them the “Original 17” as part of their 50 Years Strong campaign (Capricorn, 2025c).

CHAPTER 2: EARLY DAYS OF CAPRICORN, 1975-1979

Although Capricorn Society Ltd., grew into one of the largest co-operatives in Australia and New Zealand, its initial years of operation were marked by financial challenges, and mistakes by an inexperienced Board learning how to manage and govern a co-operative enterprise.

BACKGROUND TO THE AUSTRALIAN AUTOMOTIVE INDUSTRY IN THE 1970S

In 1970 the Australian automotive manufacturing sector was estimated to have employed over 100,000 people across several states (Jon Y, 2022). The industry was dominated by the “Big Three”, General Motors Holden (GMH), Ford, and Chrysler. Australia’s total car production placed it in the top 10 automotive manufacturing nations globally (Stanford, 2017).

The origins of Australia’s automotive industry can be traced back to the 1890s when some motorised tricycles were locally built in 1894, and cars manufactured in Germany and the United States were imported in 1896 (CTM, 2026). However, partial manufacturing of automobiles emerged during the First World War when the Australian Federal Government placed tariffs on the importation of motor vehicle bodies as means of alleviating pressure on limited merchant shipping capacity (Sturgeon and Florida, 1999).

Both Ford Motors Corporation (Ford) and General Motors (GM) arranged contracts with local coach builders to produce the vehicle bodies, which were then fitted to the chassis, engine and drive train. GM commenced local manufacturing of motor vehicle bodies in 1923, with Ford Canada doing the same. GM’s most important partner was the Holden Brothers coach builders located in Adelaide (SLSA, 2025). The company was acquired by GM in 1931 creating GMH. Early manufacturing of car bodies was initially dispersed around the country due to the poor state of road and rail transportation (Dassbach, 1989).

During the 1920s and 1930s federal government tariffs were placed on a wide range of motor vehicle components, which led to a gradual increase in local manufacturing of these parts. In the aftermath of the Second World War, the Australian Federal Government promoted local car manufacturing with high tariffs on imported vehicles encouraging the local production of cars based on models from Britain, Germany, Japan and the United States (Sturgeon and Florida, 1999).

Concurrently, there was a growth in the number of oil companies refining and distributing petroleum and lubricants. The Australian market was dominated by the global firms Shell, BP, Mobil, and Caltex, plus the Australian firm Golden Fleece (Brandel, 2024). By the 1970s there were around 28,000 service stations operating across Australia. These retail outlets were predominately small businesses managed by “Mum and Dad” operators. Competition was intense in many urban areas, and many of the service stations offered “full driveway services”, which included having an attendant fill up the vehicle with fuel, check the engine oil and radiator water levels, clean the windscreen, check the tyre pressures, and take payment to the cashier returning with the change (Evans, 2023). In addition to the sale of fuel and oil, the service stations also generated income from repair and maintenance of motor vehicles, and – where it was feasible – food services such as roadhouse restaurants, of which the largest national chain was operated by Golden Fleece (Brandel, 2024).

The OPEC oil crisis of 1973, which was triggered by the Arab-Israeli Yom Kippur War, saw the imposition of embargos on oil exports to the United States and European nations who supported Israel (Britannica, 2025). The embargo lasted from October 1973 until March 1974, leading to rising oil prices. This impacted the Australian economy and triggered a period of stagflation – characterised by rising inflation, increasing unemployment, and stagnant demand. It was a pattern that occurred around the world and set in motion a major transformation within the automotive industry (Hutchens, 2021).

Manufacturers of motor vehicles began to produce smaller cars with more fuel-efficient engines. This provided the Japanese manufacturers such as Toyota, Nissan and Mitsubishi, which had a range of competitively engineered and priced smaller vehicles, with an opportunity to increase their market presence in Australia. There was also a rationalisation across the service station sector, with a steady decline in the number of “Mum and Dad” operated service stations across the country, and the ending of the full-service model to having the customer fill up their own cars and pay at the counter (Hutchens, 2021; ACAPMag, 2022). It was into this dynamic environment that Capricorn Society Ltd., was born.

CAPRICORN’S FIRST YEAR

Many decisions were made in the first year of Capricorn’s existence in relation to the company’s governance structure. To accomplish this, the Board decided to meet every Monday until they felt the Co-operative was “running efficiently” (Amery, 2004, p. 18). One of the governance decisions was to make its democratic structure “one family, one vote”, rather than the typical “one-member-one-vote”, due to many members mostly being husband and wife teams (Amery, 2004, p. 18).³ Another decision was for the distribution of profits to members to be a percentage of the individual member’s purchases through the Co-operative. In addition, a five per cent administrative charge was added to member invoices (Amery, 2004).

By December 1974 the deadline for the members to purchase their respective shares had passed and many of the members who had attended the inaugural General Meeting had not purchased their required shares. Additionally, the registration of the Co-operative had not been completed. This imposed some pressure on the Board as the company had to be ready to trade when it moved into the Stirling Street, Perth premises. As a result, the group returned to using its original registered trading name, “Capricorn Automotive Suppliers” (Amery, 2024, p. 13).

The first Annual Report was therefore issued under the Capricorn Automotive Suppliers trading name and reported the financial results for the first six months from 1 January to 30 June 1975 (Capricorn, 1975). It wasn’t until 18 June 1975 that Capricorn Society Ltd., was registered under the *Co-operative and Provident Societies Act 1903 (WA)*. According to Frank O’Connor, they were the last company to be registered under this Act in the state (Amery, 2004). Despite these issues the inaugural meeting of Capricorn Society members took place on Tuesday, 4 February 1975. Furthermore, the Co-operative moved into its first premises in Stirling Street, Perth, which it leased, and where it had a showroom and warehouse facility (Amery, 2004; Capricorn, 2025a).

³ This was later changed to “one shareholder, one vote” to comply with the Co-operative principles.

According to Brian Tulloch,

“We decided to establish our own warehouse with the concept that if we bought the parts and did our own warehousing, we could take the profits that the wholesaler made. We leased a showroom/warehouse in Stirling Street, Perth, with Tom Drinkwater as Manager” (Amery, 2004, p. 8).

In June 1975, at the first Annual General Meeting (AGM), Tom Drinkwater resigned from the role of Manager to focus on the operation of his Kewdale service station (Amery, 2004, p. 20). As a result, Frank O’Connor assumed the responsibility for the day-to-day duties of the Capricorn Society pending the appointment of a full-time manager. This position was eventually filled by Colin Wright. The first “Trade Night and Sales Training Seminar” was also organised for the members. In September 1975 a meeting was held at the Shaftesbury Hotel, Perth, where the Board was able to issue the first 5,000 share certificates to the twenty-one members who had fully paid their \$5,000. These shares were numbered 1 to 105,000 (Amery, 2005, p. 16).

Despite this early progress, by the end of 1975 warehouse sales were low and attempts to diversify into other products proved unsuccessful. Capricorn needed to increase its buying power through increasing its membership. As noted by Amery (2004),

“Once the group started to get price concessions and discounts from some of their suppliers, interest started growing from other potential members” (Amery, 2004, p. 12).

In general, the early years of Capricorn’s operation were challenging with frequent financial difficulties (Capricorn, 2025d). High levels and a wide variety stock, held within the warehouse was identified as having a negative impact on cash flow (Amery, 2004, p. 16). As explained by Frank O’Connor,

“We diversified into other stock, not just the automotive parts as we believed people would buy other merchandise when they called into our service stations; however, it did not pay its way” (Amery, 2004, p. 20).

This view was supported by Brian Tulloch who stated that,

“One of our ideas as a buying co-operative was that we should purchase a selection of toys and other assorted merchandise to sell through the service stations to increase turnover and brighten up the showrooms. It was a disaster. We bought up massive stock and every service station had a merchandising area. But we picked many wrong products and sales were very slow” (Amery, 2004, p. 8).

Such mistakes reflected the relative inexperience of the Board in managing a co-operative and a shared services purchasing business. However, despite the financial crisis that placed Capricorn at risk of an early dissolution, the Board and membership decided to press on. As Brian Tulloch explained,

“The decision to carry on was made by a fairly slim margin and on the basis that every one of us would recruit one member each in order to increase the throughput sufficiently to justify keeping going. It was a relatively slow process, but we pulled ourselves up and carried on conservatively from there. So, we had a change of strategy and no longer warehoused

anything ourselves and continued with using the money saved and our power to buy product"
(Amery, 2004, p. 9).

STABILISATION AND STEADY PROGRESS

Throughout the remainder of the 1970s Capricorn continued to steadily grow and stabilise its financial situation. The co-operative formed a relationship with Southern Cross Petroleum WA, a major independent fuel distributor and service station owner with operations not only in WA, but also in South Australia (SA) and Victoria. During the 1970s, Southern Cross Petroleum operated a network of service stations and bulk fuel delivery services across WA regional areas, such as the Goldfields and Wheatbelt (Howarth, 1989). Following discussions, Southern Cross Petroleum became a member of Capricorn, and the Co-operative became a shareholder in Southern Cross Petroleum (Amery, 2004, p. 16).

As Chair of Capricorn, Frank O'Connor attended the Perth 1977 automotive trade show to promote the Co-operative and recruit potential new members. In the same year, Capricorn lowered the entry cost of membership from \$5,000 to \$200 (approx. \$1,366.26 in 2024 dollars).

According to O'Connor,

"We did away with the AU\$5,000 membership and experimented with numerous schemes to get members. It was an uphill struggle. We did not have enough turnover to cover expenses and we knew that without new members we would fail. As a purchasing co-operative it was not the capital we needed, but the buying power that came from a large number of members"
(Amery, 2004, p. 20).

In addition to these measures, the Co-operative attempted to get key suppliers to join as members. Nevertheless, the annual turnover remained low and expenditure high. Things remained quite challenging for Capricorn during this period. However, as Amery (2004) noted,

"Capricorn Society was learning the hard way, but they also sought advice and researched other co-operative operations that were members of the Co-operative Federation in order to learn from them" (Amery, 2004, p. 16).

As 1977 drew to a close Bob Bloffwitch was appointed as Chair, with Tom Drinkwater as Vice Chair. Bloffwitch continued to hold the position of Chair for the next 17 years, retiring from the Board in 2002 (Amery, 2004).

Throughout 1978 and into early 1979 the Capricorn Board reviewed its performance and the need to restructure its administration. It was considered necessary to appoint an experienced office manager and a full-time accountant. In February 1979 a new General Manager was appointed, while a lease was taken on new premises located at 286 Hay Street, Perth. At the end of financial year 1978/79, the Co-operative's membership and annual turnover was increasing. Additionally, the Co-operative had managed to secure good working agreements with key suppliers such as Swan Tyres, Lynford Motors, and Wesfarmers Ltd. (Amery, 2004).

As noted by Amery (2004),

“There was the rallying call from Capricorn Society in the late 1970s as it fought to get members to support the new registered business structure, and to get people to realise the power of the Co-operative” (Amery, 2004, p. 21).

The role played by Frank O’Connor as the inaugural Chair was acknowledged by Amery (2004) who stated,

“Frank O’Connor was one of the most influential people in laying the foundations for its success” (Amery, 2004, p. 17).

ASSESSING THE PROGRESS OF CAPRICORN IN THE 1970S

As a measure of the progress achieved by Capricorn Society during the 1970s its annual turnover rose from \$182,938 (approx. \$1.59 million in 2024 dollars) in 1975, to \$1,387,057 (approx. \$8.04 million in 2024 dollars) by 1979.

Furthermore, its earnings before interest and tax (EBIT) rose from \$9,803 (approx. \$85,231 in 2024 dollars) to \$52,575 (approx. \$304,737 in 2024 dollars) over the same period. Total assets also increased from \$160,101 (approx. \$1.39 million in 2024 dollars) to \$308,921 (approx. \$1.79 million in 2024 dollars) during the period from 1975 to 1979. The company’s equity also grew from \$29,211 (approx. \$293,971 in 2024 dollars) to \$102,418 (approx. \$593,639 in 2024 dollars). Although net profit after tax (NPAT) remained negative, the company continued optimistically into the 1980s (Capricorn Annual Reports, 1975-1979).

It was a modest but substantial initial five years. However, most newly established firms are discontinued (e.g., wound-up) within the first three to five years (Mazzarol and Reboud, 2020). As a result, the performance of Capricorn in its early years is a measure of success. Both the Board and general membership were pioneering new territory in their creation of a shared services purchasing co-operative within the Australian motoring services industry.

CHAPTER 3: FROM NEAR WIND-UP TO STEADY GROWTH, 1980-1989

As outlined in the previous Chapter, the first five-years of Capricorn Society Ltd.'s history was one of struggle, accelerated learning, and ultimately some optimism for the future. However, the 1980s opened with the Co-operative experiencing a devastating fire and the risk of a potential winding-up of the company. Despite these challenges Capricorn maintained its focus, retained the support of its members, and by the end of the decade had expanded nationally.

THE AUSTRALIAN AUTOMOTIVE INDUSTRY IN THE 1980S

During the 1980s the Australian automotive industry underwent a substantial transformation from a highly regulated and protected market environment to a globalised and more deregulated one. This impacted not only the automotive manufacturers, but also the service station operators (Falson, 2011). A feature of the decade was the floating of the Australian dollar in 1983 and the opening up of the Australian economy, within which the automotive manufacturing sector was seen as a key element. This was led by the Australian Labor Government of Prime Minister the Hon. Robert (Bob) Hawke MHR, whose government was undertaking major economic reforms. The Minister for Commerce, Trade, and Industry, Senator the Hon John Button, announced the Motor Industry Development Plan, commonly referred to as the "Button Plan" in mid-1984, which came into effect in 1985 (Bateman, 2017).

The aim of the Button Plan was to significantly reduce the number of manufacturers operating in Australia along with the number of models produced. It coincided with a gradual reduction in protective tariffs and was designed to increase the global competitiveness and resilience of the Australian automotive manufacturing sector (Falson, 2011). At the start of the decade there were five manufacturers (GMH, Ford, Chrysler, Toyota, and Leyland) producing 15 different models for a relatively small domestic market. However, under the Button Plan, the manufacturers began to collaborate, producing 'badge engineered' vehicles with Toyota selling the GMH Commodore as a Toyota Lexen, and the Nissan Pulsar was sold by Holden as the Astra. In 1980 Chrysler sold its factories to Mitsubishi and ceased manufacturing in Australia (Falson, 2011).

Changes were also taking place in the service station sector. For example, Golden Fleece was acquired by Caltex in 1981 for around \$75 million (approx. \$360.5 million in 2024 dollars). Caltex subsequently became Ampol in 1995, and the two smaller oil companies Amoco and Solo Oil were also acquired. Amoco was taken over by Caltex in 1984, and Solo by Ampol in 1988 (ACAPMAg, 2022).

These changes within the automotive industry and service station sector placed increased pressure on small business operators who were already experiencing pressure due to the industry changes that had taken place in the previous decade. The change from full-service and eat-in restaurants to DIY fuelling and fast food take aways was a feature of the 1980s (RepcO, 2023). For the founding members of Capricorn, who were Golden Fleece service station owners, the need for a co-operative to enhance their market bargaining power was becoming increasingly essential. However, as the decade opened fate was ready to put the Co-operative, its Board, and its entire membership to a severe test.

CRISIS EVENT – FIRE AND THE THREAT OF DISSOLUTION

The decade opened with a devastating fire in 1980 that completely gutted the headquarters of Capricorn at 286 Hay Street, Perth. The fire not only destroyed the building and all the merchandise and equipment within it, but most of the Co-operative's early physical records and archives. This was prior to the introduction of digital archives, and the loss of irreplaceable records had a major impact on the company's operations. The cause of the fire has been attributed to arson. It has been suggested that the premises were broken into and that an accelerant was used to start the fire. What motivated this attack is unclear. However, some theories propose that it may have been a reaction to the Co-operative's potential to disrupt the automotive parts market. Despite this crisis, the Co-operative continued to function, and this event is viewed within Capricorn's history as a test of the "strength of the Co-operative spirit" (Amery, 2004).

If this event was not enough, during 1981 Capricorn faced a move from within the Board, to wind-up the Co-operative. The fire significantly disrupted the Co-operative's operations and destroyed all the goods stored in its warehouse. This left the company struggling with cash flow and limited capital. Given these conditions several directors on the Board raised the issue of considering liquidation as it seemed the Co-operative could no longer remain viable. A formal motion was put forth at the Board for the Co-operative to be liquidated. Fortunately, the motion was narrowly defeated. A major reason for this was the involvement of Frank O'Connor, who continued to believe in the purpose of Capricorn Society, and its important role in supporting small, independent motor trades workshops. He argued that this was more important than the short-term financial crisis facing the company (Amery, 2004).

However, the Board was aware that it faced major challenges to get the company fully back in business. This would require a tightening of the way its financial management was conducted, and also the efficiency of the firm's operations. In June 1981 the General Manager Frank O'Connor resigned. However, the Board did not accept this resignation and the Chair, Bob Bloffwitch, approached O'Connor to undertake an assessment of the overall status of the Co-operative. He agreed to return from his service station to work for Capricorn as General Manager and assess what needed to be done to get the Co-operative back in business. O'Connor also requested the Board grant him management autonomy in undertaking what would be a major turnaround strategy (Amery, 2004).

Having secured the support of the Board, O'Connor assessed the status of Capricorn. At that time there were 200 active members, who despite the impact of the fire, remained committed to the Co-operative. On the positive side, the Co-operative's membership was steadily increasing, and this enhanced its bargaining power as a buyer when negotiating with suppliers. However, there remained a need to review the financial management processes within the company. For example, the Co-operative had to pay suppliers for goods provided to their members and then wait for the members to pay Capricorn. O'Connor introduced a system of rewards for members to settle their accounts early, which had a significant and positive impact on cash flow (Amery, 2004).

The changes introduced by O'Connor combined with the continue support of its members, enabled Capricorn to recover and by 1982 issue its first dividend to members (Capricorn, 2015a). Nevertheless, it should be noted that the vote to liquidate the Co-operative was a very close-run thing. Furthermore, the issuing of a dividend, so soon after the Co-operative had almost collapsed

financially, enhanced the overall confidence within the membership as to the future outlook for Capricorn Society. As Colin Heavyside, who served as Chair of Capricorn from 1994 to 2013, explained,

“Capricorn nearly winding up in '81 and members decided to carry on by a slim margin, in fact it was one vote. So that was a critical thing. The dividend has obviously turned around; it has got a dividend now. In '82 it produced a dividend where it was a pure expense to buy a filter that's a very critical thing and that's changed the culture in the business forever” (C. Heavyside, 2012).

REVIVAL AND RELOCATION OF HEADQUARTERS

This salvation of Capricorn coincided with the introduction of the *Petroleum Retailers Rights and Liabilities Act 1982 (WA)*. The legislation was designed to empower the independent fuel retailers by enhancing their bargaining power with major suppliers (DMIRS, 2003). A primary aim of the legislation was to enable franchisees to purchase up to 50 per cent of their fuel from alternative suppliers, to free them from having to purchase solely from their primary franchisor. It also allowed the retailers to use their primary supplier's existing fuel storage tanks and bowsers to distribute fuels purchased from alternative suppliers. Overall, the legislation's purpose was to make the wholesale petroleum market more competitive and strengthen the bargaining power of small retailers (DLGIRS, 2004). In response to this legislation, Capricorn decided to enter the role of being a fuel wholesaler. It purchased a second-hand fuel tanker from BP and commenced the supplying of fuel to its members. However, it could not compete with the major fuel suppliers, and the initiative was eventually scrapped (Amery, 2004).

Figure 8: Ray Dalwood Manager of PCP product sales (left) and PCP products circa 1988



Source: Amery, 2004, p 25.

Another issue that influenced Capricorn during this time was the supply of Petro Chemical Products (PCPs). These are chemical compounds derived from crude oil and natural gas and serve as the building blocks for a range of products including plastics, textiles, medical supplies and pharmaceuticals, fertilisers, cosmetics and motor lubricants (NES Fircroft, 2024). They are now viewed as an essential ingredient in the maintenance of internal combustion engines (ICE). Their use includes fuel and performance additives, lubricants, engine cooling and anti-freeze

supplements, corrosion inhibitors, anti-friction coatings, and detergents for the prevention of carbon build up on fuel injectors and engine intake valves (Luiz Dias, 2019).

The Board of Capricorn saw a potential opportunity to generate revenue from the supply of PCPs. In 1981 the Co-operative appointed a sales supervisor who was tasked with the goal of selling at least 80,000 units of PCPs to the members of the company within a period of four months. The ability of Capricorn's Board to issue the first dividend in 1982 was attributed by many to the sale of PCPs, which were imported directly from the United States under exclusive sales distribution rights (Amery, 2004).

During 1982 the Co-operative opened its membership to include mechanical repair and service workshops, panel beaters, and other automotive service industries (Capricorn, 2025a). However, the major oil companies were operating multi-site franchise networks under the *Petroleum Retail Marketing Franchise Act 1980* (Cth) and its companion legislation, the *Petroleum Retail Marketing Sites Act 1980* (Cth) (DIIS, 2016). The first of these statutes established mandatory standards for franchise agreements, which included terms and conditions for renewal, disclosure requirements and the tenure of the agreement (usually nine years). The second statute placed restrictions on the number of retail sites that major oil companies (e.g., BP, Shell, Caltex and Mobil) were able to operate directly. This aimed to limit these companies control to no more than 5 per cent of total retail sales (Austlii, 2006).

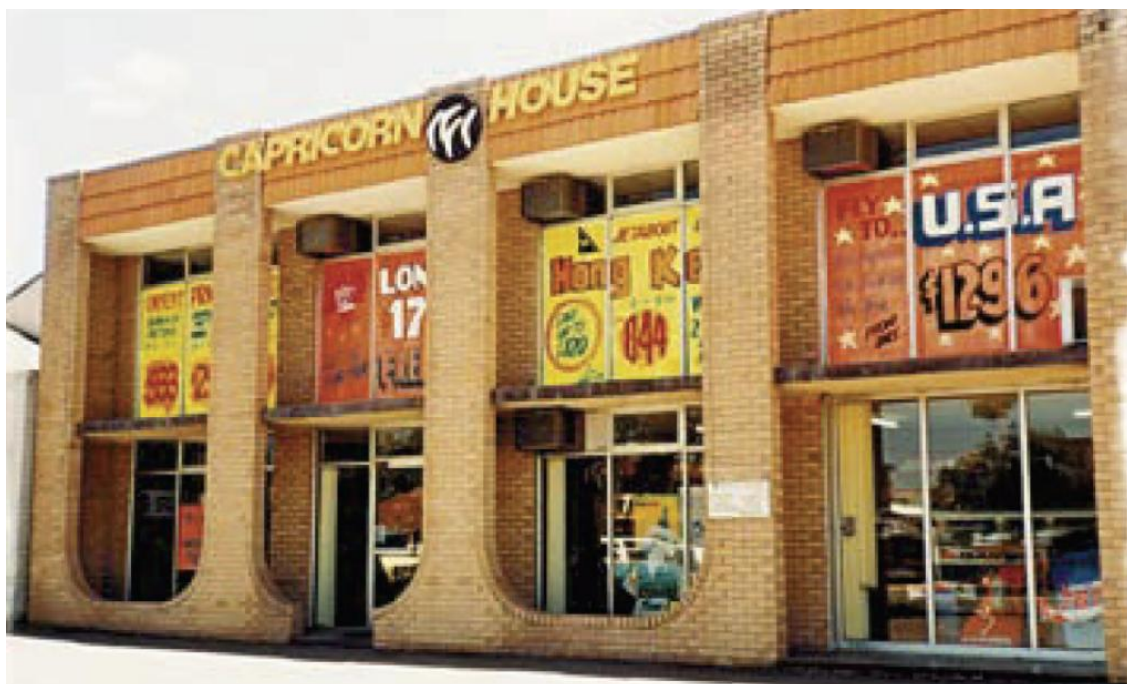
Despite this legislation the major oil suppliers managed work arounds. According to Lindsay Taylor, who was the Company Secretary and Finance Manager for Capricorn from 1982 to 2002, the major oil companies used commissioned agents to overcome the restrictions imposed under the legislation. This initially impacted Capricorn's membership growth but also triggered the decision to expand the range of eligibility for membership within the automotive services industry. As Taylor explained,

"The next hiccup was the oil companies running multi-site operations, and although the Franchise Act had come in restricting this, they overcame it by having commission agents running the service stations for them. For the Society, this hit our membership and at one stage almost made it go backwards. The agents took over multiple sites, so instead of individual Capricorn memberships for each site, they only retained one. To broaden our membership, we opened it up to mechanical workshops, and then of course later to the panel beating and other automotive industry areas, so we had the basis for a complete automotive industry co-operative" (Amery, 2004, p. 28).

During 1982, in the aftermath of the 1980 fire, the Co-operative moved its headquarters to a new business location at 172 Abernethy Road, Belmont WA. This site was purchased rather than leased and would remain the headquarters of Capricorn until 1985 when it relocated to Welshpool (Capricorn, 2025a). The purchase price of the Abernethy Road site was \$245,000 (approx. \$1.06 million in 2024 dollars) (Amery, 2004).

Figure 9 shows the Capricorn House in Abernethy Road as it looked in 1985. It was chosen for its space which enabled the warehousing of PCP products. The second floor contained the Abernethy Travel agency and it can be seen that the windows are covered with advertising for overseas trips to places like Hong Kong and the United States.

Figure 9: Capricorn House, 172 Abernethy Road, Belmont, 1985



Source: Amery, 2004, p. 29.

ANNUAL CONVENTIONS AND THE BIRTH OF A TRAVEL AGENCY

By the mid-1980s Capricorn Society Ltd., was beginning to embark upon a steady growth path that would see it move interstate and reconfigure its business model. For example, in 1984 the company established a wholly owned subsidiary Abernethy Travel. Named after Abernethy Road, the travel agency was formed to manage the travel arrangements for its members when it commenced planning for its first annual convention in Bali, Indonesia that year (Capricorn, 2025a).

The Bali convention attracted over 100 members and proved to be a major success. Underlying the decision to establish an in-house travel agency was the desire to provide members with cost competitive travel booking arrangements for annual overseas conventions, and exclusive industry tours. Initially, the Co-operative planned to acquire an existing travel agency. However, the cost of “goodwill” made the overall cost of such an acquisition too expensive. There was also a view that such “goodwill” was probably inflated in price, which led to the decision to create an entirely new business. While the Co-operative hoped to use the business name “Capricorn Travel” this name had already been taken, resulting in the choice of “Abernethy Travel”. It was managed by Ken Bremner and continues to trade in 2026 having secured the Capricorn Travel name (Capricorn, 2025a).

According to Lindsay Taylor, Abernethy Travel was another initiative suggested by Frank O’Connor, the General Manager of Capricorn at that time. O’Connor viewed the ability of Capricorn to control its own conventions, deliver this event and associated travel to the members at an

affordable price was a way to add value to the Co-operative's membership. As explained by Taylor, he had joined Capricorn to promote and sell the PCPs and saw a way to incentivise members to fund their travel to the Bali convention by purchasing PCPs. The trip cost \$270 per person (approx. \$1,018.84 in 2024 dollars) and by purchasing 270 cans of PCPs each member would secure their tickets to the convention (Amery, 2004).

SECURING KEY SUPPLIERS AND MORE MEMBERS

Another issue facing Capricorn in 1984 was the need to secure key suppliers. As Brian Tulloch explained,

"There were very few businesses operating in Western Australia who were prepared to become suppliers" (Amery, 2004, p. 9).

However, there was at least one supplier, Lucas Industries Australia Ltd., which became a key supplier to the Co-operative and served as a cornerstone supplier for much of its growth throughout the late 1980s. Lucas became the first major automotive parts manufacturer to form a partnership with Capricorn. This partnership enabled the Co-operative to overcome the initial resistance from such suppliers when negotiating competitive wholesale prices for its members. Lucas became a key supplier of car batteries, oil and air filters, spark plugs and other automotive consumable parts. In Brian Tulloch's view,

"Lucas were an exceptionally good supplier and through our service stations using them they were able to take a great deal of business away from their own competitors" (Amery, 2004, p. 9).

Initially, the relationship between Lucas and Capricorn proceeded slowly. However, as the mutual benefits of the partnership became apparent, the pace of the exchange increased. According to Amery (2004),

"The suppliers could see that they would not have any bad debts because the Co-operative carried all the risk and guaranteed the payment of the account" (Amery, 2004, p. 10).

Over time the "preferred supplier" status that Lucas held with Capricorn created a snowball effect, which enabled Lucas to secure a growing market share from its direct competitors through the use of the Co-operative as an entry point for access to Capricorn's growing membership network. It led many other suppliers to approach Capricorn to secure "preferred supplier" status. The partnership between Lucas and Capricorn enabled the Co-operative to reach the 300-member mark by the end of 1984, primarily in the Perth metropolitan area (Amery, 2004), and then to more than 500 members by 1988 (Capricorn, 2025d).

FURTHER RELOCATION AND A FORAY INTO FINANCIAL SERVICES AND CAR RENTALS

In 1985 Capricorn relocated its headquarters once again, this time to 34 Welshpool Road, Welshpool WA. This move was motivated by the need for more space. The co-operative had seen its membership grow, and with the establishment of Abernethy Travel, there was a need for more space to house the travel agency, more warehousing facilities, and the larger staffing. It also supported the future interstate expansion that took place during the late-1980s. During that same year, Capricorn held its annual convention in Penang, Malaysia (Amery, 2004).

Capricorn Society Ltd., launched into financial services in 1986 with the establishment of the Capricorn Superannuation Investment Trust. This was created to provide retirement benefits for its own employees. It operated via a trustee company, Carminia Nominees Pty Ltd., and was described as, “a vehicle for orderly and profitable superannuation and investment planning” (Amery, 2004, p. 36).

Also in 1986, Capricorn acquired Barron Rent-a-Car, which it rebranded as Capricorn Rentals, although the title “Capricorn Rent-a-Car” was colloquially used (Amery, 2004). The Barron Motors company was a prominent car dealership in Perth during the 1980s. It was founded by Ken Mcbarron who launched the business around 1978 operating a motor vehicle maintenance operation from the back of his father’s house (Mcbarron, 2026). By the 1980s the venture had grown into one of WA’s largest motor dealerships, with a modern car sales centre and servicing facility at 43 Walter Road, Dianella. It was a major distributor for Nissan Motors, and the Dianella site was branded as the “Barron Nissan” dealership. It also provided a sales distribution outlet for Harley Davidson Motor Cycles.

Figure 10: Barron Nissan showroom 43 Walter Road, Dianella c. 1986



Source: Jeff Randell, Facebook, 2025.

During the 1980s Barron Motors expanded into car rentals, establishing the Barron Rent-a-Car business, which it operated from the Dianella site. It grew into a second-tier car rental business that focused on local geographic areas within WA, competing on a low pricing strategy designed to secure market share from the major national car rental firms such as Avis and Hertz (BTE, 1988). The acquisition of Barron Rent-a-Car by Capricorn was motivated by a desire from the Board to see the Co-operative diversify its range of services and revenue streams. It was intended that the car rental business would possess synergies with the travel agency business established in 1984.

Additionally, there was an intention that the members of Capricorn would become agents of Capricorn Rentals generating an additional source of revenue for their own businesses. This could also provide these members with courtesy cars or replacement vehicles managed via the wider Capricorn network. The business was initially successful and by 1987 reported an annual turnover of around \$14 million (approx. \$41.8 million in 2024 dollars) (Amery, 2004).

Although the travel agency and finance businesses became core pillars of the Capricorn business model, the car rental operation was eventually phased out as the Co-operative refocused on supporting the members trade accounts and key suppliers preferred supplier model (Amery, 2004). Other notable developments that occurred during 1986 was the appointment of Frank O'Connor to the Council of The Co-operative Federation of WA Inc., a position he held until 2001. Also, the annual Capricorn Convention was held in Pattaya, Thailand that year (Amery, 2004).

EASTWARD EXPANSION

Commencing in 1987 Capricorn initiated an expansion into the other Australian states, with an initial focus on Sydney, NSW (Capricorn, 2025a/b). By the end of that year Capricorn had recruited 50 members from NSW. This was impressive given that it had taken the Co-operative eight years to recruit the first 50 members in WA. Despite this early success, Capricorn found that NSW, and Sydney in particular, presented a more complex and challenging environment than what they had experienced in WA. For example, the local NSW supplier network was “considerably more expensive” to establish than had been anticipated (Amery, 2024, p. 32).

Another challenge that faced Capricorn’s market entry into NSW was the market’s lack of understanding of how purchasing co-operatives worked. This resulted in ‘a natural scepticism’ on the part of the motor trades operators in Sydney. Further, the geographic layout of metropolitan Sydney, with its somewhat fragmented nature due to the Sydney Harbour and other major waterways, and the distribution of a much larger population across the state impacted on supplier delivery efficiencies. This added complexity and cost, while slowing down the creation of a reliable supplier network in NSW. The creation of a group of ‘preferred suppliers’ within the state became a priority (Amery, 2004).

Although NSW was a challenging market for Capricorn’s first interstate expansion, it also put the Co-operative to a major test and taught it many valuable lessons. As explained by Colin Heavyside,

“I think going to New South Wales in 1987 was the biggest single event in Capricorn’s life that changed it forever because it meant that it suddenly went from a small WA co-operative to a national one” (C. Heavyside, 2012).

The 1988 Capricorn Convention was held in Bali and offered the members an opportunity to relax away from their businesses, building social capital in the process through networking and exchanging information, with other independent motor services operators from across Australia. Figure 11 shows Frank O’Connor, who was the General Manager of Capricorn at the time, on the dance floor with a Balinese dancer. In 1989 Capricorn expanded into SA with a major campaign launch held at the Adelaide Hotel (Capricorn, 2025a). The event was led by the Chair of Capricorn Bob Bloffwitch. This campaign targeted the recruitment of new SA members under the promotional title, “Together We Save” (Amery, 2004, p. 31). Sponsorship for the campaign event was provided by the Motor Trade Association of SA (Amery, 2004).

Figure 11: Frank O'Connor on the floor with a Balinese dancer at the 1988 Convention in Bali



Source: Amery, (2004, p. 20).

This general pattern continued for the rest of the decade. During 1988 the Co-operative promoted the recruitment of new members with the catchphrase, “Enrol a Mate for 88”. This was followed by “Enrol 9 in 89”. These recruitment drives worked successfully and by the end of the decade Capricorn was approaching 1,000 members. Also, during 1989 the annual Capricorn Convention took place in Singapore, and the Co-operative’s first in-house computer system was installed (Amery, 2004).

According to Capricorn Company Secretary Lindsay Taylor the process of interstate expansion and recruitment of new members was challenging. It required the Co-operative to arrange events where it could attract both members and potential members. As he explained,

“We struggled to get a quorum of seven or eight members for the annual general meeting. We did of course find a way round that latter problem in the end by having dinners, combined with a trade night as part of the meetings. That soon pushed the numbers up to perhaps a couple of hundred from just a handful, and the trade nights and expos themselves became well attended and successful” (Amery, 2004, p. 29).

ASSESSING THE PROGRESS OF CAPRICORN IN THE 1980S

An overall assessment of how the Capricorn Society Ltd., performed during the 1980s could suggest that it emerged like a Phoenix from the fire of 1980 and steadily spread its wings across the entire country.

From a purely financial perspective the Co-operative reported a 1980 annual turnover of \$1,368,297 (approx. \$7.2 million in 2024 dollars). However, by 1989 the annual turnover had increased to \$22,078,649 (approx. \$57.2 million in 2024 dollars). Additionally, the company's total assets had risen from \$327,547 (approx. \$7.72 million in 2024 dollars) to \$3,669,146 (approx. \$9.51 million in 2024 dollars) over the same period. Perhaps more importantly, the profitability of Capricorn had improved significantly. For example, in 1980 the Co-operative reported an EBIT of \$100,357 (approx. \$528,160 in 2024 dollars) and an NPAT loss of -\$15,180 (approx. -\$39,329 in 2024 dollars). Yet, by the end of the decade the Co-operative reported an EBIT of \$40,498 and an NPAT of \$40,497 (approx. \$104,921 in 2024 dollars). Finally, total equity within the Co-operative had risen from \$90,420 (approx. \$475,863 in 2024 dollars) to \$918,010 (approx. \$2.4 million in 2024 dollars) (Capricorn Annual Reports, 1980-1989).

These financial statistics highlight the turnaround strategy that was undertaken during the decade, and the successful management conducted by Frank O'Connor as General Manager, Lindsay Taylor as Company Secretary, and Bob Bloffwitch as Chairman of the Board. Throughout the decade of the 1980s the Co-operative laid some valuable foundations for its longer-term growth. It demonstrated that it could survive and prosper in a complex and uncertain market environment. Further, the Co-operative generated value to its members who were then, as now, small to medium enterprises (SMEs) operating in a highly competitive industry.

CHAPTER 4: INTERNATIONAL EXPANSION, 1990-1999

The decade of the 1990s saw the Capricorn Society Ltd., continue to expand across Australia, and then move overseas into New Zealand and South Africa. It was a time of optimism and also saw the Co-operative widen its membership by including panel beaters and spray painters. The decade was also a period of significant change in the Australian automotive industry. This was triggered by a steady removal of high tariffs, which had been imposed on the importation of motor vehicles and motor vehicle parts by the Australian Federal Government during and after the First World War (Sturgeon and Florida, 1999).

KEY TRENDS THAT SHAPED THE AUSTRALIAN AUTOMOTIVE INDUSTRY IN THE 1990s

At least three major shifts took place during the 1990s that reshaped the Australian automotive industry.

First, was the shift in motor vehicle manufacturing. From the early years of the Australian industry was dominated by American and British brands, of which the “big three” were American. These were the Ford Motor Company, which set up in Australia in 1925, General Motors, which was established in 1931 and went on to become General Motors Holden (GMH), and Chrysler, which commenced assembly of Dodge cars and trucks in 1937, moving to local manufacturing in 1951 (CTM, 2026).

British, Japanese and German automobile manufacturers were also present in the Australian market during the 1950s through to the end of the 1980s. The most prominent British company was Austin-Morris (as Leyland Australia), which entered the market in the 1950s only to withdraw in 1982. Volkswagen also assembled the VW Beetle and other cars from 1954 to 1977, and Mercedes Benz assembled cars in Melbourne from 1959 to 1965 (Stanford, 2020; Repco, 2024).

By 1991 the Japanese automotive giant Toyota had secured dominant market share in Australia with sales that exceeded both Holden and Ford combined (CTM, 2026). During 1994 and 1995 Toyota centralised its Australian manufacturing at its Altona plant in Melbourne and commence a significant export operation of Toyota Camry cars to the Middle East in 1996 (ABC, 2014). By contrast Toyota’s Japanese competitor Nissan shut down its Australian production in 1992 as sales declined. Then in 1994, Ford closed its Homebush NSW factory, where it had produced the Ford Laser compact car since 1981 (CTM, 2026).

Second shift was the introduction of major industry de-regulation and the impact of the Asian Financial Crisis of 1997. An outcome of the “Button Plan”, which aimed to map out a future for the sustainability of Australian car industry, was that tariffs were steadily lowered throughout the 1990s. These fell from 57.5 per cent in 1985 to 15 per cent by end of the decade (CTM, 2026). The Asian Financial Crisis of 1997 impacted the local manufacturers, and the Prime Minister John Howard, impose a freeze on tariff reductions to provide some protection for these firms (Scales, 2017).

Third shift to impact the sector was in the areas of automotive technological and consumer preferences. Government safety regulations led to the introduction of airbags and anti-lock braking systems (ABS) on a wide range of vehicles. Where such equipment was initially only

found on luxury cars, these devices were now built into even the most budget priced vehicles. Overall, the vehicle build quality also increased significantly during the 1990s, which led to an increase in the lifecycle of the cars. This quality enhancement was facilitated by the introduction of automated and robotic systems on the production lines (Henderson, 2011).

However, a falling Australian dollar and lower tariffs led to an influx of lower priced brands from Korea (e.g. Hyundai, KIA, Daewoo) and Malaysia (Proton). In general, the Australian automotive market became more complex, dynamic, and unpredictable. As market deregulation commenced and the major OEM parts manufacturers adjusted their operations, the landscape for Capricorn and its key suppliers and SME members become turbulent.

NATIONAL EXPANSION CONTINUES

Following the successful entry into NSW during the 1980s, Capricorn focused its recruitment drive on other states. This commenced with an entry into Victoria during 1990 where a campaign launch resulted in the signing of 17 members. Queensland and Tasmania were added to the network in 1991 (Capricorn, 2025a; Amery, 2004). In Queensland a recruitment campaign was launched in March 1991 at the Brisbane Broncos League Club. A total of 20 service station owners were in attendance, and all joined the Co-operative (Amery, 2024).

In the case of Tasmania three separate campaign launches took place in the key cities of Hobart, Launceston and Devonport, which resulted in more than 50 members being recruited (Amery, 2004). The two Australian Territories, the Australian Capital Territory (ACT), and Northern Territory (NT), also join the Capricorn network. However, due to their small population, the ACT was administered within the NSW Zone, while the NT was administered as part of the SA Zone (Capricorn, 2025a).

Total membership passed 1,000 in 1991, increasing to over 2,000 in 1993, and 3,000 in 1994 (Capricorn, 2025a). As the size of the Co-operative's membership increased so too did its overall presence in the Australian automotive industry. Both members and suppliers saw benefit in working with Capricorn. However, the Co-operative had to deal with challenges posed by the major oil suppliers who pressured their service station operators to order their parts and accessories via their fuel and oil accounts rather than via their Capricorn Trade Account. Despite this pressure, the Co-operative's members understood that their bargaining power with suppliers depended on their ability to work collaboratively through Capricorn. The pressure from their major oil suppliers was viewed as a warning sign (Amery, 2004).

FAREWELL TO CAPRICORN RENTALS, WELCOME TO PANEL AND PAINT

During 1990 Capricorn made the decision to sell its car rental business, Capricorn Rentals, and exit this business, which it felt was not a sufficiently valuable fit for its long-term growth. On 14 April 1992 Capricorn launched its Panel and Paint Division, which was operating across all states and territories by 1994. It was led by Manager Bob Jenkinson and quickly comprised more than 450 panel beater members of the Co-operative. Over time it became the largest group of independent panel beaters in Australia (Amery, 2004; Capricorn, 2025a). This expansion from service station owners to panel and paint workshops not only demonstrated that Capricorn could provide valuable benefits to a wide range of SME operators in the industry but also helped to expand membership growth by not relying on service station operators (Amery, 2004).

SECURING NEW PREFERRED SUPPLIERS

The co-operative also expanded its supplier network, adding Repco and Burson Auto Parts in 1991. Both these companies became the most significant and long-standing preferred suppliers for Capricorn Society Ltd. (Capricorn, 2025f). Repco (Replacement Parts Company) was founded in 1922 by Geoffrey Russell in Collingwood, as a suburb of Melbourne, Victoria. Originally it was engaged in automotive grinding and developed a reputation as a leader in the reconditioning of engines and the manufacture of engine parts. By the 1960s it was a major supplier of engine parts, and a key player in Formula One racing, building the Repco-Brabham engine that enabled Jack Brabham to win the 1966 World Championships adding to his 1959 and 1960 driver World Championships. In 1988 Repco was acquired by Pacific Dunlop but continued to operate under the Repco brand. The company was acquired by the US-based Genuine Parts Company (GPC) in 2013 and in 2026 operated around 400 stores across Australia (Dowling, 2022).

Burson Auto Parts was established in 1971 by Garry Johnson and Ron Burgoine, with the trade name “Burson” being a portmanteau of their surnames – Bur(goine)/(John)son. It commenced trading using a vehicle delivery “cash van” service selling automotive chemicals directly to automotive workshops and service stations in Melbourne. Its first store was opened in Braybrook, Victoria in 1978, and its first interstate store in Albury, NSW in 1984. During 1986 Garry Johnson bought out his partner and expanded the firm’s operations. In 2011 it was acquired by a private equity business, Quadrant, and retained as a core brand of the publicly listed Bapcor Ltd., operating more than 210 stores across Australia (Bapcor, 2017; BAP, 2021; ACM, 2025),

The development of preferred supplier networks was a critical element in Capricorn’s ability to expand its membership base across Australia and overseas. A key role was played by the National Sales and Marketing Manager, Steve Barraclough, who was appointed in 1992. He served as a senior executive in the Co-operative until 2012. During this time, he oversaw the expansion of Capricorn from Australia into New Zealand in 1997 and South Africa in 1999. He was closely involved in negotiating major agreements with national franchise chains such as Ultratune, while also developing the supplier network in all three countries (Tuesley, 2024). While Barraclough’s responsibilities encompassed the duties of the National Marketing Manager, which included relationship audits, trade shows, and international conventions, his formal title reflected his broader role in managing the Co-operative’s strategic alliances and group business strategy.

According to Barraclough, Capricorn had to increase its staffing levels across all the states to support the demands of its members and coordination of the supply networks. As he explained,

“The early membership was mainly service stations before the Co-operative started branching out into mechanical repairs. We could see we had to get into other areas to survive. I truly believe that if we had not done so, the Society would not be here today. Capricorn had to develop supply relationships outside the service stations. The Co-operative needed to expand into other areas of the automotive industry such as the auto-electrical and engine rebuilder businesses” (Amery, 2004, p. 38).

While each state, and later each country, were slightly different, each needed basically the same elements to achieve successful network development. There needed to be preferred suppliers, such as Repco at the national level, with Burson and the Coventry Group, in Victoria and WA respectively at the state level.

Figure 12: Steve Barraclough (left), and Bob Jenkins (right)



Source: Amery, (2004, pp. 37 and 47).

According to Steve Barraclough,

“There are differences in each of the states, but the principle is the same everywhere. You just have to keep working to convince people to adopt it. It all depends on the supplier relationships so where suppliers were strong such as in WA and South Australia (SA), we had tremendous support. It was support from Coventry’s that was instrumental in helping the Society really get started in WA. Coventry’s also had Motor Traders in SA, and outside that state the main supplier in the system was Repco, which was adopted as a key national supplier. It was difficult to make inroads in the other states as far as relationships were concerned, particularly Victoria until Burson Automotive joined. Burson Automotive committed to the Co-operative, helping it to get established in Victoria more quickly, and continue to be a great supporter. Victorians were cautious about the Co-operative buying group, but once you get to a certain number there is a level of self-generation as word spreads. ... In Queensland, businesses were fairly keen to adopt Capricorn, but the main problem was establishing the supplier network. Once again, we had to look to source a number of independent suppliers, as Repco was the only national group represented in the state” (Amery, 2004, p. 39).

In this national expansion Capricorn needed to adapt to the specific requirements of each state. The initial market entry into Queensland focused on the service station operators. However, it soon became apparent that there were opportunities to include the mechanical and general engineering workshops sector, which increased the range of local suppliers.



The creation of the Panel and Paint Division in 1992 brought Bob Jenkins into Capricorn to head up the new division. Expanding the membership base enhanced the Co-operatives overall market share across the automotive industry and assisted in the development of the national member network. Adding panel beaters and automotive spray painters to the existing service station and mechanical workshop operators made sense, although each of these segments had different specific issues that need to be considered.

As Jenkins explained,

“The panel industry needed its own focus mainly due to the involvement of the insurance companies in much of its work. In the mechanical repair industry, in simple terms, when they had finished the job, they would get paid. But with the businesses that operated in the panel repair, especially smash repair industry, because of the high level of insurance work, the panel repair companies paid up front for parts and then on completing the job had to invoice the insurers. It was only then that they were paid” (Amery, 2004, p. 48).

According to Jenkins, bringing the panel and paint operators into the Capricorn system required a different approach, particularly because they were often “captives” of high-volume dealerships and the franchise dealerships relied heavily on the panel and paint operators buying their components through the dealerships parts departments. He noted that,

“Bringing the panel industry into the Capricorn fold was a new start. I had to talk to potential members, panel beaters and suppliers as well as set up a new department and then go out and cold call, knocking on doors and trying to persuade them to join” (Amery, 2004, p. 48).

This effort by Jenkins provided a significant boost to the membership of the Co-operative across Australia as the national expansion program progressed throughout the 1990s. Nevertheless, NSW proved problematic even though it was the largest state by population. As Barraclough explained,

“The problem was not that it was the first state we entered outside WA, but the different backgrounds and cultures operating in the automotive industry there. Then of course there were the demographics that created the sheer difficulty of getting parts delivered. The problems in getting Capricorn established in NSW was no different than the problems faced by other national companies. The NSW auto industry was sceptical about new schemes. We found that while a supplier in WA will send deliveries virtually anywhere, that is not the case in NSW. Because of delivery difficulties, and the number of small independent suppliers, Capricorn needed to set up a much broader and in-depth supplier network to cater for our members” (Amery, 2004, p. 39).

CAPRICORN’S ANNUAL CONVENTIONS CONTINUED

Given the success of Capricorn’s annual conventions during the 1980s, this tradition continued throughout the 1990s. For example, the convention was held in Bali in 1990, 1992 and 1993, with the 1994 convention held in Fiji. In 1995 the convention returned to Bali and that event attracted over 520 delegates. During 1996 the convention took place in Hong Kong, and the following year it was held in Mauritius. It returned to Fiji in 1998 and then Vancouver, Canada in 1999 (Amery, 2004).



PURCHASE OF CAPRICORN HOUSE AND A CHANGE OF LEADERSHIP

In 1995 Capricorn purchased a new headquarters, “Capricorn House”, located at 172 Burswood Road, Burswood in Perth. This replaced their previous building in Welshpool, which they had occupied since 1985. The decision to relocate was motivated by the need for a more central location with greater ease of access, and with sufficient space to house the growing staff working within the Co-operative, plus the increasing level of information technology equipment.

The acquisition of Capricorn House reflected the significant growth experienced by the company over the previous twenty years. When the Co-operative celebrated its 21st Anniversary in 1995 it had membership networks in all states and territories, which included service station operators, panel beaters, automotive spray painters, and auto electricians. Interest was also emerging in both New Zealand and South Africa in the business model that Capricorn had established. This included the New Zealand Motor Trade Association, and the South African Motor Industries Federation. Discussions were underway between Capricorn and these two industry associations in relation to a potential licencing or franchising agreement for Capricorn to establish the same co-operative model in those countries (Amery, 2004).

Figure 13: Capricorn House, Burswood, Western Australia 1990s



Source: Amery, (2004, p. 45).

Figure 14: Ken Crew (left) and Wayne Negus (right)



Sources: Ken Crew (Amery, 2004); Wayne Negus (Walker, 2016)

Another key event in the mid-1990s was the retirement of Bob Bloffwitch as the Co-operative's Chair, and the appointment of Kenneth "Ken" Crew who served as Chair briefly from 1994 to 1995 overseeing the acquisition of Capricorn House, and the Co-operative's achievement of 3,000 members (Amery, 2004). Ken's period on the board was cut short, being taken by a great white shark while swimming off Cottesloe Beach in November 2000. He was aged 48 and was a father of three. His death was mourned across the Capricorn membership and broader WA community. A memorial plaque was installed at the Cottesloe Surf Lifesaving Club to honour his memory (Young, 2019).

Wayne Negus, who served as Chair from 1995 to 2003, owned and operated Dalkeith Automotive Services for 36 years from 1975 to 2011. He was a well-known participant in motor sports, owning and driving cars at Caversham and Wanneroo race tracks and the Claremont speedway, as well as being part of the Holden Dealer Team (HDT), which raced production cars at Bathurst, NSW. Serving as the Vice Chair of Capricorn from 1991 to 1995, through its expansion internationally. In addition to this role as Chair of Capricorn, Negus was also the founding Chair of Capricorn Mutual Ltd., serving in the role from 2002 to 2010. He had also been the sole Director of Capricorn Travel Australia from 1996 to 2014. In addition to his work for Capricorn, Negus also provided leadership within the Motor Trade Association of WA (MTA-WA) and the Motor Trade Association of Australia (MTAA). He died unexpectedly in Bali on 10 September 2016 (Autosport, 2016; Legacy, 2016; Speedcafe, 2016).

In 1995 Capricorn announced a \$1 million trading rebate, which underlined the success of the company and positioned it as the largest independent automotive co-operative in Australia (Amery, 2004).

INTERNATIONAL EXPANSION – NEW ZEALAND FIRST

The first half of the 1990s had enabled Capricorn to secure a national network of members and key suppliers across Australia. It was now an opportunity for the Co-operative to commence its ambitious expansion into New Zealand and South Africa. In 1996 Steve Barraclough, in his role as National Sales Manager expressed concerns about entering the South African market despite there being strong interest from that country to establish a similar co-operative there under either a franchise or licencing agreement. In his opinion the time was still not right for the company to commence its international expansion in that direction. Instead, he favoured moving across the Tasman Sea to New Zealand, which he felt was a country that was both closer to home and more likely to understand the operation of a co-operative, plus its principles and philosophies (Amery, 2004).

During 1996 Frank O'Connor, in his role as Capricorn General Manager, visited South Africa twice at the invitation of the Retail Motor Industry of the Republic of South Africa. A delegation from the South African Retail Motor Industry also made a visit to Australia that year, which involved a study tour and meetings with a wide range of Capricorn's members. These visits were viewed by both sides as positive experiences, and the South African delegation were impressed by the way that Capricorn had built its business model, which greatly assisted the small businesses who comprised its membership. However, following discussions between Frank O'Connor and Steve Barraclough it was decided that New Zealand would be the first overseas target for Capricorn's international expansion (Amery, 2004, p. 62).

The market entry into New Zealand commenced in early 1997 and the first shares were being issued in that country by 30 May that year. Auckland became the main centre of operations where there was support from the Motor Trade Association of New Zealand (MTANZ). As anticipated by Steve Barraclough, the close cultural and historic ties between Australia and New Zealand, and the latter's understanding of co-operatives, made the market entry process relatively easy. For New Zealand motor industry operators, the one-member-one-vote democracy and equality of ownership regardless of the member's location, were understood and appreciated (Amery, 2004).

Establishing a supplier network in New Zealand was undertaken by Steve Barraclough. He first met with key suppliers in the oil industry, Castrol and Valvoline, both of which had existing contracts with Capricorn in Australia, and good relations with the MTANZ (Amery, 2004, p. 52). As stated by Amery (2004),

"One of the most powerful aspects of the New Zealand introduction was because Capricorn had then been trading for more than 25 years, it had credibility, authority and tremendous membership support" (Amery, 2004, p. 53).

When Capricorn arrived in New Zealand, the MTANZ had an established purchasing scheme that enabled its members to source parts and other products from preferred suppliers. However, while this was similar to the Capricorn model, its operation was quite different and had not led

to the success that the MTANZ had hoped for. This enabled the MTANZ to close down their own system of procurement, and adopt Capricorn’s model (Amery, 2004, p. 53).

Russell Green, who was a long-term member of the MTANZ, and founder member of the Capricorn network in New Zealand, and who served as Chair of Capricorn from 2005 to 2010, recalled his experience of the entry of the Co-operative into his country in 1997,

“My first personal involvement came about because I was then the President of the Auckland Branch of the Motor Trade Association, the city in which Capricorn first began its operation. The Association invited Capricorn along to do presentations at our local member meetings. These were mainly made up of power point presentations from Tim Peters who was the first Capricorn Society Liaison Officer to be appointed. The problem, if you could call it a problem, was that the whole idea really sounded too good to be true for our members in the automotive trade. Part of the reason for this, and a main part of the success of both the presentations and the early development of Capricorn in Auckland, was having Tim Peters on board. Tim had a very wide knowledge of the automotive industry and many connections within it. There were also some very reputable and established suppliers who had gone on board with Capricorn and this gave the whole concept credibility. Basically, the concept was to start Capricorn in Auckland where most of the major supply companies’ head offices were located. It also had the obvious benefit for gaining potential members because the biggest part of the New Zealand population was centred there” (Amery, 2004, p. 58).

Figure 15: Jo Parker, Capricorn IT Manager and Russell Green, Capricorn NZ member



Source: Amery, (2004, pp. 57 and 117).

According to Russell Green the decision to establish Capricorn’s first base in Auckland gave the wrong impression to the New Zealand automotive industry operators that the Co-operative was

only focused on Auckland. It was therefore essential that Capricorn rapidly expanded its market presence across the rest of the country. The co-operative's response was to establish offices in both Wellington and Christchurch where it appointed local representatives of Capricorn. This was a way of demonstrating that Capricorn was closely connected to all of New Zealand, and that the members located in the rural areas could more easily make contact with the Capricorn staff across both the north and south islands (Amery, 2004). Yet the cultural fit between Australia and New Zealand and their mutual understanding of co-operatives was most important,

"The obvious reason for the success of Capricorn in New Zealand is that members get to share or own shares in the Co-operative. New Zealanders are also very aware of how co-operatives run and operate due to their involvement with them in the dairy industry. So, the Co-operative principles and philosophies were readily accepted and appreciated" (Russell Green, cited by Amery, 2004, p. 60).

SUPPLIERS, INFORMATION TECHNOLOGY AND ENTRY INTO SOUTH AFRICA

In its establishment of a supplier network Capricorn created the "preferred" supplier category. However, the main difference between a "preferred" supplier and one that was not was that the "preferred" supplier paid Capricorn a trading rebate (a small percentage fee). Other suppliers did not pay Capricorn trading rebates, although they secured exactly the same benefits, while the Capricorn charged members an access fee if sourcing materials or services from a non-preferred supplier. This model was considered to have its problems, and to resolve the matter the non-preferred supplier category was removed, and the preferred suppliers were charged a fee based on a percentage of their total turnover with the Co-operative. This was designed as a price the preferred suppliers paid to secure the benefits their status gave them, while also offering exclusivity to this type of supplier (Amery, 2004).

During 1999, as the decade of the 1990s drew to a close, Capricorn launched its first website (Capricorn, 2025a), and appointed New Zealand members to the Board. Prior to this, Capricorn, like many organisations at the time, were still coming to terms with the growing importance of computers and information technology. Computers were already becoming widely available and used in business during the late 1980s, but the transition from a paper-based to a digital operation required careful planning and implementation. In the late 1980s and early 1990s Capricorn had installed PC-based systems to facilitate office management and financial accounting. However, these were "dumb" terminals, without internet connection. However, by 1999 internet services were available to most organisations and this enabled the Co-operative to go online. Its first IT Manager, Jo Parker, who had joined Capricorn in 1992, was appointed in 1999 and played a crucial role in the transition (Amery, 2004). Jo Parker had moved to Capricorn from the banking industry, which was rapidly transitioning into the use of IT systems. She described her first impressions of what she found in place when she arrived in the Co-operative,

"In 1992 when I joined Capricorn after working in the banking industry, the fax, the photocopier, envelopes and the postal service were out stock in trade. We had a couple of PCs, three dumb terminals, and I would spend days at the end of each month physically printing and separating statements and remittance advices for our members and suppliers. It cost us time and staff efficiency. That was how we communicated then, very much paper based and email didn't exist for us or our members. We also had up to five staff members using one telephone" (Amery, 2004, p. 118).

Figure 16: Early computerisation used by Capricorn during the late 1980s and early 1990s



Source: Amery, (2004, p. 114).

Parker's challenge was to work with the major suppliers to provide information electronically, but only Amcap, Coventry's, and Repco were able to do this at that time. An electronic version of the company's accounting system was created. She noted that there had been more storage space for the physical archives within the Welshpool building than was available in Burswood. This led to the placement of these archives onto an optical jukebox that retrieved data stored on CDs, with staff able to access the information from that system at their desktop PCs (Amery, 2004).

According to Parker,

"It was a big step from pieces of paper, but a matter of having to, and that move to our Burswood offices was really the catalyst for technological change. 1995 not only saw electronic storage of archival documents, but there was the addition of personnel, accountants and sales staff. More personal computers were bought, and more telephones and people to man them."

"By the late '90s the Internet was the name of the game when it came to doing business in the technological era. We set up a LAN (Local Area Network) and even provided email to our remote field force. We created our first non-public website developed by Vianet. A second version developed by IBC (Internet Business Corporation) followed in March 1999" (Amery, 2004, p. 118).

These new systems enabled a more cost-efficient way to manage the transactions between members and suppliers combining all purchases into a single account, providing lower prices and



eliminating the suppliers' risk of carrying bad debts (Amery, 2004). It created a 'win-win' solution, and the new website was awarded first prize in the infrastructure category of the WA Information Technology and Telecommunications Awards in 2001.

While this technological transformation was taking place within Capricorn's operations, attention refocused on the expansion of Capricorn into South Africa. However, the South African market was very different to Australia and New Zealand. It was a much less affluent economy and the use of trading accounts, while in operation, were significantly less common than was the case in Australia and New Zealand (Amery, 2004).

The major suppliers in South Africa had developed strong trusted relationships with Capricorn. However, they needed the Co-operative to convince them that their supply invoices would be paid on time. Fortunately, these suppliers were able to observe the operation of Capricorn in both Australia and New Zealand, which imbued them with confidence. By the end of the first six months of trading, the major suppliers were convinced of Capricorn's integrity, and they acted as a catalyst to drive the growth of a network of members within South Africa (Amery, 2004).

As summarised by Amery (2004),

"As was the case in New Zealand, there were the challenges of doing business in a different country, with different tax and business laws, rules and regulations, and hurdles such as the Reserve Bank's Foreign Exchange policies. It has taken some time to get the ball rolling to the African continent" (Amery, 2004, p. 63).

For many reasons, as will be discussed later, Capricorn withdrew from South Africa in 2014-2015.

ASSESSING THE PROGRESS OF CAPRICORN IN THE 1990S

Capricorn's progress in the 1990s represented a significant leap in financial performance, market share growth, national and international expansion, and the modernisation of its operations. In 1991 the Co-operative had just over 1,000 members. However, by 1999 its membership exceeded 5,000, and reached 6,000 by 2001. Commencing in NSW in the late 1980s, Capricorn had grown its membership and supplier network to all states and territories by the end of the 1990s, successfully established itself in New Zealand, and opened its market entry in South Africa.

In addition to this geographic expansion, Capricorn had widened its membership coverage from service station operators to panel and paint workshops, auto-electricians and machine shops. Additionally, Capricorn had embraced the IT revolution and set a best-practice framework in place to enable the company to manage supplier-member transactions online via single trading accounts. The purchase of Capricorn House in Burswood in 1995 gave the Co-operative a more permanent and spacious headquarters than had previously been the case.

From a financial perspective Capricorn's trading throughout the 1990s suggests that the company was now successfully trading and growing. For example, in 1990 Capricorn reported an annual turnover of \$32,194,629 (approx. \$77.7 million in 2024 dollars). However, by 1999 this turnover had grown to \$223,396,954 (approx. \$45275 million in 2024 dollars) (Capricorn Annual Reports, 1990-1999).



Profitability had also risen, with EBIT posted at \$260,388 (approx. \$628,534 in 2024 dollars), and NPAT posted at \$209,779 (approx. \$506,372 in 2024 dollars) in 1990. By 1999 EBIT had risen to \$1,048,296 (approx. \$2.1 million in 2024 dollars), and NPAT had risen to \$1,093,738 (approx. \$2.2 million in 2024 dollars) (Capricorn Annual Reports, 1990-1999).

Both assets and equity had also increased significantly over the decade. For example, in 1990 Capricorn reported its total assets were \$4,645,024 (approx. \$11.2 million in 2024 dollars), and its total equity was \$1,571,439 (approx. \$3.79 million in 2024 dollars). By 1999 Capricorn's total assets were reported as \$37,251,628 (approx. \$75.5 million in 2024 dollars), and its total equity at \$12,551,898 (approx. \$25.44 million in 2024 dollars) (Capricorn Annual Reports, 1990-1999).

These financial statistics reflect the substantial growth undertaken by Capricorn and the continued leadership of Frank O'Connor who served as General Manager from the Co-operative's foundation until his retirement in 2001. However, he was not acting alone, he had the support of key managers such as Steve Barraclough, Bob Jenkins, Lindsay Taylor (Secretary) and Jo Parker. In addition, he had the overall support and guidance of Chairs such as Bob Bloffwitch (Chair, 1977-1994), Ken Crew (Chair, 1994-1995), and Wayne Negus (Chair, 1995-2003) and their respective Boards.

CHAPTER 5: A TRI-NATIONAL OPERATION, 2000-2009

The decade of the 2000s ushered in the start of a new millennium and a transformation of Capricorn Society Ltd., from an Australian to a multinational co-operative. It was a period of rapid professionalisation of the company's business management and corporate governance, and also an era in which the Co-operative achieved significant financial growth. Additionally, Capricorn started and ended the decade as a tri-national business operation, with a presence in Australia, New Zealand and South Africa (ACM, 2024).

KEY TRENDS THAT SHAPED THE AUTOMOTIVE INDUSTRY IN THE 2000s

Over the period from 2000 to 2009 the automotive industries across Australia, New Zealand and South Africa underwent significant changes. In general, there was a transition from industries focused predominately on manufacturing of motor vehicles, to service-oriented "aftermarket" industry sectors. This trend continued through to the mid-2020s (IMARC, 2026).

Within Australia a major trend was the consolidation of the service station network. Rising overhead costs and stagnant profit margins impacted the sector. Furthermore, in 2003 the major supermarket chains, Coles and Woolworths, launched fuel discount dockets that significantly changed the retail market for independent service station operators. This heavy discounting of fuel, which by 2009 had reached 40 per cent, made it increasingly difficult for the small service station operators to compete (AFT, 2024). This triggered an investigation by the Australian Competition and Consumer Commission (ACCC) in 2009, into this discounting of fuel by the major supermarket chains. The judgement eventually handed down by the ACCC was that these "one-off promotions" did not breach the *Trade Practices Act 1974* (Cth) (ACCC, 2009).

This decision by the ACCC was a major blow to the independent service station operators, who were estimated to risk a major collapse in their numbers with only 42 per cent expected to remain in business by the end of the 2010s. A survey of independent service station operators undertaken in 2004 found that debt levels were high between 36 per cent and 49 per cent of those surveyed, with 79 per cent stating that their overhead costs had increased (primarily due to new regulations relating to underground fuel storage systems), and that labour costs had increased by 72 per cent over the previous year (Gome, 2004).

Other major trends impacting the Australian automotive industry were the rise of aftermarket parts and the overall aging of the Australian national car fleet. These trends were driven by the general decline of the Australian motor vehicle manufacturing industry. For example, the decision by Mitsubishi to close its engine manufacturing plant in Adelaide in 2006, signalled a warning for the future outlook of the entire sector (Stanford, 2016). However, as local manufacturing by OEM manufacturers declined, the aftermarket sector expanded. Independent automotive repair workshops grew by around 12 per cent and captured a major proportion (approx. 71%) of the aftersales service market due to greater consumer trust compared with motor dealerships (AAAA (2024).

Within the panel and paint sector the trend was towards increased technological sophistication. This was triggered by the complexity of modern motor vehicles, and the enhanced technology of automotive paints and protective coatings. Skilled labour was becoming enhanced or replaced by

automation. Motor vehicles required increased use of computerised diagnostics as cars were equipped with computer control and management systems (MCRC, 2024; BRA, 2025).

A further challenge facing the Australian automotive industry in this period was a shortage of skilled mechanics and other specialist trades. Many of the skilled workers who had completed their trade qualifications set up their own businesses, which left the established small businesses shorthanded and struggling to find apprentices (MTAA, 2021). Furthermore, during the Global Financial Crisis of 2008-2009, there was a sharp decline in employment within the automotive industry. New car purchases slowed, leading to the Australian Federal Government introducing a Capital Investment Allowance to encourage businesses to purchase new vehicles, while also giving special loans to GMH (Stanford, 2023).

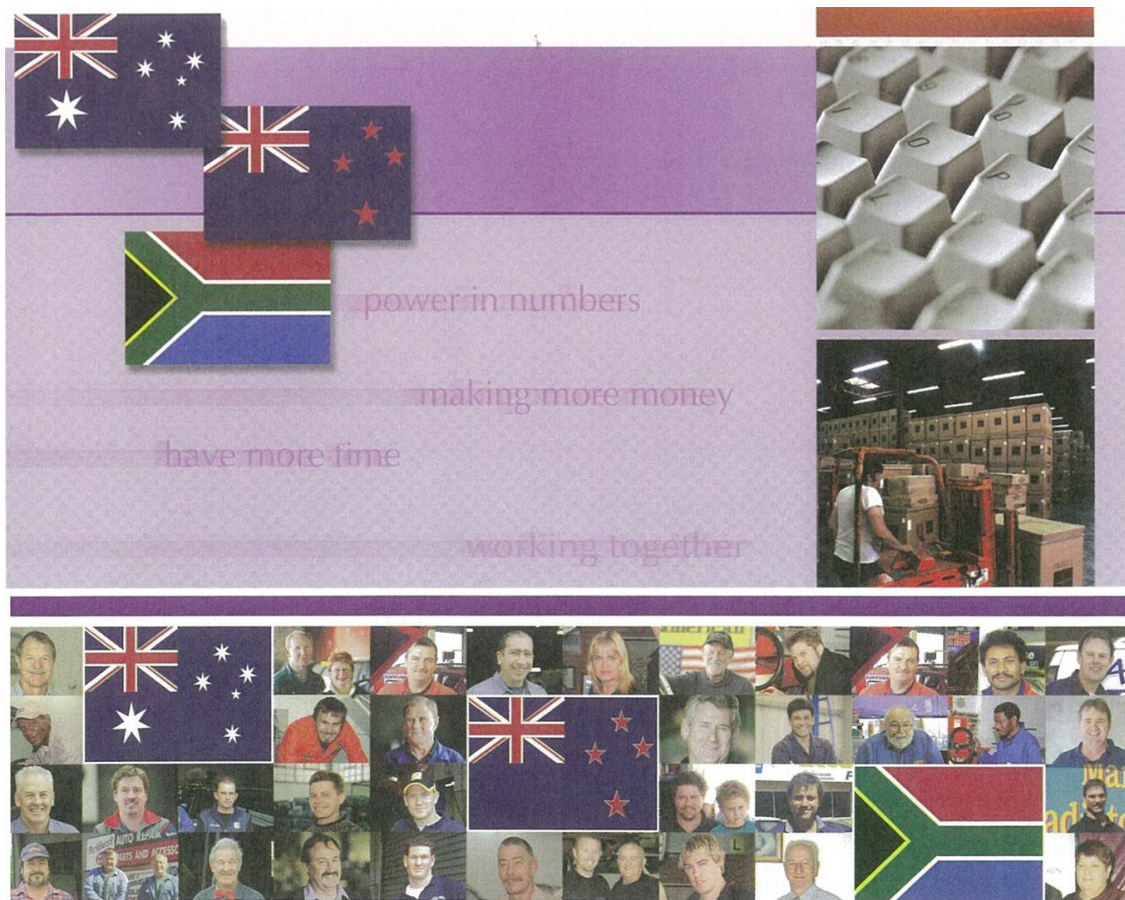
In New Zealand, during the 2000s, a similar pattern took place. The local manufacture (assembly) of motor vehicles in New Zealand had ceased by 1998, with the country reliant on imports. As with Australia, the national car fleet in New Zealand was rapidly aging. There was a significant importation of second-hand Japanese cars (also experienced in Australia), which created a major second-hand market that benefited independent automotive workshops. The increasing age of New Zealand's motor vehicles, resulting in an increased demand for both routine mechanical servicing, and major engine rebuilds (Liu, 2025). However, as was the case with Australia, the automotive industry in New Zealand also faced a severe shortage of skilled employees (Capricorn, 2021a).

The situation in South Africa was impacted by different factors. One of these was the introduction of the Motor Industry Development Programme (MIDP), which ran from 1995 to 2012 and was targeted at encouraging local automotive manufacturers to focus on exports. This created a dual market comprising both a sophisticated OEM manufacturing sector and struggling local component sector that faced strong competition from lower cost imports (Barnes and Black, 2013). The GFC also impacted the South Africa automotive industry resulting in a GDP decline of around 0.5 per cent and the loss of more than 2,500 jobs in 2009 (Ambe and Badenhorst-Weiss, 2011).

CAPRICORN BECOMES A TRI-NATIONAL BUSINESS

Against this background, the first decade of the twenty-first century saw Capricorn move boldly into South Africa, thereby becoming a tri-national business operation. While the groundwork for this had been completed in the 1990s, the formal registration of Capricorn Society Ltd., within the South African market did not take place until 19 May 2000. Marketing and recruitment had commenced in March, and attention focused on setting the necessary supplier networks. Given that Capricorn was less familiar with the supplier market in South Africa, it was decided to survey prospective members to ascertain who they viewed as the best suppliers for Capricorn to negotiate with. However, Capricorn had been active in securing contracts with six major suppliers and had verbal commitments from another 14 suppliers (Amery, 2004).

Figure 17: Examples of Capricorn’s Tri-Nation promotions 2003 and 2004



Source: Capricorn Annual Reports, 2003 (top) and 2004 (bottom).

In a similar pattern to how Capricorn entered the New Zealand market, Johannesburg was chosen as the base from which a national membership campaign would be launched, and initial development was focused within the Gauteng region (Amery, 2004, p. 66). The co-operative was actively trading in South Africa by the middle of 2001 (Amery, 2004, p. 63). The tri-national nature of Capricorn was celebrated in the company’s annual reports of 2003 and 2004. These are shown in Figure 17 where the three national flags of Australia, New Zealand and South Africa are all prominent.

This international expansion resulted in rising membership levels with Capricorn having over 6,000 members in 2001, 9,000 in 2004, and over 12,000 in 2009. Membership in New Zealand had passed 1,300 by 2004 and over 2,000 by 2009 (Capricorn, 2025a). Along with growth in members, the Co-operative also expanded its supplier network, with more than 1,200 suppliers contracted. This included McCarthy Motor Holdings, the largest motor vehicle dealership in South Africa at that time (Amery, 2004).

Along with this growth in the network, Capricorn continued to run its annual conventions in many countries. In 2001 the convention was held in Phuket, Thailand, with Queenstown, New Zealand



chosen for the 2002 convention. Darwin was chosen for 2003 event and in 2004 the convention was held in Cancún, Mexico (Amery, 2004).

CHANGES IN LEADERSHIP AND GOVERNANCE

There were several changes in leadership and governance within Capricorn during the decade. In 2001 Lindsay Taylor, Company Secretary, retired after 17 years with the Co-operative, and following the retirement of Frank O'Connor, Trent Bartlett, was appointed as Group CEO. A service station owner, Lindsay Taylor joined Capricorn in 1979, and served as Office Manager, Accountant, Company Secretary, Membership Coordinator and Assistant General Manager. His experience was explained when he was quoted as saying,

“When I joined as a Capricorn staff member in 1984 the business was starting to turnaround, and membership that was about 200 in 1982, had increased to more than 300, with most of the members in the Perth metropolitan area. The Co-operative had also moved from Stirling Street and after short stays in other premises, settled on Abernethy Road in Belmont, Western Australia. In the early days the Society did a lot of warehousing, including importing products and acting as a middleman rather than just as an administrator. It initially had problems through buying in all manner of products to resell as well as having the warehousing cost. ... We always kept believing that we should never be frightened of progressing, and it was that philosophy that soon saw the Society move to the eastern states in the late 1980s to broaden its base, even though it had not saturated the West Australian market” (Amery, 2004, pp. 27-30).

Taylor’s legacy was to play a key role in managing the Co-operative’s expansion from a WA-centric operation into a tri-national business with membership rising from a few hundred to over 6,000. Taylor’s departure coincided with the retirement of Frank O’Connor who had served as General Manager of Capricorn from 1981 to 2001. According to Wayne Negus, “Frank left a void because his extensive knowledge of the industry and co-operative values was somewhat unique in the business world” (Amery, 2004, p. 128). Trent Bartlett served as CEO of Capricorn from 2001 until 2011. Prior to joining the Co-operative, he had enjoyed a successful 21-year career within the retail sector. This included senior executive roles with David Jones, Aherns, and Target Australia (a subsidiary of the Coles Myer Group). Much of his experience was in consumer facing roles, which combined the management of large teams, and overseeing sales turnover while developing marketing and purchasing strategies (Mudditt, 2025). In an interview in 2004 Bartlett explained his first impressions of Capricorn and his initial steps in guiding the further development of the Co-operative,

“In my first two years I focused very much on putting in strong disciplines, business processes and management structural controls. When I came on board, Capricorn had been so successful on a compounding basis year after year but had had six months without a senior figurehead. I quickly assessed the Co-operative did not really have a solid operational and strategic base from which to properly take up the additional opportunities and challenges of further growth. Just prior to my joining, the Board and commissioned an Enterprise Health Assessment that went through the business from beginning to end and identified about 80 areas it felt the Board should be focusing on and asking the Chief Executive Officer to address. This gave me a brief on the framework for the future, and I got underway addressing the assessment and doing what I felt was necessary, which also meant helping the Board’s governance process” (Trent Bartlett, quoted by Amery, 2004, p. 138).

Figure 18: Brian McGill (left), Trent Bartlett (centre) and Lindsay Taylor (right) circa 2003



Source: Amery (2004).

While changes were taking place within the senior management team, there was also change of leadership within the Board. In 2003 Brian McGill replaced Wayne Negus as Chairman, a position he held until 2005 when he was replaced by Russell Green from New Zealand, who served until 2010.

Brian McGill was a prominent figure in the automotive community in NSW. He owned McGill's Smash Repairs in Wagga Wagga, NSW, and had firsthand experience as a small business owner, plus smash repairs and the operation of independent panel beaters' workshops. He became a member of Capricorn in 1982 and was elected to the Board in 1993. During his time as Chair, he oversaw the significant international expansion of the Co-operative, and the Society's 30th Anniversary celebrations. McGill was recognised as a life member of the Co-operative and the crucial role he played in bridging the gap between the Board and the membership in regional NSW (Amery, 2004).

During his tenure as Chair, Brian McGill provided leadership for the implementation of stronger corporate governance structures that enabled the Co-operative to scale up while retaining its focus on servicing the needs of its members. Interviewed in 2004 for the 30th Anniversary, he spoke about his experience as a member, Director and Chair, making the following observations about the operation of co-operatives,

"Co-operatives are interesting animals for they have to change direction when they get to a certain size. You cannot just leave them alone to continue, and while they need to grow, it should not be growth for growth's sake. That is not the purpose of a co-operative. When I was first on the Board, Petro Chemical Product importing and selling and car rental were among the Capricorn products and services to members. The Board was spending time talking about loss-making enterprises and not its core business. My suggestion was to sell, give away or close down all businesses except the core one, and from that point on, 1989/90, the Capricorn business took off. There was an amazing escalation" (Amery, 2004, p. 98).



Among the reforms of governance introduced by McGill was the requirement for all Directors of the Board to complete and pass the Australian Institute of Company Directors (AICD) course. If they failed to do so, they would be ineligible to stand again for re-election. To support new Directors with only small business experience, he introduced a tutor program (Amery, 2004).

In 2004 it was decided that the Board of Capricorn Society Ltd., should be supplemented by a limited number of non-member, independent directors, who could bring specific skills considered essential to an organisation that had grown to the size and complexity of Capricorn at that time. As Trent Bartlett explained in 2004,

“When you look at the scope of what the Capricorn Society organisation is today, in 2004, let alone what it will become, I believe that the Board, made up of member directors, will actually need some assistance and the responsibility should be shared by a minority of independent non-executive directors in specialist fields relative to the future scope of the business” (Trent Bartlett, quoted by Amery, 2004, p. 96).

It had become clear that the increasing size and geographic expansion of the Co-operative was placing increasing pressure on the member-directors, which the introduction of independent directors was designed to alleviate. Further reforms to the Co-operative’s governance took place during 2005 with the establishment of a Remuneration and Nominations Committee (RNC), which was responsible for overseeing the nominations for Board positions, and the setting of remuneration for Directors. This process continued into 2006 and 2007.

ESTABLISHMENT OF CAPRICORN MUTUAL LTD.

In 2003 Capricorn Society Ltd., established Capricorn Mutual Ltd. (CML), a financial services company and wholly owned subsidiary with the purpose of providing Capricorn’s members with a not-for-profit alternative to traditional insurance. The co-operative’s membership required access to affordable professional indemnity and general insurance coverage, which was becoming more expensive, or difficult to obtain, for many members (Phillips Fox, 2003).

CML’s role was to provide the members of Capricorn with risk protection that was tailored to the specific needs of the automotive aftermarket industry. This included,

“Registered automotive repairers, panel beaters, auto electricians, service stations and general workshops throughout Australia who are members of CSL” (Phillips Fox, 2003, p. 4).

CML was designed as a non-for-profit business that would operate only for the benefit of Capricorn’s members, with all profits either reinvested back into the mutual, or distributed to members (as policy holders) in the form of loyalty rebates when the financial status of the mutual was able to afford to do so. It would also provide risk protection to New Zealand members via Capricorn Insurance New Zealand (CINZL), also a wholly owned subsidiary of Capricorn (Phillips Fox, 2003).

Unlike standard insurance companies, the Board of CML had the power to exercise discretion over membership admittance (e.g., limited to co-operative members), the scope of protections, and individual claims decisions (CML, 2025). The Board of CML comprised three member-directors, a Chair, who was not the Chair of Capricorn Society Ltd., (to avoid any potential conflicts of



interest), and an independent non-executive director with specific skills. Also present on the CML Board was the CEO of Capricorn. Importantly, CML was not registered as an insurance company. Instead, it was regulated as a provider of financial services (Amery, 2004). The mutual was regulated by the Australian Securities and Investments Commission (ASIC) and held an Australian Financial Services License.

According to former Chair Wayne Negus, speaking in 2004 about the establishment of CML, the decision to create the mutual was due to the increasing cost of insurance premiums facing the membership,

“There were seven members on the Board of Capricorn Society at that time, and they were all in the industry, so they knew the problems facing Capricorn members. One of the biggest problems was the constant rising cost of insurance, the fact that it was so progressive and that it did not look like slowing down. We knew that Capricorn members had good claims records and using this we tried to negotiate a better deal on insurance premiums for our members. The insurer said that they could not provide any better deals on the insurance rates and they did not provide any information to show that members were receiving a preferential rate despite Capricorn giving them preferred supplier status” (Amery, 2004, p. 128).

In establishing Capricorn Mutual, the parent company Capricorn Society Ltd., allocated \$1 million (approx. \$1.72 million in 2024 dollars) to finance its establishment costs, and a further \$473,749 (approx. \$813,083 in 2024 dollars) to Capricorn Insurance New Zealand Ltd., for the same purpose (Capricorn Annual Report, 2004, p. 11). In 2009 CML relocated to 34 Welshpool Road, Welshpool WA (Capricorn, 2009).

INCORPORATION AS A PUBLIC COMPANY

By 2005 Capricorn Society was operating across three countries and also had the financial services companies in Australia and New Zealand. This led the Co-operative' Board to review its ability to continue operating under the *Co-operative and Provident Societies Act 1903* (WA) that was limited to the WA State jurisdiction. It was decided that Capricorn's best option was to incorporate the company under the *Corporations Act 2001* (Cth), which it did on 22 August 2006 (Capricorn, 2025a).

The decision to register at the Federal level was discussed at an Extraordinary General Meeting, which was held on 3 May 2006 where the motion was initially carried. However, a second meeting was held on 25 May 2006 where the motion was confirmed (Capricorn, 2025a). Despite the transition to register as a Company Limited by Shares, Capricorn continued to declare itself to be an automotive parts and accessories buying co-operative. It also enshrined in its new constitution the Co-operative principles and values of equity and member ownership.

Russell Green, who became Chair of Capricorn in 2005, stated in his Chairman's address for the Annual Report of 2006, in relation to the decision to become a public company that,

“The significance and impact of the corporate conversion, which was fundamental to the future of your co-operative, cannot be understated” (Capricorn, 2006, p. 1).

Trent Bartlett, in his CEO's "Year in Review" report in the same Annual Report, made the following statement in relation to the decision,

"In a year when we have applied significant time and resources to the conversion of the Co-operative to a company under Australian Federal Law, with a constitution designed to maintain the values and attributes of the original co-operative structure" (Capricorn, 2006, p. 2).

There were at least five main reasons that motivated this decision. The first of these was the national and international expansion that had occurred over the previous decades. By becoming a public company governed by federal law, Capricorn was able to expand its operations throughout all Australian states and into New Zealand and South Africa, rather than remaining solely a WA-based co-operative. Another reason was the need for regulatory compliance with respect to the financial services now offered by Capricorn through the CML subsidiary. The organisational structure of Capricorn as a company under federal law enhanced its ability to facilitate expansion into complex financial services, exemplified by the launch of CML in 2003, and the establishment of subsequent financial services subsidiaries.

There was also the need for better management of financial capital and share issuance. Following incorporation at the federal level, Capricorn was able to submit prospectuses to ASIC for the purpose of offering shares to members and conducting share buy-backs, both of which are subject to more stringent legislation under the *Corporations Act 2001* (Cth) and ASIC. This occurred prior to the introduction of the *Co-operatives Act 2009* (WA) and *Co-operatives National Law 2012* which modernised the Co-operative legislation across Australia.

Additionally, there was the need to enhance the governance standards within the company. By registering under the Corporations Act, Capricorn was able to submit prospectuses to ASIC to offer shares to its members and conduct share buy-backs, both of which are subject to stricter regulations under the federal regulation than was the case under WA State legislation. Finally, Capricorn ensured that its registration as a company under the Corporations Act did not erode its operation as a co-operative. It is worth noting that the transition was structured to continue the upholding of the Co-operative principles.

David Fraser, who joined Capricorn in 2006 as General Manager Automotive, CEO Automotive from 2013 to 2019, and then Group CEO from 2019 to 2024, spoke about the decision to register Capricorn as a company limited by shares during an interview in 2012. As he explained,

"My understanding is that at the time, because there was no National Co-operatives Act ... and I guess with some of the future in mind with regards to diversification and introducing new services like financial services and so forth, it was difficult for Capricorn to be able to continue with that strategy and then try and work under the various State Acts and legislation. ... and of course in our case, also being across three countries it just added to a further complication. It took a couple of years to make the transition. But when it comes to the core functions of what makes our business work it didn't really have an impact to be honest with you and it certainly didn't have any impact on our sales force in that sense" (D. Fraser, 2012).

Figure 19: David Fraser, Group CEO, and Julie Wadley, first female member-director



Source: Capricorn (2020).

He also noted that in New Zealand and South Africa, Capricorn was registered as a co-operative. However, this was primarily to ensure compliance with the respective laws of those two countries and had very little impact on the operation of the business. Although Capricorn operated as a company limited by shares, it continued to function as a member-owned organisation, disbursing dividends to participating members instead of external investors. It was not the first co-operative to register as a company under the Corporations Act while operating according to co-operative principles. However, it was unusual in that it was able to do so across three countries and retain its cooperative spirit and membership unity with directors drawn from all partner nations.

INNOVATION AND TECHNOLOGY AND ENHANCED MEMBER REWARDS

In 2004 Capricorn Society rolled out the CAPLink technology, which was a software tool for preferred suppliers to electronically transmit Capricorn-related transactions directly to the head office of the Co-operative. This technology allowed for the automated transmission of supplier transactions with members of the Co-operative. It provided suppliers with tools to review their transactions, monitor the status of these transactions (e.g., pending, processing, processed), and to access a range of reports (Capricorn, 2024a).

CAPLink enabled the immediate authorisation or rejection of member transactions based on their current status with Capricorn, thereby streamlining the billing process between suppliers and members. The technology was deployed during a period of rapid expansion. In 2004 Capricorn's membership had grown to 9,000 and the number of preferred suppliers to over 1,200 (Capricorn,

2025a). By automating the billing tasks, CAPLink supported Capricorn's growth into one of Australia's leading private companies, ranking 66th on the *Business Review Weekly's* Top-500 list that same year (Capricorn, 2021b; Capricorn, 2025a).

By 2007 CAPLink had been fully installed with 99 per cent of all preferred suppliers using the system, which managed over 4.5 million transactions that year (Capricorn, 2025a). In the same year Capricorn launched its "Rewards on the Web" program for Australian members. This system transformed the previous member loyalty program by introducing a dedicated online platform for members to manage and redeem their rewards points (Capricorn, 2023; 2024b).

A key feature of the "Rewards on the Web" program was the transition from a paper-based manual processing system to a digital interface that enable members to browse and redeem their rewards online. It also enabled Capricorn to offer a much broader range of rewards to members, beyond the standard automotive supplies. These included things like office technologies, home goods and travel bookings. Members gained the ability to log-in and view their current points balance in real time, earned from purchases made via their Capricorn Trade Account. For the preferred suppliers, the system allowed the suppliers to offer bonus points that were tracked automatically and credited to members' accounts. One of the most popular features of the system was the ability for members to use their reward points to directly pay off their monthly Capricorn statement (Capricorn, 2003).

The "Rewards on the Web" system provided a foundation for the development of the Capricorn Rewards program. By 2024 the rewards program offered 1.5 points for every \$1 spent on eligible purchases. The introduction of the Rewards+ system in February that year, enabled members to request custom rewards not found in the standard catalogue (Capricorn, 2024c).

RUSSELL GREEN BECOMES CHAIR

In 2005 Russell Green became the Chairman of Capricorn, replacing Brian McGill and holding the position until 2010. As noted earlier, Russell was a founder of the Capricorn network in New Zealand. Born in 1963, he was elected to the Capricorn Board in 1999 and was the first director from New Zealand. He became a member of the Co-operative's Remuneration and Nomination Committee, and a director of Capricorn Mutual Ltd and its subsidiary companies. Additionally, he served on the Board's Audit and Risk Committee (Capricorn, 2011).

Russell Green spent his entire working life within the automotive industry. This included his ownership of a mechanical repair business servicing the local community of the rural New Zealand township of Puhoi, approximately one hour north of Auckland. Married with three children, Russell and his wife Janine, were also actively involved in the MTANZ. Russell held positions on the local branch committee of the MTANZ, rising to President of the largest branch in Auckland. He was regularly involved in the annual conferences and national committee meetings (Capricorn, 2011).

ESTABLISHMENT OF CAPRICORN FINANCIAL SERVICES PTY LTD

During 2008 Capricorn Society Financial Services Pty Ltd. (CSFS) was established to provide a wider range of financial services for the automotive workshop owners and service providers within its membership. The CSFS was formally incorporated on 8 January 2008 as a wholly owned



subsidiary of Capricorn Society Ltd. Its role was to enable Capricorn to move beyond simple trade credit into specialised financial services, such as providing members with professional debt funding solutions (Capricorn, 2009a).

The creation of CSFS enabled Capricorn the ability to offer comprehensive financing for motor vehicles and business equipment. While many commercial lenders had rigid limits and what they could fund, CSFS was able to provide financing for almost any value over traditional loan periods, subject to board approval for high-value items. A core early offering was the 3:6:12 Easy Access Equipment Credit Agreement. This allowed members to purchase major business items such as plant and equipment or motor vehicles, at amounts up to \$40,000 (or higher with Board approval) from preferred suppliers (Lavin Legal, 2014).

Unlike traditional bank loans, financing via CSFS (now branded Capricorn Finance) enabled members to earn Capricorn Reward Points on the full value of the equipment or vehicles they purchased. The ownership over CSFS as a subsidiary meant that approvals for loans were much faster than via third-party financing, and with minimal paperwork and little or no set up fees. The financial services from CSFS were also tailored to the specific needs of the aftermarket automotive sector. This made it easier for members to secure finance for specialised workshop equipment that many mainstream lenders declined to fund. As of 2026, CSFS (Capricorn Finance) was growing strongly. During FY 2023-24 it approved loans of more than \$79 million for vehicles and equipment for the Co-operative's members (Capricorn, 2024d).

David Fraser's explanation of the creation of the Capricorn Finance subsidiary was as follows,

"It was introduced in 2008. Prior to that in about 2000, we had introduced an extended financial product that we just managed off our own balance sheet where we would have provided up to 12 months extended finance to members. Most of those purchases were for equipment for their workshops but of course that was limited to how much the member could afford to borrow and pay back within 12 months. So, the view for financial services was to look beyond that for bigger purchases that the members might need, but also to provide them up to five years to be able to pay that back. I think it was probably more driven by management than member. The timing of that coincided with the GFC so it probably wasn't the best time to launch a financial services business, but having said that, it has probably been more successful in New Zealand than anywhere else. And that's probably partly because during the GFC the New Zealand economy suffered more than Australia. There used to be a lot of broking businesses in New Zealand that went out of business as a result of the GFC and it probably opened up an opportunity for us and that's probably where some of that success came from." (D. Fraser, 2012).

GLOBAL CONVENTIONS AND MEMBERSHIP

As mentioned earlier in this chapter, Capricorn continued to hold its annual conventions which took place in Phuket, Thailand (2001), Queenstown, New Zealand (2002), Darwin, Australia (2003), Cancún, Mexico (2004), followed by Mauritius (2006), and the Maldives (2008), which was the largest of these events to that date. Also, in 2008, Capricorn staged its first Travel "Xclusive" Tour, which took place at the Specialty Equipment Market Association (SEMA) Show in Las Vegas, USA (Capricorn, 2008).

Membership also continued to grow, from 9,000 in 2004 to over 12,000 by 2009 (not including the membership of Capricorn Mutual) (Capricorn, 2025a). The extension of Capricorn's business into New Zealand and South Africa greatly facilitated this growth in membership. By 2009 New Zealand contributed over 2,000 members, and the Co-operative's operations in South Africa encompassed the full breadth and depth of that country, almost to the borders of Zimbabwe and Namibia. In fact, there was consideration of expanding the Co-operative's operations beyond the South African borders (Amery, 2004, p. 66).

The South African business by 2004 was focused primarily on general repair, transmission, engineering, diesel fuel injection and auto-electrical services. The local supplier network in that country had also been developed, and included a major supplier, Autozone, which operated around 80 branches, and McCarthy Motor Holdings, South Africa's largest motor vehicle retailer (Amery, 2004, p. 66).

RESPONDING TO THE GLOBAL FINANCIAL CRISIS

The Global Financial Crisis (GFC) of 2008-2009 had a significant impact on many countries around the world. However, Capricorn Society demonstrated strong operational stability and resilience, continuing to grow, and leveraging the strengths of its co-operative business model. Rather than contracting, the Co-operative steadily increased its membership, which exceeded 12,000 members by the end of 2009. It also expanded its service offerings to its members through the establishment of Capricorn Society Financial Services Pty Ltd. (CSFS), and Capricorn Mutual Management Pty Ltd. (Capricorn, 2025a).

Despite the financial crisis that was sweeping through many national economies, and impact many businesses, in 2009 Capricorn declared its first fully franked dividend to Australian members. This signalled that the Co-operative was enjoying good financial health regardless of the impact of the GFC. By 2010, as the crisis was abating, member trading through Capricorn exceeded \$950 million (approx. \$1.37 billion in 2024 dollars), which continued to grow beyond the \$1 billion mark for the first time (Capricorn, 2025a).

Several factors assisted in mitigating the impact of the GFC on Capricorn. The first of these was the nature of the industry in which the Co-operative was operating. The automotive aftermarket sector was less susceptible to the GFC's impact than the new sales market. Businesses and households impacted by the GFC were likely to delay the purchase of new vehicles and instead spend money on the maintenance and repair of their existing vehicles. This served to help the members of Capricorn stabilise their business cashflow and remain in operation (Capricorn, 2025a).

A second factor was the Co-operative structure of Capricorn, which was built on the principles of mutual support, and enhancing the buying power of its members, and improving their business management via the centralised Trade Accounts, which facilitated cashflow management and general budgeting. Finally, while many Australian, New Zealand and South African companies collapsed during the GFC, Capricorn was not exposed to high-risk securities or the excessive debts that compromised other companies (Debelle, 2009; ASIC, 2010).

Although Capricorn was less impacted by the GFC than many other businesses, it was not totally immune from the crisis. The co-operative experienced a significant reduction in the value of its

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investments. In response, the Board and Management of Capricorn took action early in Financial Year 2008/09 to mitigate the loss and this resulted in a substantial recovery in these investments as the economy improved (Capricorn, 2009b).

THE LOSS OF CO-OPERATIVE TAXATION STATUS

Another external challenge that Capricorn faced at this time was the loss of its co-operative taxation status. The transition from the WA State co-operative's legislation to the Federal legislation governing corporations meant that Capricorn was ineligible to receive specific tax benefits that were made available to co-operatives under the Federal taxation legislation. While registered as a co-operative under state law, Capricorn was able to enjoy specific tax benefits in relation to its distribution of financial rewards to members. These primarily related to rebates rewarding member trading with the Co-operative. However, there were also some benefits related to the distribution of dividends and rewards points, which the Co-operative could claim as tax deductions.

Following its incorporation under the *Corporations Act 2001* (Cth), Capricorn was subject to standard corporate tax regulations, with profits taxed at the same rates as other public companies in Australia. This had an impact on the distribution of dividends, rebates and rewards points. With respect to dividends, the company moved towards a standard franked/unfranked dividend system, where the franked dividends were tax paid prior to their distribution to Australian shareholders, as exemplified in 2009 with Capricorn's first fully franked dividend (Capricorn, 2009b).

This change was an internal strategic decision, made via an Extraordinary General Meeting (EGM), to regularise the company's legal and tax framework within Australian corporate law and taxation law. The EGM that took place on 4 July 2008 was an important moment for Capricorn as it marked the company's transition from out of the Co-operative specific taxation law. The meeting secured member approval for the transition and was supported on the grounds that it would help facilitate future growth of Capricorn and would simplify the otherwise complex tax provisions of the *Income Tax Assessment Act 1936* (Cth).

As a consequence of the EGM, Capricorn lost its co-operative tax status and associated benefits, becoming subject to standard company taxation from 1 July 2008. As a result, income tax expense rose by \$2.5 million to \$2.62 million, reducing profits and cash available for member distributions. However, as noted above, this change allowed dividends to be distributed to Australian tax paying shareholders to carry franking credits (Capricorn, 2009b).

Capricorn was also expanding rapidly during this time and had established financial services subsidiaries that would potentially create additional complexities if it continued to operate under the WA co-operatives legislation. Furthermore, the company's expansion into New Zealand and South Africa raised the need for Capricorn to operate with international accounting standards, which forces Co-operatives to record members' share capital as debt not equity. Moving to the *Corporations Act 2001* (Cth) resolved these issues.

For the Australian members of Capricorn, the change of statutory regulation and governance enabled the Co-operative to issue fully franked dividends. This saw the company pay the 30 per cent corporate tax rate on profits before distributing the dividends to the members. However,

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Capricorn lost the ability to claim “concessional” deductibility on rebates. Nevertheless, this helped to streamline the process of issuing Reward Points instead of rebates on monthly statements, and which could be used to pay for business expenses or personal items. This offered a member value proposition (MVP), while complying with the federal taxation law. It also required Capricorn to adhere to the rules preventing “tainted” share capital accounts. This ensured that any returns of capital to members were clearly differentiated from taxable dividends (ATO, 2005).

MANAGEMENT AND GOVERNANCE RESTRUCTURE

In 2009, following the transition to the federal corporations law Capricorn underwent a restructure of its executive management. This initiative was led by Trent Bartlett and reduced the overall size of the executive leadership team with the objective of creating a smaller and more agile management structure to facilitate decision making. Functions that were previously siloed were consolidated. This included better integration between the core Trade Account business and the newly formed financial and mutual management subsidiaries. By merging responsibilities, the Co-operative reduced administrative overhead while continuing to support the expansion of Capricorn Risk Services and Capricorn Financial Services, which had been incorporated just a year prior in 2008 (Capricorn, 2009b).

The 2009 restructure is credited with stabilising the Co-operative's internal costs, allowing it to declare its first fully franked dividend in 2009. This set the stage for subsequent growth, with member purchases exceeding \$950 million (approx. \$1.37 billion) by 2010 (Capricorn, 2025a). According to David Fraser who recalls the restructure,

“That was probably a year before Trent left. He restructured his management team, his executive team and there were a couple of people who left, and a couple of people joined and since then the new CEO has restructured his executive team and he downsized the executive team and merged some responsibilities” (D. Fraser, 2012)

During October 2009 the Board of Capricorn also decided to establish a committee known as the Capricorn Society Ltd. / Capricorn Mutual Ltd. Relationship Committee (CRC). This committee was designed to manage the complex commercial relationship between the parent Capricorn Society Ltd., and its Capricorn Mutual Ltd., subsidiary. The primary function of the CRC was to provide the Capricorn Board with additional assurance that all commercial transactions between the two entities were appropriate, transparent, and conducted on fair commercial terms (Capricorn, 2011).

This was critical because the parent company provided trade credit accounts through which members paid for the protection they received from Capricorn Mutual. These fees were paid to Capricorn Society from Capricorn Mutual and reallocated within the group. Additionally, the parent company provided management services to Capricorn Mutual via the subsidiary Capricorn Mutual Management Pty Ltd. Finally, because Capricorn Mutual is a not-for-profit discretionary mutual owned by Capricorn Society, but operated for its own members’ benefit, the CRC had to ensure that the parent company’s commercial interests were not compromised unfairly due to the mutual’s operations (Capricorn, 2011).

To maintain independence and avoid conflicts of interest, the CRC was structured with specific membership requirements. It consisted of the Chair of the Audit, Risk and Compliance (ARC) committee and a designated Independent Director from the Capricorn Society Board. There was also an appointment of two Member Directors from the Capricorn Society Board, but who were not simultaneously members of the Capricorn Mutual Board. Any directors nominated by the parent company to the Board of Capricorn Mutual were prohibited from serving on the CRC to ensure impartial oversight of inter-company dealings (Capricorn, 2025h).

ASSESSING THE PROGRESS OF CAPRICORN IN THE 2000S

As outlined in this chapter the decade of the 2000s was a period of significant growth and geographic expansion by Capricorn Society. Membership rose from 6,000 at the start of the decade and doubled by the end. Concurrently, the Co-operative's supplier network also grew, and covered three countries Australia, New Zealand and South Africa. There were also changes in the Co-operative's leadership with the appointment of Trent Bartlett as Group CEO, and the change of Chair from Wayne Negus to Brian McGill, and then to Russell Green, which saw the domicile of the Board's most senior office bearer transition from WA to NSW and then to New Zealand.

Table 1: Capricorn Society Ltd Financial Performance 2000-2009

Year	Annual Turnover	EBIT	NPAT	Total Assets	Total Liabilities	Total Equity
	\$	\$	\$	\$	\$	\$
2000	253,649,633	1,412,794	1,346,457	43,348,820	27,628,804	15,720,016
2001	276,897,364	1,222,344	1,213,496	49,839,185	30,596,022	19,243,163
2002	329,145,339	1,844,676	1,703,534	57,989,612	34,163,072	23,826,540
2003	393,018,427	2,774,152	2,478,819	70,842,453	42,045,269	28,797,184
2004	467,715,034	4,378,414	2,846,382	82,393,372	50,420,146	31,973,226
2005	542,063,801	1,754,162	1,094,821	94,071,990	57,451,355	36,620,635
2006	611,263,752	6,236,176	6,105,521	101,543,337	62,230,061	39,313,276
2007	678,401,369	4,945,803	3,984,770	125,022,108	83,636,129	41,385,979
2008	761,394,629	5,227,684	5,053,282	138,610,616	87,087,621	51,522,995
2009	851,548,198	5,102,629	2,842,964	151,888,399	92,312,069	59,576,330

Sources: Capricorn Annual Reports, 2000-2009.

It also saw the Co-operative move from its registration under WA co-operative legislation to federal corporations law, with the impact on taxation and accounting standards, but enabling the company to better manage its increasing operational complexity and geographic distribution. This coincided with the introduction of significant investment in technology and creation of

additional subsidiary companies focused on providing members with business financing, risk management, and technical support.

As shown in Table 1, Capricorn Society saw its annual turnover increase from just over \$253.6 million (approx. \$492.1 million in 2024 dollars), to over \$851.5 million (approx. \$1.26 billion in 2024 dollars). Profitability (e.g., EBIT and NPAT) also increased along with total assets and equity. Even the GFC of 2008-2009 did not significantly impact the Co-operative's financial performance.

Overall, Capricorn Society emerged from the first decade of the new century in much better shape than when it entered. The company's operational complexity had increased, and it had moved from the dedicated co-operatives legislation to the federal corporations law. Nevertheless, the Board, executive team and the members all retained their commitment to the Co-operative principles and dedicated focus on the best interests of the membership.

CHAPTER 6: CONSOLIDATE, ADAPT AND GROW, 2010-2019

The second decade of the twenty-first century was a period of consolidation as Capricorn Society built on the foundations that had been laid over the previous 35 years. Membership grew from just over 13,000 in 2010 to more than 18,500 in 2019. This was a testimony to the value that Capricorn was providing to the automotive industries across Australia, New Zealand and South Africa.

It was also a period of product and service innovation as new technologies were introduced to assist the members' ability to better manage their businesses. This also included major upgrades of the in-house technology systems, such as the enterprise resource planning (ERP) system that was the engine room of Capricorn's online service delivery processes. Capricorn also spent much time and money supporting the development of the national peak body of the Co-operative and Mutual Enterprise (CME) sector in Australia. It was a foundation member of the Business Council of Co-operatives and Mutuals (BCCM).

Having managed its way through the GFC of 2008-2009, Capricorn achieved a steady increase in its annual turnover, assets, and equity, reporting record profits across many years in succession. Its capacity to demonstrate resilience and adaptability was also demonstrated by its winding down of the South African network while maintaining a stable and member-focused culture that preserved the economic situation of the Co-operative's members from that country for as long as possible. These achievements collectively highlight Capricorn Society Ltd.'s evolution into a larger, more innovative, and resilient co-operative, deeply rooted in its values and committed to delivering value to its members and the broader community.

KEY TRENDS THAT SHAPED THE AUTOMOTIVE INDUSTRY IN THE 2010S

Capricorn's steady progress during the 2010s took place against the background of continuous changes within the automotive industry across Australia, New Zealand and South Africa. The GFC had impacted the automotive industry world-wide with massive disruptions to new car sales, and a decisive shift towards smaller, more fuel-efficient vehicles. There was also a significant increase in the use of digital technology within the new vehicles, which created pressure for equitable access to the manufacturers' technical data within the aftermarket service and repair sector (Bracks, 2008; ASCCI, 2015).

In Australia the long-term trend of the decline in automobile manufacturing continued. Local domestic motor vehicle production fell significantly, reaching approximately 175,000 units by 2009 as the market shifted from large, locally-made sedans to imported small cars and sports utility vehicles (SUVs). Import tariffs were slashed to just 5 per cent in 2009, further accelerating this transition (AAA, 2016). In response, the Australia government introduced the "Green Car Innovation Fund" that was designed to encourage the production of fuel-efficient and low-emission vehicles (Treadstone, 2009).

There was also a major trend within the aftermarket service and repair sector in relation to access to the data for servicing motor vehicles with digital engine and related control systems. Independent workshops struggled to service the newer, more complex vehicles because the original equipment manufacturers (OEM) often restricted access to diagnostic data systems. This led to calls for regulatory intervention (AAAA, 2017).

The situation in New Zealand was little better. Although New Zealand did not manufacture motor vehicles, with help to support its aftermarket service and repair sector, the overall age of the national vehicle fleet was growing older by the year. An impact of the GFC was the delaying of new vehicle purchases as consumers held onto their savings in response to the economic uncertainty. Furthermore, without a local manufacturing sector, New Zealand remained highly susceptible to global supply chain fluctuations and currency exchange rate volatility. Despite these issues, the aging nature of the motor vehicle fleet continued to create work for the New Zealand aftermarket service, maintenance and repair workshops (Randup, 2025).

Within South Africa the impact of the GFC on the national economy was particularly hard and led to a sharp decline in new vehicle sales and motor vehicle production, as well as significant job losses. However, the economy recovered in 2010 with vehicle exports rising by 36.9 per cent over the year 2009 (Leggett, 2011). Also in 2010, South Africa introduced an emissions tax on new passenger cars, which impacted vehicle affordability and directed consumers towards more fuel-efficient vehicles (Ambe and Badenhorst-Weiss, 2011).

The aftermarket service and repair sector in South Africa remained a critical pillar of the national automotive industry. However, it was heavily influenced by the OEM “approved” repairer networks. Insurance companies and OEM manufacturers often mandated the use of specific service providers to maintain warranties, a practice that faced increasing scrutiny for its impact on independent workshops (CCSA, 2016).

REMAINING FOCUSED ON CO-OPERATIVE IDENTITY AND VALUES

A central theme that emerged in the decade of the 2010s was an enduring commitment by Capricorn to the Co-operative principles and values. The Capricorn Board and executive leadership repeatedly emphasised the “Co-operative DNA” of Capricorn Society Ltd., distinguishing it from investor-owned firms (IOFs). This ethos reflected the company’s ownership by its members, and the democratic control, and focus on mutual benefit that were the hallmarks of its purpose.

In 2010, Russell Green, as Chair of Capricorn, used his Chairman’s address to the Annual General Meeting to ventilate the impact of the GFC and to highlight the importance of the Co-operative principles as part of Capricorn’s “Co-operative DNA”. His speech stated that,

“Now, in 2010, as we look over the world-wide wreckage of the Global Financial Crisis, we see very few co-operatives and mutuals amongst the ruins. The key reason for this is that a co-operative is fundamentally different. It doesn’t have faceless shareholders that don’t have an affinity to the core business proposition that the co-op was set up for. The members are the owners, and these are the people that make up Capricorn. The continued recognition of our heritage – that being of a business run under co-operative principles and values is sacrosanct to the Board and its management team. Capricorn Society Limited is committed to its Co-operative traditions, and the Board is determined that these principles are the key drivers of this organisation as we continue to diversify and grow” (Capricorn, 2010, p. ii).

He followed these comments with a call on members to focus on Capricorn’s “Co-operative DNA”, which he stated was “essential to cooperation” and made co-operative and mutual enterprises (CMEs) unique (Capricorn, 2010, p. iv).

Figure 20: Colin Heavyside (left), Russell Becker (centre), and Greg Wall (right)



Source: Capricorn (2015; 2018).

The first United Nations International Year of the Co-operative (UN IYC) in 2012 became a focal point for Capricorn to celebrate its own co-operative spirit and reinforce its values and principles as a co-operative. Colin Heavyside, who became Chair in 2011 and held the position until 2015, spoke of the UN IYC in his Chairman's address in the Annual Report of 2012,

"The IYC is designed to increase public awareness about co-operatives and their contribution as well as to promote the merits of doing business together for a mutual benefit. Built on co-operative principles, the value of co-operatives is extremely evident in Capricorn's history and the way it conducts business to this day" (Capricorn, 2012a, p. 2).

In celebration of the UN IYC, Colin Heavyside announced that the Co-operative would be paying a special dividend of 4 per cent in addition to a dividend of 7 per cent to all members. The dividend would be fully franked for Australian tax payers and partially franked in the equivalent taxation system in New Zealand (Capricorn, 2012a, p. 2).

Born in 1956, Colin Heavyside came from SA where he operated his own service station business for 30 years and held the positions of National Chairman of the Australian Service Station Association (ASSA), member of the Board of Federal Industrial Council for the retail automotive industry, President of the Motor Trades Association of South Australia (MTAASA), and Board member for the Motor Trades Association Group Training Scheme (Capricorn, 2011).

He was also a director of the MTAA Superannuation Fund, which at the time had over 240,000 members and assets of \$2 billion. He joined Capricorn as a member in 1989 and was elected to the Capricorn Board in 2004 and appointed as Chair of the Capricorn Remuneration and Nomination Committee, as well as being a director of Capricorn Mutual Ltd., and its subsidiary companies (Capricorn, 2011).

Interviewed in 2012, Colin Heavyside discussed his perspective on the difference between an IOF and a Co-operative in relation to the GFC, which was still prominent in many people's minds. As he explained,



“If there is one thing that I also believe it is that cooperatives are not only very good at meeting the need when the need is strong enough or big enough, but they are also very good at operating where risk is low. So, where risk is known, a way in which you can blow a cooperative up is do something very risky with the members’ money. In the corporate world generally speaking it is a world of risk taking. [...] as a general rule most cooperatives are quite conservative for that reason and I think that’s good. That’s why all of them have come through the GFC basically and all the credit unions and so forth – everybody has floated through because all of their risk settings are conservative” (C. Heavyside, 2012)

In 2013 Capricorn became a founding partner of the BCCM. Announcing this Colin Heavyside stated in his annual report to the members,

“In 2012 Capricorn supported the International Year of the Co-operative (“IYC”) a United Nations initiative. Your Board believes that the promotion of co-operative values is fundamental to members and the way we conduct business. In 2013 this support was evidenced by Capricorn becoming one of the founding partners in the Business Council of Co-operatives and Mutuals (BCCM)” (Capricorn, 2013, p. 2).

Capricorn’s engagement with and support for the Co-operative movement continued throughout the decade. Greg Wall joined the Board of the International Cooperative Alliance (ICA) in 2014. In 2017 it celebrated the UN International Day of Co-operatives. By that time Russell Becker had replaced Colin Heavyside as Chair in 2015, a position he held until 2019. In his Chair’s address to the members in the Annual Report, Russell Becker stated,

“On 1 July 2017, Capricorn helped celebrate the 2017 United Nations International Day of Cooperatives. This year’s theme of inclusion reflects on the people focused nature of cooperatives and is intrinsic to the movement’s principles of voluntary and open membership, democratic member control and member economic participation. By acting together, far more can be achieved than by acting alone” (Capricorn, 2017, p. 4).

Russell Becker was born in 1963 and was the owner-operator of a service station, convenience store, and mechanical repair business in Galston, within the Hills District of Sydney NSW. He ran the business from 1990 to 2003 after which he relocated to nearby Dural where he specialised in mechanical repairs. A keen supporter of charity and sporting organisations (e.g., special Olympics, junior soccer, motor sport), he raised three children with his wife Karen. He joined Capricorn as a member in 1991 and was elected to the Board in 2005 where he became the Chair of the Capricorn Remuneration and Nomination Committee, and a director of Capricorn Mutual Ltd. (Capricorn, 2015).

Later, in 2019 Capricorn adopted the principles outlined by the BCCM for best practice in the governance of CMEs and continued to maintain a relationship with the ICA, the global peak body of the Co-operative movement. In announcing this, Russell Becker made the following statement,

“Capricorn has been a key supporter of the Business Council of Cooperatives and Mutuals since its inception. During 2019, the Council released nine principles of corporate governance for cooperative and mutual enterprises. The Board has adopted these principles as they align to the philosophy and values of Capricorn. Full details are in the Corporate Governance section of this report. Capricorn continues its relationship with the International Cooperatives Alliance (ICA) which was founded in 1895 to advance the cooperative model.



Departing Group CEO, Greg Wall is a director of the ICA Board and continues to represent cooperatives from the Australasian region. Unlike investor-owned corporations who serve the different interests of customers and investors, a cooperative's customers are also its owners, which is why they are called Members. By acting together, far more can be achieved than by acting alone" (Capricorn, 2019, p. 5).

NEW GROUP CEO AND CHANGES TO THE BUSINESS MODEL

Joining Colin Heavyside was Greg Wall, who replaced Trent Bartlett in 2011 as Group CEO, and who had a substantial track record in the financial services sector as the Managing Director of the Home Building Society, and CEO of State West Credit Society, a role he held for 11 years (Capricorn, 2011). Interviewed in 2012, Greg Wall spoke about his first years in the role and his recognition that the company had grown strongly and successfully but needed to ensure that it did not overstretch its resources. He drew upon his experience of managing financial services mutuals and the need for sustainable growth that did not over promise. Of particular concern was the need to improve the cost control within the business. As he explained,

"I introduced what was called the Five Cs of Capricorn. The Five Cs is the strategy that I designed for the board for the first two years of my tenure as a CEO, which was shelving the blue sky that had been presented in previous five year plans - not throwing it in the bin but just putting it in the drawer and working on improving the organisation's capability and capacity such that once we get to a certain point we can actually then increase our ambition or desires to grow the business. And it is fair to say that the Five Cs weren't intended to stop growth because growth within our core was OK, but not to try and do new things" (G. Wall, 2012).

As outlined by Wall, the first "C" was Capricorn Mutual Ltd. (CML), the second was "Core business", the third was "Costs", the fourth was "Capital management", and the fifth was "Culture". According to Wall, the challenge facing CML was what he referred to as realistic imagination of success (RIOS), a concept first raised by Chris Taylor, a management specialist based in Melbourne. It describes a situation where the imagination of success, and the reality of capital are not in alignment. A Board can imagine what success they might hope to achieve, but this will not become reality if the capital they generate does not reach their goals.

In relation to the CML, Wall raised concerns about the underlying financial capitalisation of the insurance mutual, which had been designed around being debt funded rather than equity funded. This was contrary to the way that most insurance companies were structured. The underwriting of the mutual was via debt and guarantees, which meant that the members of the CML took little or no risk, but the parent company Capricorn Society took all the risk. In addition, the software that underpinned the operating system for CML was out of date. As he explained,

"And so CML was a classic example of that. We had old systems and old processes trying to run a mutually discretionary product which you can't call insurance. And indeed, our whole underwriting system was written on Lotus Notes. Now most businesses I know don't use Lotus Notes anymore. And it was done via an external party with no backup. [...] The business also was never capitalised from the start and that was a deliberate decision and therefore it has been debt funded - most insurance companies take a while before they hit their straps. So, we are looking at putting new systems in to support a modern process but also looking at the structure of the business to see if there is a better way forward. Because what is currently



happening is the society supports the mutual by way of debt funding and guarantees. So, the mutual members don't take any risk; the society takes the risk and as you are writing risk products in your balance sheet you grow and grow and grow. Insurance companies can make a lot of money, but what they tend to do is have huge reserves and investment portfolios that mitigate the ups and downs. We didn't have that so therefore we needed to look to a new structure to de-risk the society." (G. Wall, 2012)

In relation to the second "C", Wall focused on the "core transactional business" of Capricorn Society Ltd. He noted that the fundamentals of this business model were the transactions that took place between the members and the suppliers, with monthly statements sent to the members for payment, which included a 30-days due date for the member, while Capricorn had already paid the supplier. This, he suggested, made Capricorn a "trade financier". In addition, the underlying software systems that supported these transactions were getting old and out of date, with relatively few people or organisations able to support them. Both the hardware and software systems needed upgrading. He also noted that the original systems had been modified to do tasks that they were not originally designed for. As he explained,

"In other words, we have morphed it and as we have changed things we just keep adding and bolting on and nothing has ever been documented. There is no systems architecture, no documentation and so to move off one to the other you need to know what you have got before you can change otherwise if you change something and you haven't mapped it out properly it will fall over. So, we have spent the last six months mapping our existing processes and system architecture such that we can change into the future – a huge task" (G. Wall, 2012).

The third "C" of costs was identified as something that Wall had addressed as a priority when he assumed his position. Although Capricorn's financial performance was showing growth and profitability, the demands that the capitalisation of CML, the upgrading of hardware and software, and other capital expenditures required by the company, meant that Capricorn would need more funding to sustain its rate of growth. His immediate action was to restructure the general management team, letting go of three general managers and several senior managers, while also looking for cost reductions in the company. As he explained,

"We have taken \$3 million off the cost line with that and other initiatives all of which this year goes on the profit line. So, we had record growth this year and a record profit and my profit which is to be announced next week will be a record. And we had been stuck on the same profit for three years previously, circa \$11 million, and we are going to come in at \$15.3 million. And with that there is also spending on all of these has been incorporated in that \$15.3, so my run rate is higher than that" (G. Wall, 2012).

With respect to the fourth "C" of capital management Wall noted that while the company was showing a relatively positive balance sheet, it did not present as well as his banker's mind expected it to be. This was explained as follows,

"Capital management is another area that wasn't well understood in the business. We have a strong balance sheet and plenty of capital and again, following a banker's approach to this I look at the capital and say how are we managing this; what's the process and there wasn't actually a capital management plan in place and no real process. In a bank you have a thing you call ALCO or ALM (asset and liability management) and ALCO (asset and liability



committee) that look at managing your balance sheet and banks would meet monthly on it. So, when we looked at ours, I applied some of those and we have now got a capital management plan which has been put to the board and signed off by the board” (G. Wall, 2012).

Finally, he addressed the fifth “C” of culture. Here, Wall spoke about the continuous change that had taken place within Capricorn over the previous years. He had travelled around the network talking with the Capricorn “field force” and ascertaining a degree of change fatigue. This led him to consider a period of consolidation and refocusing of the business model as important,

“And the last one is culture. We have had a lot of changes in the business and there is a bit of change fatigue particularly in these systems and people coming and going and whatever. So that’s more about putting back a consistent culture into the business. And I have been around the countryside and spoken to all the field force; I’ve spoken to all the managers and have had sessions here and talked about the Five Cs saying I’ve put a stake in the ground and for the next two years this is what’s driving us; we are going to drive our capacity and then we will start to look at whether it be the plumbers or electricians or whether it be adding product to our automotive base. So, by no means are we constraining growth in our core; we want to grow our core which is the automotive business and the CML and we are still projecting 10 percent growth next year. It is more about for example we have got a small loan book and we do some small plant and equipment loans for our members so we have got the mutual doing insurance, Capricorn doing the transaction aggregations, buying power, trade finance if you like and then there is a small division that does a little bit of financing” (Greg Wall, 2012).

LEADERSHIP TRANSITIONS AND GOVERNANCE

The period 2009 to 2019 was marked by planned leadership changes, including new Chairs and CEOs. The succession of the Chairperson’s role from Russell Green (2005-2010) to Colin Heavyside (2011-2015), and then to Russell Becker (2015-2019) has been noted earlier. These transitions within the Chairperson’s position were part of a formal succession planning process that had been established during the tenure of Russell Green. He explained this in his statement about the transition to Colin Heavyside, stating that,

“In accordance with a Succession Plan that the Board has determined and implemented, the current Vice Chairman, Colin Heavyside, has been endorsed by his colleagues and will become the next Chairman of the Board of Capricorn after the AGM this October” (Capricorn, 2010, p. iii).

This creation of a Vice Chair position enabled a smooth transition from one Chair to the next and provided a preparation process for the incoming chair that facilitated a handover. Group CEO appointments also took place, and as previously discussed, saw Trent Bartlett replaced by Greg Wall, who served from 2011 to 2019, until he was replaced by David Fraser who served from 2019 to 2024.

Capricorn also introduced independent directors to the Board, who were not members, but who had specific skills and experience needed to enable the Board to make more considered decisions. The first such appointment was Mark Coleman, who served from 2008 to 2014, his expertise was as a Chief Financial Officer (CFO) and he was able to provide the Board with guidance in relation to financial management and corporate governance. Additionally, Bruce Rathie was an



independent director appointed in 2008, who served a Vice Chair from 2015 to 2018 and was a member of the Audit and Risk Committee, including its Chair from 2021 to 2018.

In addition to independent directors, new member directors, David Kemp and Julie Wadley joined the Board in 2015. Julie was the first female member-director on the Capricorn Board and brought with her over 40 years of experience within the automotive industry. In announcing Wadley's appointment, Colin Heavyside stated that,

"Julie is our first female Director and comes to us with over 40 years' experience in the automotive industry including numerous Director, Chair and Committee positions including MTAWA, RACWA Council and Rotary Club of Safety Bay" (Capricorn, 2015, p. 3).

STRATEGIC GROWTH, DIVERSIFICATION AND WITHDRAWAL FROM SOUTH AFRICA

The decade saw significant expansion in membership which rose from over 13,000 to more than 18,500. In addition, the Co-operative continued to expand its geographic reach and widen its range of service offerings. For example, in 2011 a new subsidiary, Capricorn Insurance Services Pty Ltd. (CIS) was incorporated. Its purpose was to provide members with the necessary assistance to obtain insurance across a range of business areas and activities that Capricorn Mutual Ltd., was unable to provide (Capricorn, 2025a).

The CIS commenced operations in 2012 and provided a range of specialised insurance solutions designed for the small and medium sized businesses that made up the bulk of the Co-operative's membership. These included general insurance products such as workers' compensation, professional indemnity insurance, public and product liability insurance, and cyber liability insurance. In addition, the CIS provided home and contents insurance, motor vehicle, travel, and life insurance. Over time, the CIS developed a national network of more than 40 risk account managers who provided face-to-face assistance for members seeking such risk protection (Capricorn, 2025i).

The Capricorn Fuel Card was launched across Australia in 2012 and then rolled out across New Zealand in 2015. In 2013 Capricorn Management Services Pty Ltd., was renamed as Capricorn Risk Services Pty Ltd. The newly named subsidiary was officially announced in 2014 by the Group CEO Greg Wall in the Annual Report where he said,

"In July 2014 Capricorn launched Capricorn Risk Services (CRS) which is the new one-stop risk solution for all members. As noted above CRS offers exclusive CML protection while other general insurance products such as workers compensation and management liability are sourced by our licensed insurance broker CIS" (Capricorn, 2014, p. 5).

In 2015, Capricorn Society Ltd, made the strategic decision to withdraw from its operations in South Africa to refocus resources on its core markets in Australia and New Zealand. While the reasons for this withdrawal are not widely reported within Capricorn's official records the decision was driven by several factors. The first of these was the Board's decision to strategically refocus the direction that the Co-operative was heading in. There was a perspective that the company had become financially overstretched and needed to consolidate on its Australia and New Zealand operations (Capricorn, 2012b).

Interviewed in 2012, Colin Heavyside, who was Chair of Capricorn at that time, spoke of South Africa as still being “embryonic” in comparison to Australia and New Zealand, which were both “coming to maturity” (C. Heavyside, 2012).

He noted that there was an “imbalance” between the wealth generation and the wealth distribution between the South African members of the Co-operative when compared to their counterparts in Australia and New Zealand. In his view,

“Our members in South Africa get far more benefits than they are actually contributing to at this stage” (C. Heavyside, 2012).

According to Colin Heavyside the South African business was still not financially self-sufficient. He noted that Capricorn had invested seed capital into the business to assist its establishment, and that it was hoped that it could soon “stand on its own two feet”. At that time, the South African network was not paying management fees, which he suggested, “has cost us a fair arm and a leg”, saying,

“... But ultimately either they become a very profitable branch in their own right and the members are actually generating their own wealth, or if that can't work it might be that then they become autonomous, and they can be given the opportunity to own their own franchise and call it whatever they like” (C. Heavyside, 2012).

It should be recognised that at that time the New Zealand network had been in place since 1997, while the South African one had only been established in 2000. Nevertheless, there were clearly some major differences between the dynamics of Australia and New Zealand and South Africa. This was a view held by David Fraser, who was General Manager Automotive in 2012 when he was interviewed. Like Colin Heavyside, he felt that the business model within South Africa was different to that found in Australia and New Zealand. Issues included the difficulty that members in South Africa had with meeting their 30-day payment deadlines, and the financial instability of the network. As he explained,

“I would say that South Africa is probably a good example in our business where our model has been less successful and therefore it has caused us to do things a little bit differently. In the first instance, out of the sheer survival of our business there and now that we have stabilised it and got it back on a fairly solid foundation, now to be able to grow it. And the fundamental difference between the operations in South Africa and the operations in Australia and New Zealand was, even though we were growing our business with regards to growing the number of members and shareholders, with our 30-day payment model, a lot of the members coming in found it very difficult to work with that” (D. Fraser, 2012).

Fraser also considered whether there was a cultural difference between South Africa and what was found across Australia and New Zealand. Although he felt he lacked any hard evidence, he expressed the view that South Africa was a more challenging environment within which to run a co-operative as he saw things,

“... South Africa is a good example to case study perhaps because it doesn't have that sort of social dynamic and infrastructure historically and probably where it has been difficult for us from a brand perspective is that there have been a lot of other not so much cooperatives but probably more buying groups who have come and gone and a lot of people have been hurt in



the middle so therefore the market is very sceptical to a business model like ours because they don't understand it, they feel frightened by it and in our case when we are asking to invest in shares and those sorts of things, it just further complicates it for them" (D. Fraser, 2012).

Capricorn officially announced its decision to cease its operations in South Africa on 3 March 2014. However, the office remained open and staffed until June that year to continue providing members and suppliers with assistance in the transition to alternative business arrangements. All the reward points and shares held by the members were repurchased before 30 June 2014. After shutting down the Co-operative's operations in South Africa, the Australian office continued to support members and suppliers with the management of member trade accounts, which required payments to be made to suppliers and monies owed by the members collected. This processing incurred an overall loss of \$126,000 (approx. \$164,72 in 2024 dollars) for FY2014/15. It was noted that the winding-up of Capricorn's South African network had no short or long-term impact on either the Australian or New Zealand operations. A total of 7.6 million shares were repurchased from the South African members, which represented a sum of \$781,000 (approx. \$1.02 million in 2024 dollars) (Capricorn, 2014).

TECHNOLOGY AND SYSTEMS MODERNIZATION

A recurring theme during the decade was Capricorn's investment in technology to support growth and operational efficiency. The company undertook major upgrades to its enterprise resource planning (ERP) systems, mapped and modernised legacy processes, and launched digital member services.

For example, commencing in 2010 it launched the "Clang" website and the iNeedAService joint venture. The "Clang" website was designed to help the general public find local automotive service and repair operators from across the Capricorn membership network. Members were able to advertise their businesses there at no cost. This website was created and launched by Capricorn Technology Services Pty Ltd. (CTS), a subsidiary of Capricorn, established to develop a range of technical services and products of value to the members of the Co-operative (Capricorn, 2010).

One of these initiatives was the establishment of a joint venture iNeedAService Pty Ltd., (INAS) which was co-owned by CTS and Anthem Software Pty Ltd., with CTS controlling 51 per cent of the share capital. The INAS system was designed to enable the public to make online bookings directly with the businesses owned by Capricorn's members. Initially, the system focused on the automotive service and repair sector, however, it was considered to have applications beyond this industry (Capricorn, 2010).

Over the period 2014 to 2016 Capricorn made major investments in the upgrading of its ERP systems. A sum of \$4.6 million was invested in 2014, and a further \$9.3 million in 2015. These upgrades were necessary due to the increasing volume and complexity of transactions that the company was processing. The aim was to get the ERP systems within Capricorn fully upgraded and able to operate with reliability and sufficient capacity to accommodate the Co-operative's future growth strategies (Capricorn, 2015).



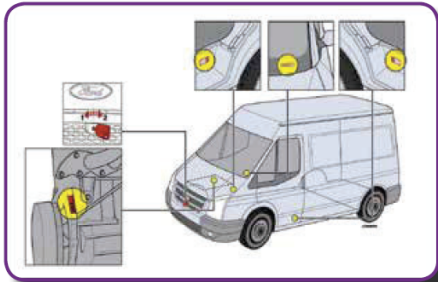
Figure 21: Advertisement for Capricorn Autodata 2014

TECHNICAL SUPPORT THROUGH CAPRICORN

All Capricorn Members receive complimentary access to technical specifications provided by Autodata. This valuable everyday information includes lubricants, capacities, tightening torques, AC weights, brake thicknesses and more.

To view technical specifications, login into www.capricorn.coop and click on **Autodata**. For more information on full access to Autodata go to www.autodata.com.au.

Known Fixes and Bulletins
Ford Transit (`06) 2,3 2006 - 08



Problem



- Blown fuse(s)
- Various electrical faults
- Various warning lamps illuminated
- Erratic instrument panel operation

Cause

- Instrument panel wiring harness, near DLC, chafing on brake pedal bracket causing short circuit

Remedy

- Locate damaged wire(s). Repair as required using heatshrink solder connectors
- Secure wiring harness to steering column lower thim with cable tie.

 CAPRICORN 

Source: Capricorn Ignition (2014).

In 2016 Capricorn launched a range of digital online services such as Capricorn Service Data and videos providing information on vehicle repair and maintenance. This was rolled out under the “Rediscover Capricorn” campaign. Announcing the initiative in the 2017 Annual Report, Chairman Russell Becker observed,

“During the year we launched the ‘Rediscover Capricorn’ campaign to reintroduce our Members to all the valuable products and services available to them exclusively as a Capricorn Member. Helping Members make the most of their membership, we offered a chance to earn extra reward points if Members opened a Capricorn Fuel Card account, requested a risk protection quote, took a Capricorn Finance loan or booked with Capricorn Travel. The success of the campaign saw more than 1 million reward points awarded to Capricorn Members, simply for engaging more with the cooperative - taking advantage of more services available to them as Capricorn Members” (Capricorn, 2017, p. 3)

The following year Capricorn rolled out a series of online services that enabled the members to log-in and access via the portal a substantial number of information and management tools. In his announcement of the new system, Russell Becker stated that,

“Members to use one login to access everything they need. Once in the portal, Members can;

- Purchase or sell shares;
- View their share or trade account balance;
- See past statements;
- Redeem reward points;
- Register for Capricorn events;
- Access Capricorn Service Data &



Capricorn Vehicle Videos; • Search Purple Pages; and • View the latest Ignition and Sparks publications. Members are also getting ahead of the storm with the new Capricorn Weather Alert. The service sends emails and SMS notifications to alert Members of severe weather events before they hit their place of business. These types of alerts have saved businesses millions in potential losses and damage, as well as providing personal safety. Capricorn has introduced CapChat, an easy-to-read communication that gives our Members all the information they need on upcoming events, Capricorn and industry news as well as the latest Preferred Supplier offers” (Capricorn, 2017, p. 3).

This initiative was followed in 2018 by the launch of the AutoBoost system and the continuation of the “Rediscover Capricorn” campaign. The AutoBoost initiative was discussed in Chapter 6 and provided the members of Capricorn with a powerful and useful digital toolkit for enhancing the operation and management of their workshops. In launching the system, Russell Becker, in his role as Chair explained the benefits of AutoBoost for the members,

“April 2018 saw the exciting launch of AutoBoost, a new Capricorn Member benefit for small workshops with big plans. Through this new online resource, Members will find a range of time saving tools to take their businesses to the next level. Members can boost their business operations with equipment and building maintenance reports and other time saving forms and checklists; boost their marketing with online and print advertising templates as well as an SMS system; boost their customer service with guides to build stronger relationships with customers, to keep them coming back; and boost their employee management with time saving tools covering everything from recruitment to rostering. While Members might not need every available tool, there’s likely a tool to help them save time and achieve their goals” (Capricorn, 2018, p. 4).

In the same presentation, Russell Becker also spoke about the continuation of the “Rediscover Capricorn” program, explaining that,

“This year we continued with the “Rediscover Capricorn” campaign which rewarded Members for engaging with a few of the many valuable products and services available to them, as Members of Capricorn. Reward points, prizes and travel vouchers were received by lucky Members who entered the competition by either opening a Capricorn Fuel Card account, requesting a risk protection quote, using CAP ezi-parts, or booking with Capricorn Travel” (Capricorn, 2018, p. 4).

COMMUNITY, RECOGNITION, AND SOCIAL RESPONSIBILITY

Capricorn’s engagement with the broader co-operative movement is highlighted by its role in founding the BCCM and participation in international forums. Social initiatives such as Capricorn Cares (supporting farmers and health causes) and the Capricorn Rising Stars apprentice program reflect a commitment to community and industry development.

Capricorn’s active engagement with the BCCM and its predecessor, Social Business Australia Pty Ltd., which it helped to incorporate in 2010 (Capricorn, 2025a), demonstrated its commitment to the CME sector. Its founding partner status and the significant role played by Group CEO Greg Wall, acting as the inaugural BCCM Chair, was a clear testimony to this.

As outlined by Colin Heavyside in his Chair's address in the 2015 Annual Report,

"The Board firmly believes in the value and benefits a cooperative model can generate and the contribution cooperatives make to the national and global economy. During the year Greg Wall represented the Asia Pacific Region in meetings of the International Cooperatives Alliance, and we continue to be one of the driving forces behind the Business Council of Co-operatives and Mutuals (BCCM) in Australia. The International Cooperatives Alliance (ICA) was founded in 1895 and has 224 member organisations from 85 countries active in all sectors of the economy. Together these cooperatives represent more than 800 million individuals worldwide" (Capricorn, 2015, p. 2).

RESPONSE TO THE CHRISTCHURCH EARTHQUAKE

During 2011 the city of Christchurch in New Zealand was impacted by a major earthquake that had a magnitude of 6.3. A total of 185 people were killed, thousands more were injured, and significant damage was caused to buildings across a wide area. It was the worst natural disaster in New Zealand's history after the Napier earthquake of 1931 (NZ Defence Force, 2012).

The earthquake impacted many of Capricorn's members located in Christchurch and Capricorn Mutual Ltd. (CML), played a critical role in supporting the recovery of the local automotive aftermarket industry in that city. As a member-owned discretionary mutual, its response was tailored to the specific needs of its members, primarily mechanical and collision repair workshops. The key aspects of its role focused on provision of financial support and reinsurance. Following the earthquake, Capricorn's leadership made an urgent trip to London to shore up the mutual's reinsurance. This was essential to ensure the mutual had the liquidity to pay out the high volume of claims from members who were "hurting really badly" due to property damage and business interruption (Ignition, 2024).

Unlike standard insurers, Capricorn focused exclusively on the automotive sector. They managed claims for business buildings, contents, and specialised risks like "care, custody, or control" (damage to customer vehicles in a member's care), which were frequent after the seismic events. By providing timely payouts and specialised risk protection, the mutual helped automotive workshops stay operational or rebuild quickly. This was vital for the city's broader recovery, as functioning repair shops were necessary to maintain the vehicles used in the reconstruction and daily transport. CML prioritised member recovery over investor profits. This allowed for a more flexible, member-centric approach to claims and disputes compared to traditional commercial insurers, many of whom faced significant solvency tests during the crisis (Ignition, 2024).

Trent Bartlett, who was Group CEO at the time, and who had overseen the creation of CML, recalled that at the time, he had to rush to London in the aftermath of the earthquake to negotiate the reinsurance that was required to underwrite the payments that would have to be made to the affected members. As Bartlett recalled,

"The Members were hurting really badly, and I was so proud of what we did" (T. Bartlett, Ignition, 2024, p. 6).



INDUSTRY PARTNERSHIPS AND RESPONSES TO DROUGHT AND DISEASE

In 2014 Capricorn formed a partnership with the MTA WA for insurance solutions. The agreement saw Capricorn Insurance Services Pty Ltd. (CIS) contracted to provide the MTA WA members with insurance solutions. The service was managed via the team of Capricorn Risk Services (CRS) Account Managers. Where the policy holders were already members of Capricorn, payments could be made via their Member Trade Account. This agreement assisted in expanding the customer base for CIS and CRS and was built upon a long-standing foundation of collaboration between the MTA WA and Capricorn in their mutual goal of providing benefits to the WA motor trades industry (Ignition, 2014a).

In 2018 Capricorn launched its “Rising Stars” apprentice program, which recognised and rewards the most talented young people working within the Co-operative member’s workshops across both Australia and New Zealand. Selection was via nominations submitted from the members. As he announced the program, Chairman Russell Becker declared,

“Capricorn kicked off the New Year with a rewarding and exciting program for star apprentices among its Member workshops across Australia and New Zealand. Capricorn Rising Stars recognises and rewards the talented young people who represent the future of our automotive repair industry. With a shortage of qualified mechanics and technicians, Capricorn looks to encourage apprentices who show initiative, commitment to learn and passion for the auto industry. Capricorn Members were asked to nominate their apprentices, with a group of finalists and the winner selected by a panel that consisted of some of the most experienced professionals in the Australasian automotive aftermarket industry” (Capricorn, 2018, p. 4).

During the same year Capricorn Cares commenced its second campaign for drought relief. This aimed to raise donations for drought-stricken farmers across NSW and Queensland. A total of \$29,000 (approx. \$35,495 in 2024 dollars) was donated from the Capricorn membership (Capricorn, 2019). The co-operative launched another Capricorn Cares campaign in September 2019 focusing on raising awareness and funding for those affected by prostate cancer (Capricorn, 2019).

These activities demonstrated Capricorn Society’s commitment to the community, and to both recognising the future generations of skilled workers within the automotive industry, and the importance of social responsibility carried by a co-operative enterprise. These achievements collectively highlight Capricorn Society Ltd.’s evolution into a larger, more innovative, and resilient co-operative, deeply rooted in its values and committed to delivering value to its members and the broader community.

RESILIENCE AND ADAPTATION

Capricorn Society’s ability to adapt to challenges, whether economic (e.g. GFC), operational (e.g., technology upgrades), or strategic (e.g., withdrawal from South Africa) highlights the resilience and adaptability of the Co-operative. As discussed in Chapter 5, the impact of the GFC on Capricorn during 2008-2009 was mild, and while the business lost some value in its financial assets, it rebounded quickly, demonstrating the value of the co-operative business model.

The withdrawal from South Africa, discussed above, was another example of Capricorn's ability to adapt when it became necessary to redirect its strategy. Although the Co-operative had built a strong supplier network and significant goodwill within that country, the financial and cultural issues made it difficult for Capricorn to move forward in its own growth trajectory when a prudent assessment of the business in South Africa was undertaken. It is to the credit of the Capricorn management and staff that the withdrawal was undertaken during the period 2014-2015 in such a smooth manner.

During the period 2015-2016 Capricorn made significant investments in the upgrading of its technology systems, both member and public facing, and back-office. These investments were necessary to update and modernise the aging legacy systems and enable Capricorn to move forward with confidence that the company's systems would support future growth. There were many people within Capricorn who made these changes successful. However, recognition should be given to Russell Green, who as Chair during the early years of the decade oversaw the recovery from the GFC, and the important work of strengthening governance through Board succession planning and independent director appointments.

Colin Heavyside, who replaced Russell Green, led the Co-operative during the UN IYC and worked closely with Group CEO Greg Wall to undertake strategic restructuring. He was followed by Russell Becker, who then guided the complex process of implementing the technology upgrades and modernisation of the governance structure within Capricorn. These Chairs worked with the CEOs and their executive teams to oversee the implementation of these changes.

As noted earlier in this chapter, Greg Wall took over from Trent Bartlett, who had led a major expansion of Capricorn during the previous decade. While this had laid strong foundations for the Australian and New Zealand national networks, rapid growth is generally costly. This was the situation that Wall faced when he assumed control in 2011. His "Five Cs" strategy helped to refocus the business, and his experience within the banking and finance industry meant that he viewed the balance sheet more as a dynamic document which needed to be treated as a resource that should be continuously revalued to help build the necessary financial capital for future growth.

Other important leaders who contributed to Capricorn's success during the decade were Wayne Negus, who served as a director from 1987 to 2014, and who was the inaugural Chair of Capricorn Mutual Ltd. and contributed to the national expansion of the Co-operative. Ross Pickering, served on the Board from 2000 to 2014 and Mark Coleman, the first independent director, served from 2008 to 2014 providing his expertise in financial management to the Board. Julie Wadley, the first female member-director, brought over 40 years of automotive experience to the Board from 2015 to 2022.

NEW LEADERSHIP AND DIRECTIONS

In 2019 Greg Wall retired and was replaced by David Fraser as the Group CEO of Capricorn Society Ltd. As discussed in Chapter 5, David Fraser had a long experience in the automotive industry and within Capricorn. In announcing his appointment, Russell Becker, Chair, made the following statement,



“Welcome a familiar face to the role of Group CEO, David Fraser. David has been leading the automotive division for 13 years. He brings a wealth of experience to his new role as Group CEO, and I thank him for his input in Capricorn’s achievements” (Capricorn, 2019, p. 5).

The statement relating to David Fraser’s appointment, which was published in the Annual Report of 2019 read as follows:

“David has over 35 years; experience in the automotive industry and has held senior sales, marketing and general management roles over the past two decades. Prior to his appointment as Capricorn Group Chief Executive Officer in July 2019, he was CEO of the Co-operative’s Automotive Division from 2013. His 35+ years’ experience and his thorough understanding of the market through his time in senior executive positions including how the supply and value chains interconnect to create and satisfy customer demand gives him a unique understanding and insight into the automotive industry both in Australia and globally” (Capricorn, 2019, p. 15).

Also, in 2019, there was a change of Chair, with Russell Green stepping down to be replaced by Mark Cooper. His appointment was accompanied by a resume that was published in the Annual Report for 2019 and which read,

“Mark was born in 1967, is married to Stephanie and has three daughters. Mark has been involved in the automotive industry for over 36 years, starting at the age of 13 working weekends at his father’s service station. Following his passion Mark secured an apprenticeship with his local Holden dealer, before becoming a fully qualified motor mechanic in 1987. Mark has worked in dealerships, service stations and small independent workshops. Mark then started his own mechanical service and repair business in 1995 which has since expanded to a fully operational franchise with 8 locations and 34 staff. In December 2013, Mark purchased two paint stores in Southern Tasmania. In January 2016, Mark expanded into battery sales Mark then started his own mechanical service and repair business in 1995 which has since expanded to a fully operational franchise with 8 locations and 34 staff. In December 2013, Mark purchased two paint stores in Southern Tasmania. In January 2016, Mark expanded into battery sales using his automotive service centres as retail outlets and in September 2018, Mark purchased Tyrepower Hobart. Mark became a Member of Capricorn Society Limited in 1995 and was first elected to the board in October 2013. He was appointed Vice Chairman to the Board in 2018” (Capricorn, 2019, p. 10).

Mark would lead the Co-operative into the next decade retiring from the Chair’s role in 2024 to be replaced by Mark Rowe, who at time of writing remained in the position. In 2014, Capricorn moved its Head Office from “Capricorn House” in Burswood to 28 Troode Street, West Perth. It had been the Head Office of the Forge Group and had won the 2013 Australian Institute of Architects (WA) Award for a commercial building. When Forge entered into bankruptcy, Capricorn secured the building and its contents from the liquidators for \$15.1 million. It served as Capricorn’s Head Office until 2024 when it relocated to Level 19, 141 St Georges Terrace in the Perth CBD.

Figure 22: Mark Cooper (left) Chair, and Bradley Gannon (right) Group CEO



Source: Capricorn (2020).

Also worthy of note is Bradley “Brad” Gannon, who served at the Capricorn Company Secretary from 2008 until he was appointed as CEO Automotive in 2019, going on to replace David Fraser and Group CEO in 2025. Born in 1976, Gannon completed a Bachelor of Law with Honours and a Bachelor of Commerce with a major in Management from the University of Western Australia. He then held several positions as a Barrister and Solicitor with the Supreme Court of WA and the High Court of Australia. Prior to joining Capricorn, he was a Partner with the Perth based law firm Solomon Brothers where he specialised in corporate governance. He completed the Australian Institute of Company Directors (AICD) course and achieved an Order of Merit status. Additionally, he secured a Graduate Diploma from the Chartered Secretaries Australia, and a Diploma of Applied Corporate Governance, with awards for National Dux of Corporate Accountability, and State Dux for Corporate Governance and Corporate Financial Management. He also completed the Advanced Management Program at Harvard Business School (Capricorn, 2015).

ASSESSING THE PROGRESS OF CAPRICORN IN THE 2010S

The decade of the 2010s was a period of corporate restructuring, financial consolidation, and strategic refocusing. As shown in Table 2, the financial data shows steady growth in turnover, assets, and equity. Member benefits were also enhanced through increased reward points, special dividends, and new services. The co-operative’s financial support for its mutual arm, Capricorn Mutual Ltd, and disciplined cost management contributed to record profits in several years.

Table 2: Capricorn Society Ltd Financial Performance 2010-2019

Year	Annual Turnover	EBIT	NPAT	Total Assets	Total Liabilities	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2010	944,787	12,182	7,595	160,237	95,776	64,460
2011	1,029,541	11,338	6,859	176,453	102,908	73,545
2012	1,122,452	15,258	10,374	192,497	110,490	82,007
2013	1,212,581	19,319	13,939	216,311	119,490	96,821
2014	1,327,854	23,553	17,478	247,170	131,109	116,061
2015	1,412,169	22,012	15,932	281,400	149,745	131,655
2016	1,542,947	22,670	15,908	320,094	169,412	150,682
2017	1,690,040	24,444	17,766	339,697	172,515	167,182
2018	1,856,208	35,279	24,948	380,024	188,777	191,247
2019	2,035,855	27,335	20,411	414,727	202,663	212,064

Sources: Capricorn Annual Reports, 2010-2019.

In 2012 the Capricorn Board issued the 4 per cent special dividend as a celebration of the UN IYC and also increased the Reward Points from 1 per cent to 1.5 per cent. During the Co-operative's celebration of its 40th Anniversary in 2014 another special dividend was issued, and in the following year double reward points were offered, which led to an increase in member satisfaction. Over 1 million reward points were awarded for member engagement during 2016, and the Reward Points system continued to develop so that by 2018 it comprised prizes, travel vouchers and other rewards promoted via various campaigns (Capricorn, 2012; 2014; 2015; 2016; 2018).

In 2019 the Co-operative made a slight amendment to the wording of its Principle Activity, which read,

“The principal activity of the Group during the financial year was the operation of an automotive parts and accessories buying company operating along cooperative principles. The Group provides trade account credit to members who operate within the automotive aftermarket industry. Subsidiary entities provide travel, business risk services including the management of the Mutual, financial services and technology services” (Capricorn, 2019, p. 32).



This change, while minor, reflected the diversification strategy that Capricorn had undertaken during the decade. It highlighted the company's focus on being a purchasing co-operative for the aftermarket automotive services sector, and one that also provided financial, risk management, and travel services to its members. Despite its withdrawal from the South African market, the overall financial performance of Capricorn was impressive. As shown in Table 2 annual turnover grew from just under \$1 billion in 2010 to over \$2 billion by 2019. Profitability, both EBIT and NPAT also grew along with assets and equity. Nevertheless, the debt to equity (D/E) ratio of Capricorn moved from 1.49 in 2010 to 0.96 in 2019 indicating a balanced financial status.



CHAPTER 7: STRONGER WITH CAPRICORN, GROWTH, RESILIENCE, AND TRANSFORMATION, 2020-2025

The first six years of the 2020s reveals a transformative era for Capricorn Society Ltd., marked by rapid growth, innovation, and resilience. It was a period in which the Co-operative launched a new brand identity, underwent a significant expansion in membership, and introduced new member-focused services and digital platforms. It was a period that highlighted Capricorn's proactive response to the COVID-19 pandemic, its deepening commitment to sustainability and governance, and its efforts to foster diversity and inclusion. Additionally, it was a half-decade in which the Co-operative's financial performance and creation of member value were underscored through steady growth and robust returns, while ongoing industry challenges were met with advocacy and strategic initiatives. As Capricorn looked forward to another 50 years of providing the Australian and New Zealand aftermarket services sector in the automotive industry, it rolled out its forward-looking strategic vision, designed to position the company as a dynamic, member-driven Co-operative ready to empower its community for the future.

KEY TRENDS THAT SHAPED THE AUTOMOTIVE INDUSTRY FROM 2020 TO 2025

The 2020–2025 period for the Australian and New Zealand automotive industries was defined by the impact of the COVID 19 pandemic, which took place during 2020 through to 2022, and the recovery process that followed. It also saw a rapid shift toward electrification with a major increase in the sale of electric vehicles (EVs), and hybrid petrol-electric vehicles. Additionally, it was a period of significant structural challenges in the aftermarket automotive sector where the majority of Capricorn's membership operated.

The COVID-19 pandemic impacted the global supply chain systems across the automotive industry. There were also global semiconductor shortages and delays in shipping, which saw the delivery of new vehicles hit record lows. This led consumers to seek used cars as an alternative, with prices on such vehicles rising by between 30 per cent and 40 per cent across some categories as the pandemic reached its peak (Astbury, 2022). Nevertheless, by 2025, the Australian market remained resilient with over 1.2 million new vehicles sold, though high interest rates and cost-of-living pressures began to subdue private demand toward the end of the period (Yam, 2025).

As noted above, the early 2020s saw the rise of EVs and Hybrids, such as the battery electric vehicles (BEV) and plug-in hybrids (PHEV). Sales of these vehicles accelerated, with these cars achieving a 13.1 per cent market share by the end of 2025 within Australia (Bragg, 2025). Hybrids proved more popular than full EVs during this period, motivated by a lack of public charging infrastructure, and their relatively lower cost than for many of the EV. The introduction of the Australian Federal Government's New Vehicle Efficiency Standard (NVES) also served to shape the type of vehicles sold by OEM manufacturers (Yam, 2025). Similar trends occurred in New Zealand, where the Government's Clean Car Discount program encouraged the purchase of these vehicles (Haywood, 2025).

Within the Australian automotive service and repair sector there was a growth of 12 per cent to over 27,700 businesses between 2020 and 2025. This was driven by the aging national motor vehicle fleet as consumers held onto their vehicles longer (AAAA, 2024). However, this growth also resulted in a critical shortage of qualified technicians, which created an estimated 28,000

vacancies by the end of 2025 (Hughes, MacDuff and Sarwar, 2025). Workshops also began investing heavily in digital diagnostics and EV-specific training to manage the increased complexity of modern car electrical systems (Workshop Mate, 2024).

Another factor that influenced the industry was the Australian Federal Government's Motor Vehicle Service and Repair Information Sharing Scheme of 2022, which mandated that OEM manufacturers had to share service data with independent mechanics, thereby levelling the field for the aftermarket automotive repair and servicing sector. However, while similar legislation was put to the New Zealand Parliament under the Right to Repair Bill, it failed to pass in 2025 and at time of writing had not yet been introduced (Godwin, 2025).

In addition to these trends there was a global structural change that emerged as the Chinese automotive manufacturers began to challenge their counterparts from Japan, Korea, Europe and the United States. Chinese brands like BYD, MG, and GWM rapidly gained market share, achieving around 20 per cent market share in Australia by 2025, with competitively priced and high quality EVs and Hybrid SUVs within most segments (AADA, 2025; Cox Automotive, 2025). The new vehicle market was dominated by corporate and government fleet purchases, which accounted for more than 50 per cent of new vehicle sales during 2025. There was also a preference for SUVs and light commercial vehicles such as utilities, which represented over 80 per cent of the total market, with traditional sedan passenger cars and hatchbacks experiencing a steady decline (Yam, 2025; Gardiner, 2026).

In 2025 the motor vehicle engine and parts repair and maintenance services sector in Australia comprised around 28,323 businesses, which generated a total revenue of more than \$17.3 billion, total profit of \$658.5 million, and employed approximately 85,974 people. Over the previous six years revenue across the sector rose by a compound average growth rate (CAGR) of 2.3 per cent, although profit fell by a CAGR of 2.0 per cent, and the sector showed an average profit margin of 3.8 per cent, which had also declined by a CAGR of 0.9 per cent over the same period (Desai, 2025a).

Within the motor vehicle body, paint and interior repair services sector there were around 18,889 businesses in 2026. The number of businesses had increased by a CAGR of about 8 per cent over the previous six years. This sector employed an estimated 49,322 people, with the workforce having grown by a CAGR of 6.4 per cent from 2021. Annual turnover across the sector was around \$9.6 billion, and the total profit for the sector was estimated at \$402.4 million. Turnover had increased by a CAGR of 1.3 per cent between 2021 and 2026. Although the total profit had fallen by a CAGR of 1.0 per cent, with the average profit margin across the sector of 4.2 per cent (Desai, 2026).

The motor vehicle electrical services sector within Australia comprised around 3,453 businesses in 2025 and employed an estimated 7,160 people. This reflected a modest increase in businesses of a CAGR of 1.1 per cent, and for businesses of 2.2 per cent. Total revenue across the sector in 2025 was \$2.2 billion, and overall profit was \$144.4 million. Both turnover and profit had risen during the 2020-2025 period, turnover growing at a CAGR of 0.7 per cent, and profit at a CAGR of 7.4 per cent. The average profit margin across the sector was 6.6 per cent, a figure that had growth by almost 2 per cent over the previous six years (Desai, 2025b).



These figures suggest that the Australian aftermarket automotive services sector comprises around 50,668 businesses, employing approximately 142,456 people and generating a combined annual turnover of \$29.1 billion. However, the outlook for these sub-sectors over the remainder of the period 2026 to 2031 was assessed by industry analysis as mixed. For example, within the motor vehicle engine and parts repair and maintenance services sector revenue growth, while still positive, was forecast to reduce. Major factors likely to impact the sector were increasing competition, rising operating costs, and the increasing transition from internal combustion engines (ICE) and hybrids (e.g., BEV, PHEV), to full EV vehicles. This was summarised as follows,

“Rising operational costs and the competitive pressures of a fragmented market are challenging the industry and contributing to profit margin falls. The rising costs of parts and investment in new technologies, including those required for servicing electric vehicles (EVs), are squeezing profitability. Despite efforts to adapt, like increased service activity, and price hikes, workshops have seen a significant drop in profit margins. Some companies have adopted cost-cutting measures to help lift efficiency and combat shrinking margins, with new machinery and software contributing to this change” (Desai, 2025a, p. 4).

Within the motor vehicle body, paint and interior repair services sector industry analysis was more optimistic, forecasting rising revenue, although increasing competition within the market risked placing pressure on profit margins. This sub-sector relies heavily on insurance companies providing the revenue as car owners use their insurance policies to claim for damages repair following accidents. Businesses operating within this sub-sector that can secure a preferred or recommended repairer agreement with an insurance company are more likely to remain competitive. The introduction of EVs and the increased complexity of new vehicles, plus their enhanced safety features and potentially “driverless” features, are likely to see a reduction in smash repairs (Desai, 2026).

Like the other sub-sectors in the motor vehicle electrical services sector was, impacted by the COVID-19 pandemic and the slowdown of new vehicle sales, and many owners delaying their required maintenance and repair work. Independent workshops also compete with large motor vehicle dealers who service the new and used vehicles themselves. The extended warranties that are being provided effectively lock the majority of the new vehicles to the dealer networks. The increasing adoption of EVs and newer vehicles with complex electronics was viewed as both an opportunity and a challenge for the business in this sub-sector. As explained,

“Newly manufactured cars represent both an opportunity and challenge for industry operators. New vehicles have more complex electrical and electronic components that qualified auto electricians are best positioned to service. However, demand for industry services generally increases as the vehicle fleet ages, since older vehicles usually require more servicing. Electric and hybrid vehicles are also becoming more popular, and they have more parts that need servicing by auto electricians” (Desai, 2025b).

The Australian automotive industry also included motor vehicle dealers, which in 2024 comprised an estimated 3,384 businesses employing around 10,743 people (Jeswanth, 2024a). Additionally, there was the motor vehicle parts retailers, with some 2,653 businesses and 9,144 employees (Jeswanth, 2024b). Also, the tyre retailing sector with 2,051 businesses and around 4,533 employees (Jeswanth, 2024c). The fuel retailers (service stations) in 2025 comprised 3,863 businesses, with 45,072 employees (Larter, 2025).

Overall, the Australian automotive market remained resilient with record sales in both 2023 and 2024. By contrast, New Zealand experienced a sharper downturn with new vehicle registrations in 2024 hitting their lowest levels since 2012 (AGA, 2024). In the aftermarket automotive service and repair sectors Australia experienced strong growth, a chronic shortage of skilled labour, and the need to update the technology and diagnostic systems within their workshops to meet the needs of EVs and other increasingly complex new vehicles (Workshop Mate, 2024).

By contrast, New Zealand's aging vehicle fleet provided work for the independent workshops despite a decline in new car sales (MacLean, 2025). Nevertheless, the failure of the Right-to-Repair Bill to pass was viewed as a blow, although the MTANZ and the wider automotive industry in New Zealand viewed the Bill as "well-intentioned but too simplistic" (Autofile, 2025).

BRAND EVOLUTION AND MEMBER-CENTRIC PURPOSE

In 2020 Capricorn launched its "Stronger with Capricorn" brand positioning campaign, which set the tone for renewed focus on member value creation and the collective strength of the member network across Australia and New Zealand. The campaign emphasised the importance of being a member of a co-operative community that was specifically designed to provide the support that SMEs operating in the automotive services industry needed. The overall purpose of Capricorn was oriented towards supporting its members to strengthen and ensure the sustainability of their businesses. This theme was reinforced throughout the period from its launch in 2020 to the time of writing in 2026, with annual reports and other corporate media and communications carrying the message.

As stated in the Annual Report for 2020 the "Stronger with Capricorn",

"... is about more than just strength in numbers. It's about the strength that comes with being part of an extensive network forged by auto repairers, for auto repairers. The strength to grow your small business supported by Capricorn and Preferred Suppliers' products and services. Thanks to the Capricorn alliance, any small business owner is ready for what happens next" (Capricorn, 2020, p. 4).

The co-operative's purpose was also clarified and communicated in the same report in the following statement,

"As a trusted Member-owned organisation, our focus is to improve the lives of our Members by supporting them in building stronger businesses resulting in the sustainable future of the automotive industry" (Capricorn, 2020, p. 4).

Despite the impact of the COVID-19 pandemic and the Co-operative's withdrawal from South Africa, overall membership continued to grow. In 2021 membership was around 23,500, rising to 25,000 the following year, then to 26,000 in 2023, and 30,000 in 2024 (Capricorn, 2025a).

In 2020, during the height of the COVID-19 pandemic Capricorn issued a special membership reward of AUD \$13.4 million (approx. \$16 million in 2024 dollars), to recognise members' patronage via their trade account purchases. This was issued as Capricorn Awarded Bonus Points through the July 2020 member statements. In addition, a total of \$15.6 million (approx. \$186 million in 2024 dollars) was distributed as an ordinary dividend, with an additional \$11 million



(approx. \$13.2 million in 2024 dollars) issued in August 2020 (Capricorn, 2020). In his Chair's address in the Annual Report for 2020, Mark Cooper stated that this financial distribution was,

"... a really positive result for Members in a generally tough year and no doubt a welcome stimulus for workshops badly affected by events. For me, this is a welcome reminder that we really are stronger together. This sharing of profits will help strengthen the financial health of the industry as a whole, while also strengthening ties between Members and our Preferred Suppliers" (Capricorn, 2020, p. 7).

These financial distributions in the midst of the COVID-19 pandemic helped to demonstrate the "Stronger with Capricorn" brand positioning strategy, and the member-centric purpose that the Co-operative was actively pursuing. In assessing the situation facing Capricorn and its members in 2020 Chairman Mark Cooper explained that the financial year FY2019/20 was a "difficult one for the automotive industry and the community" (Capricorn, 2020, p. 6). He pointed to the massive bushfires that ravaged large sections of the Queensland and NSW regional areas during Christmas of 2019, burning over 18 million hectares, destroying around 6,000 buildings, and leading to the deaths of 34 people. He noted that Capricorn's members had donated millions of dollars to the fire victims and assisting with the provision of shelter and support for the affected communities (Capricorn, 2020).

DEALING WITH THE COVID-19 PANDEMIC AND DELIVERING CAPHUB

Cooper also pointed to the impact of the COVID-19 pandemic that broke out around the world early in 2020 stating,

"Like most other businesses across Australia and New Zealand, many workshops downed tools completely, closed the doors, and waited it out. Those who could, remained open for essential services. While our countries fared better than many others, the economic fallout may still make the global financial crisis look like a blip. But, as businesses were allowed to open again, our industry got back to work, doing what we love. We're back on the tools, fixing cars, making customers happy, and keeping the roads safe. The resilience of our industry and our Members is clearly demonstrated in this report for the 2020 Financial Year, which I'm proud to present to you" (Capricorn, 2020, p. 6).

This statement articulated both the "Stronger with Capricorn" strategic statement of intent, but also the statement of purpose now formally declared by the Co-operative. It was continued into 2021 where the Annual Report acknowledged that the COVID-19 pandemic was still impacting supply chains and creating challenges for members. However, as Group CEO David Fraser stated in his address in the Annual Report of 2021 the Co-operative was learning to adapt and respond,

"This time last year I was writing about the impressive way our industry and our Members had adapted during the early days of the pandemic. A year later we're still all living with Covid-19 and the uncertainty it creates, but it's clear we've been channelling that uncertainty into positive outcomes. If 2019-20 was the year we all learned to adapt to change, then perhaps 2020-21 was the year we took action on the things we've realised are important?" (Capricorn, 2021, p.8).

It was also the year that Capricorn enhanced its digital online platform with "CapHub", a centralised portal designed to provide business insights, industry news, and operational resources to its members across Australia and New Zealand. The platform served as an

information engine targeted at assisting independent workshops and smash repairers manage their businesses more effectively within what was a dynamic and rapidly changing market. In 2026, the CapHub system was incorporated into the broader myCAP online portal, which also included a dedicated SupportHub section introduced in 2024. This incorporated “how to” videos and tutorials designed to assist members navigate their accounts, use fuel cards, and access services easily (Capricorn, 2025j).

Among the many applications and information sources available via the myCAP / CapHub platforms were resources explaining ways to streamline workshop processes, manage and protect business IT systems from cyber-attacks, and the optimisation of financial management systems. There were also expert guides on automotive trends, including customer expectations, the problem of technical skills shortage, and the impact of EVs. Members were also able to access the Capricorn Service Data system and AutoBoost, plus the Capricorn Rewards Program and to monitor the environmental, social and governance (ESG) reports (Capricorn, 2025j).

As Fraser explained in his CEO’s report of 2021,

“We’ve continued to invest in our digital platforms to improve the Member experience. This includes adding a wealth of new content on our CapHub website, which is filled with fantastic information and advice to help you build, grow and maintain your business” (Capricorn, 2021, p. 8).

The Annual Report for 2021 described the CapHub program as follows,

“In 2020, Capricorn launched CapHub, a content portal filled with valuable expert business tips and advice, automotive workshop hacks and important industry news. CapHub features easy-to-read, in-depth, practical advice across three main areas — business, customers and industry. CapHub is Capricorn’s place to share the immense industry knowledge contained amongst the Capricorn membership and assist those Members looking to grow and become more sustainable. During FY21 Capricorn posted 132 articles on CapHub written specifically for our Members and the wider automotive industry. Each of these articles are tailored to help our Members and others in the automotive industry to strengthen and grow their businesses, which in turn builds and strengthens Capricorn into the future with a resilient and growing Member base” (Capricorn, 2021, p. 22).

The myCAP digital platform was rebuilt and upgraded during 2023-2024, enhancing member experience and streamlining operations. The launch of new finance products and digital payment options further exemplified Capricorn’s commitment to innovation and the delivery of value to its members.

SUSTAINABILITY AND GOVERNANCE

Capricorn also began to focus on its ESG goals during the period 2020-2025. Sustainability featured for the first time in the Annual Report for 2020. The focus was on environmental and social sustainability, which linked to the Co-operative’s governance process. As stated,

“Capricorn is taking real and measurable action in meeting Capricorn’s environmental, governance and social commitments (“Capricorn’s sustainability”). This sustainability report sets out the steps Capricorn is taking to make its business, and the business of its Members, more sustainable” (Capricorn, 2020, p. 18).



The sustainability report of 2020 noted that Capricorn’s Board and Management had made improvements to the governance of the Co-operative. This included the adoption of a framework for dealing with modern slavery risk, and a comprehensive code of conduct which focused on conduct risk and reporting. In relation to environmental sustainability there was an emphasis on recycling and the disposal of waste packaging. The recycling of batteries and the fitting of solar panels to the Troode Street Head Officer were also highlighted (Capricorn, 2020, p. 18).

By 2021 Capricorn’s Sustainability Report contained more information on the Co-operative’s focus on sustainable diversity practices. This encompassed flexibility in working arrangements for employees seeking to undertake work/life balance (e.g., parents with children, or other commitments). Additionally, attention was being given to equity in the gender pay gap, and the establishment of a Diversity & Inclusion (D&I) Committee. As explained in the Annual Report of 2021,

“Composed of employees, the D&I committee meets regularly to discuss and propose initiatives for Capricorn that recognise our diversity and promote inclusivity. One such initiative was the celebration of Pride month in June, marking the first year Capricorn has taken part in the event. Celebrations included wearing rainbow coloured clothing and taking part in watching a TED talk by Magda Szubanski on courage. Employees were also invited to add their pronouns to their email signatures if they wished and were provided with information on how individuals may use different pronouns” (Capricorn, 2021, p. 20).

Over the years 2022 to 2024 Capricorn continued to evolve its sustainability and D&I program. For example, in 2022 the Co-operative partnered with the National Association of Women in Operation (NAWO) to provide a mentoring program for the company’s top female employees. It also invited Diversity Australia to deliver an education program to the Board and Management of Capricorn on the impact that unconscious bias can have on the culture of the company and the lives of its employees. This was followed with the delivery of a similar program, led by the managers, for their teams across the entire company (Capricorn, 2022).

During 2023, Capricorn continued to develop its D&I program with a specific focus on inclusion. The co-operative reported its progress to the Workplace Gender Equality Agency and undertook annual reviews of the gender pay gap. It also worked to increase the representation of women in the senior leadership and Board positions. Its partnership with NAWO continued, including the mentoring program for top female talent. That same year, Capricorn held a series of workshops for all employees focusing on Respect-at-Work. These were facilitated by experts and designed to create a safe and inclusive workplace environment (Capricorn, 2023).

In addition to these initiatives in environmental and social sustainability, Capricorn also focused on enhancing the sustainability of its governance systems and processes. As noted above, this started in 2020 with the introduction of a Corporate Governance framework, which specified the roles and responsibilities of the Board, the Group CEO, the Company Secretary, Chair, and the Remuneration and Nomination Committee. It also contained a statement relating to the Code of Conduct designed to guide the Board in its decision making. Other areas covered were, financial reporting, the Audit and Risk Committee’s role, the need for timely and balanced disclosure, risk management, respect for members’ rights and the rights of other stakeholders, and the relationship between Capricorn Society Ltd., and Capricorn Mutual Ltd. (Capricorn, 2020).



In 2021 Capricorn published a Corporate Governance Statement outlining a “strategy of good governance” that was guided by a series of principles relating to how a co-operative or mutual enterprise (CME) should act from a governance perspective. These principles listed in the textbox below, were developed by the BCCM to assist CMEs to create effective governance systems.

Principles of CME Governance

Principle 1: Create, protect and return member value: *A CME should act on behalf of its members to achieve its agreed purpose by pursuing the sustainable creation, protection and return of value to current and future members.*

Principle 2: Lay solid foundations for management and oversight: *A CME should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.*

Principle 3: Structure the board to add member value: *A CME should have a board that meets the organisation’s minimum requirements, is of an appropriate size, diversity and composition, and has the skills and commitment to discharge its duties and responsibilities effectively.*

Principle 4: Act ethically and responsibly: *A CME should act ethically and responsibly in relation to its members and other stakeholders.*

Principle 5: Safeguard integrity in CME reporting: *A CME should have formal controls and rigorous processes that safeguard its assets, provide independent attestations to members of the integrity of its financial processes and disclosures, and can demonstrate alignment with purpose.*

Principle 6: Make timely and balanced disclosure: *A CME should make timely, transparent and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the value received from ongoing membership and the interests of members and other stakeholders.*

Principle 7: Respect the rights of members and other stakeholders: *A CME should respect the rights of its members and other stakeholders by enabling them to access information, and where appropriate, education and training to allow them to exercise those rights effectively.*

Principle 8: Recognise and manage risk: *A CME should establish a sound risk management framework and periodically review the effectiveness of that framework in relation to the creation, protection and return of member value.*

Principle 9: Remunerate fairly and responsibly: *A CME should pay director remuneration sufficient to attract and retain high quality member and independent directors and design its executive remuneration to attract, retain and motivate high quality senior executives and employees and to align their interests with the creation of value for members and other stakeholders.*

Source: Capricorn (2021, pp. 24-41).

This framework and the CME governance principles guided Capricorn through the years 2020 to 2025, and in 2026 were continuing to provide a strong foundation around which the company could manage its governance process. The release of the first ESG report in 2025 marked a significant step in formalising Capricorn’s sustainability commitments.

Figure 23: Capricorn's Governance Framework



Source: Capricorn (2022, p. 25).

By 2026 the Capricorn Board comprised nine directors. This included Mark Rowe, a member director from Queensland, where he had operated his own business for 35 years. He became a member of Capricorn in 1999 and was elected to the Board in October 2022, becoming Chair in October 2024 following the retirement of Mark Cooper from that position. Other member directors were Anthony Shaw, representing Victoria/Tasmania who was elected to the Board in October 2025, David Banning, representing SA/NT, who joined the Board in April 2025, James Candish, representing New Zealand, who joined the Board in 2023, Lydia Stjepanovic, representing NSW and the ACT who was elected to the Board in 2021, and Nigel Osborne, representing WA, who joined the Board in October 2022 (Capricorn, 2026).

They were joined by three independent directors. The first, Donna Vinci, joined the Board in 2019 bringing with her extensive experience in a range of business management areas, predominantly in the financial services sector. The second, Mario Pirone, who in 2026 was also Chair of Capricorn Mutual Ltd., joined the Board in 2014, bringing with him a strong background as a senior executive and director within large insurance, funds management, and financial services firms. Finally, the third independent director was Samantha “Sam” Martin-Williams, who joined the Board in October 2024. Her experience included 30 years as a director in financial services, resources, infrastructure, education and technology sectors (Capricorn, 2026).

The Board was responsible for risk management reviews, the adoption of CME Governance Principles, and the creation of new board committees (such as the Digital, E-Commerce and Innovation Committee). The Board’s leadership ensured the company’s adaptability and alignment with best practices in governance and sustainability.

Co-operative Enterprise Research Unit (CERU)

Figure 24: Mark Rowe (left) Chair, CSL and Mario Pirone (right) Chair CML and independent director CSL



Source: Capricorn (2026).

Mark Rowe, after succeeding Mark Cooper as Chair, guided the Co-operative through its 50th anniversary, the launch of the Capricorn 2030 strategic plan, and the adoption of new governance principles. He also played a key role in shaping Capricorn's future direction and reinforcing its commitment to sustainability and member value. Brad Gannon, after replacing David Fraser as Group CEO in 2025 led the implementation of the "Powering Forward" strategic plan and the company's first Environmental, Social and Governance (ESG) Report. He also focused on innovation, digital transformation, and continued financial strength for members.

Under the leadership of both David Fraser and Brad Gannon, the executive team drove initiatives in diversity, inclusion, and digital transformation. Promoted female leadership, conducted gender pay reviews, and partnered with external organisations for mentoring programs. They also supported the rollout of new member services and digital upgrades.

INDUSTRY CHALLENGES AND ADVOCACY

Throughout the period Capricorn faced ongoing challenges such as skills shortages, supply chain issues, and cost-of-living pressures within its membership. The co-operative used insights from its annual "State of the Nation" surveys to advocate for industry-wide strategies, including workforce development, apprenticeships, and upskilling for new technologies like electric vehicles.

SKILLS SHORTAGES

The issue of skills shortages across the membership network was a significant area of concern for Capricorn during the period 2020 to 2025. In the Annual Report for 2022, Mark Cooper, in his Chair's address made the following comments,



“This third year of the pandemic may just have been the most challenging yet, and I continue to be absolutely inspired by the incredible resilience shown by the of the automotive aftermarket community. While lockdowns and circuit-breakers seem to finally be a thing of the past, we’re now confronted by staff absenteeism, as COVID-19 tears through our workshops. We’ve also emerged from three years of interruption and adaptation to find the skills shortage that was already hampering our businesses is even worse than it was before the pandemic” (Capricorn, 2022a, p. 6).

This was elaborated upon by David Fraser, in his Group CEO letter in the same Annual Report,

“In the coming weeks Capricorn will release our third State of the Nation Report, with 1,900 Members contributing to this survey [...] In the 2021 report we identified a couple of key areas of concern. One was the skills shortage and the need for the industry to take on more apprentices to grow our pipeline of talent” (Capricorn, 2022a, p. 9).

Skills shortages were on the agenda again in 2023, with Chairman Mark Cooper stating in his “Chair’s Welcome” in the Annual Report for that year,

“For the industry, the past year has been one in which many of us have felt the crunch of the ongoing skills shortage. There simply aren’t enough qualified technicians to go around” (Capricorn, 2023, p. 10).

Furthermore, in the “Our Community” section of the report the issue was addressed specifically in the following words,

“Our State of the Nation 2022 Report was another way for us to not only understand the issues our community are facing but also to share ways to overcome these challenges to help Members build stronger businesses. The report found that overall Members were generally positive and enjoyed making their customers happy and solving problems. The biggest challenge facing our community continues to be the skills shortage. The lack of qualified staff and the difficulty in attracting young people to the industry are cited as concerns for both individual businesses and the industry as a whole. The impact is felt through increasing pressure on staff, declining customer satisfaction and poor work life balance” (Capricorn, 2023, p. 38).

In the Annual Report for 2024 Capricorn highlighted the findings from their 2023 State of the Nation survey about the skills shortages issue. This read,

“Our Members told us that the skills shortage was the biggest challenge they face in running their businesses, so we researched and prepared a special report on this issue to help us understand it better. 1,887 Members across Australia and New Zealand took part in in the 2023 State of the Nation survey to share their thoughts on the situation.

The key findings of the special report highlighted that finding good staff is causing operational, financial, mental and emotional stress for Members. However, Members are increasingly confident in the future of their own businesses, even though they are slightly less confident in the future of the industry as a whole. The good news is the work to secure the long-term future of our industry has already begun. Members are doing their best to secure the industry’s pipeline of future talent. While training apprentices isn’t a quick fix to the issues created by the skills shortage, it is a solid path towards securing the long-term future of our industry!” (Capricorn, 2024d, p. 21).



Skills shortages continued to be an issue into 2025, with the new Chair, Mark Rowe reporting,

“Skills shortages and supply chain issues haven’t fully eased since COVID. On top of that, higher interest rates and inflation made things tighter for everyone in 2025. Many customers pushed out servicing and maintenance, which often meant more breakdowns and urgent jobs” (Capricorn, 2025e, p. 12).

SUPPLY CHAIN AND COST OF LIVING ISSUES

In addition to shortages in skilled labour, another major issue was the ongoing disruption to supply chains. This was initially caused by the impact of the COVID-19 pandemic. However, even after the pandemic had effectively disappeared supply chain problems and rising cost of living pressures were impacting the Co-operative’s member network. As the Chair’s report by Rowe stated in the Annual Report of 2025,

“Skills shortages and supply chain issues haven’t fully eased since COVID. On top of that, higher interest rates and inflation made things tighter for everyone in 2025. Many customers pushed out servicing and maintenance, which often meant more breakdowns and urgent jobs” (Capricorn, 2025e, p. 12).

The Group CEO Brad Gannon, in his letter to the members in the 2025 Annual Report spoke of the management and maintenance of “ethical supply chains” as an area of high importance in the ESG reporting by the Co-operative (Capricorn, 2025e, p. 15). In addition, surveys of members found that by 2025 at total of 55 per cent of members were experiencing difficulties when dealing with price sensitive customers over motor vehicle repairs and servicing costs (Capricorn, 2025e, p. 41).

STATE OF THE NATION REPORTS

The first State of the Nation Report was issued in 2020. These annual reports provide a comprehensive snapshot of the automotive aftermarket industry in both Australia and New Zealand. They track industry trends, member sentiment, and operational challenges facing the industry, which help to inform members as business owners and operators, and also serve as an advocacy tool for the Co-operative’s engagement with government policymakers. When first launched, the Group CEO David Fraser, in his letter to members published in the 2020 Annual Report stated,

“It was also a year in which we took a snapshot of the industry, through our first ever State of the Nation survey. Hopefully you’ve had a chance to read the resulting report. It paints a picture of an industry filled with people who absolutely love what they do. But it also identified some real challenges being faced by workshops both large and small. Some of those challenges will have been exacerbated by the pandemic, which hit after the survey was taken. It’ll be fascinating to see what Members have to say when we send out this year’s survey, and to see how you’ve all adapted to the new normal” (Capricorn, 2020, p. 9).

In the following year Fraser delivered a summary of the second State of the Nation Report, which highlighted the need for succession planning within the often family-owned businesses that comprised the Co-operative’s membership,

“The 2020-21 Financial Year also saw our second State of the Nation Report released, with 2,075 Members (about 500 more than last year) contributing to this landmark survey. [...]



One big area of concern identified in 2020 was the need for long-term planning, with just 38% of Members telling us they had a transition plan in place for retirement. Perhaps the uncertainty of the pandemic also helped focus minds but over the past year that number has grown to 43%. At the same time, markedly more Members now have a plan in place to sell or transfer ownership of their business when they retire” (Capricorn, 2021, p. 8)

The findings from the 2021 State of the Nation survey were delivered to the membership network via a series of webinars that were accessed by at least 838 members via the CapHub system (Capricorn, 2021).

During 2022 the third State of the Nation Report was delivered by Group CEO David Fraser, who reviewed the findings from the previous two reports, specifically the skills shortage and the related need for members to take on more apprentices. He noted that in 2021 39 per cent of all members surveyed were employing apprentices, which compared favourably with only 34 per cent in 2020. Additionally, he highlighted the finding from the 2021 report that there was “a general lack of preparedness for electric vehicles” (Capricorn, 2022a, p. 9).

As stated by Fraser in his report,

“It was that great technological disruptor Bill Gates who once observed that ‘we tend to overestimate the extent of change in the short-term, but underestimate change in the long-term’. I think the ACT Government’s recent announcement that it was banning the sale of fossil fuel-powered vehicles from 2035 has brought into sharp focus for many in the industry the fact that this change is coming, whether we’re ready for it or not. It might be the ACT today, but it’s going to spread. And it’s going to start affecting our businesses long before 2035. It’s better to be ready, of course, and I see a key role for Capricorn over the next 12 months in helping to support and help educate our Members on where some of the opportunities from EV might be found. Our team is working hard in this area, and we’ll be talking to our colleagues in the UK and Western Europe to understand what lessons they’ve learned over the last decade or so, given their transition to EV is a good 10 years ahead of ours (Capricorn, 2022a, p. 9)

In 2023 the issue of skills shortages featured prominently in the State of the Nation Report (Capricorn, 2023). During 2024, Capricorn launched two State of the Nation reports, one for Australia, and the other for New Zealand. A total of 1,000 Australian-based and 500 New Zealand-based members responded to the surveys. The findings from the Australian members indicated that the automotive aftermarket sector was resilient and ambitious. This was evidenced by a total of 77 per cent of workshops were planning to grow or improve their profitability in the FY2024/25. This was despite workforce skills shortages and rising cost-of-living pressures. The data collected from the surveys was then used by the Co-operative to develop industry-wide strategies targeted at supporting workforce development, boosting the number of apprentices, developing training, career expos, and diversity initiatives (Capricorn, 2025e).

CAPRICORN RISING STARS PROGRAM

Launched in 2018, the Capricorn Rising Stars program was designed to address the critical skills shortage by recognising and celebrating the future generations of qualified automotive services workforce. The program is open to apprentices from all automotive disciplines including general mechanical, heavy diesel, auto-electrical, panel, paint and fabrication. Apprentices had to be



employed by one of Capricorn members' workshops at the time of nomination and be enrolled in an accredited automotive trade training institution. Only Capricorn member-owners or managers were eligible to nominate their apprentices, with nominations opening in March and closing in May each year (Capricorn, 2025l).

By 2025 the program had expanded to recognise a wide range of talent by establishing regional categories as well as the overall winner. This generated six regional winners from WA, SA/NT, Queensland, NSW/ACT, Victoria/Tasmania, and New Zealand. From this regional pool a final overall winner was chosen as the Capricorn Rising Star Apprentice of the Year. The program had a total prize pool of more than AUD \$30,000 that was distributed amongst the winners and their nominating workshops. Regional winners typically received around \$2,258 in cash and sponsor vouchers (e.g., Castrol, Repco), with the overall winner receiving an additional \$5,000 in cash. The nominating workshops of regional winners received technical support subscriptions (e.g. Repco, Autopedia), while the overall winner's workshop received business support programs from The Workshop Whisperer.

In 2024 the overall winner of the Capricorn Rising Stars program was Megan Toia from Badgingarra Motors in regional WA. Her award was recognised in the Capricorn Annual Report as follows,

"A huge congratulations to the 2024 Rising Stars winner, Megan Toia from Badgingarra Motors. Megan's love of learning and constant pursuit of excellence highly impressed the multiple rounds of judges. We look forward to seeing where Megan's apprenticeship takes her" (Capricorn, 2024d, p. 20).

The overall winner for 2025 was 21-year-old Lachlan Madsen from Homebush Auto Electrical in Lidcombe NSW. In the announcement of Lachlan's award the following was said,

"From solving electrical problems that even experienced mechanics couldn't figure out to mastering complex tools with ease, Lachlan has proved he's not just built for the trade, he's built to lead it. Lachlan's journey began in a family garage, handing his dad spanners and soaking up the hum of engines. That spark ignited a passion for diagnostics and a passion for learning. As an apprentice at Homebush Auto Electrical in Lidcombe, NSW, Lachlan is known for his initiative, accuracy, and ability to solve complex faults with confidence" (Capricorn, 2025m).

Other notable regional winners of the Rising Stars program included Hudson Rhodes from WA, Cody Chapman from Queensland, and Cole Cleaves from Victoria/Tasmania. Hudson Rhodes was a second-year apprentice at Racing Dynamics in Malaga, WA. He was recognised for his technical proficiency in a high-performance engine environment, where he worked on exotic vehicles like Lamborghinis and McLarens. He was noted for blending traditional mechanical skills with advanced diagnostics and aims to specialize in European high-performance vehicles.

Figure 25: Rising Stars winners Megan Toia 2024 (left) & Lachlan Madsen 2025 (right) with his nominee, workshop owner Tim Ihuede

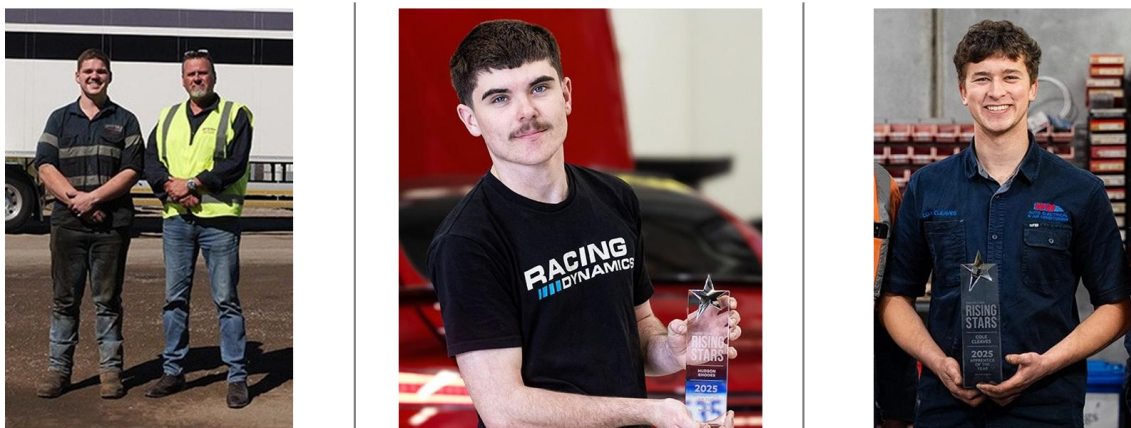


Sources: Capricorn (2024; 2025).

Cody Chapman was a 21-year-old third-year diesel fitter apprentice at Morgan Transport Group in Townsville, Queensland. He demonstrated significant leadership by stepping in as an acting workshop supervisor. One of his standout technical achievements was rebuilding a Cummins X15 engine from the ground up. He also held a forklift ticket and an MC truck license.

Cole Cleaves was employed at WD Auto Electrical & Air Conditioning in Tasmania. He was named the Victoria/Tasmania regional winner and was described by mentors as a "once-in-a-lifetime apprentice." He also received the 2025 TasTAFE Trade Excellence Award for Automotive Final Year Apprentice of the Year. His future goal was to become a specialist in electronic circuit repair and diagnostics on Tasmania's North-West coast.

Figure 26: Cody Chapman & nominee (left), Hudson Rhodes (centre), and Cole Cleaves (right) 2025 Rising Stars regional winners



Sources: Capricorn (2025m).



RESPONSE TO FLOODING IN QUEENSLAND AND NSW

In February and March 2022 southeastern Queensland and northeastern NSW were impacted by severe floods. These were triggered by three intense weather systems that resulted in record rains and flooding. The affected areas received over a year's worth of rainfall in a week. Thousands of people were forced to evacuate their homes, and heavy rains travelled as far as Sydney (CDP, 2022).

In the aftermath of the 2022 Brisbane and broader South East Queensland floods, Capricorn Mutual Ltd. (CML) provided significant support to its members, primarily automotive repair and service businesses. Key aspects of their response included financial payments of approximately \$35 million in support to more than 200 members affected by the 2022 floods across Queensland and NSW. The Capricorn Risk Services (CRS) team actively contacted members in flood-affected areas to assess their needs before some had even initiated a call. They provided "hand-holding" through the complex claims process, explaining coverage and helping members understand assessor requirements (Capricorn, 2022c).

Members had access to an After-Hours Emergency Assistance service, which allowed for the immediate authorisation of emergency repairs and salvage operations outside of standard business hours. As a discretionary mutual, the Board prioritised member recovery by exercising discretion to pay claims that might have fallen outside technical protection scopes but were deemed worthy due to the unusual circumstances of the disaster. The mutual managed claims for critical industry-specific risks, including damage to business buildings, specialized equipment, and customer vehicles under a member's "care, custody, or control" (Capricorn, 2022c).

In discussing the response by Capricorn to these floods, David Fraser, Group CEO, explained that the action by the Co-operative filled him with pride. It was an example of the things that made Capricorn a special organisation,

"We never lose sight of our purpose, why we exist, why we started. ... That is something we don't take for granted. We're here to help and support them to be stronger businesses, to be more sustainable" (Ignition, 2024, p. 6).

STRATEGIC VISION AND FUTURE DIRECTION

In 2025 Capricorn released its strategic plan, "Powering Forward – Capricorn 2030", aimed at guiding the Co-operative through the second half of the 2020s and into the decade of the 2030s. The plan's objectives are to transform operations and prepare for future industry changes, emphasising adaptability, innovation, and sustainability. In announcing the release of the strategy, Group CEO Brad Gannon stated in his CEO's welcome from the 2025 Annual Report,

"Recently, we launched our new Capricorn 2030 strategic plan titled Powering Forward. This five-year strategy will see us transform the way we operate and set us up to meet the challenges of the future as our industry evolves. You'll start to see more about this strategy in the coming months and years" (Capricorn, 2025, p. 14).

The strategic plan is built around the theme of "One Capricorn, One Community", and aims to empower the Co-operative's members through enhanced connectivity and collaboration. Among the major goals of the strategy are operational transformation, strategic growth and community



empowerment. The first of these focuses on reshaping the way in which Capricorn operates to meet the challenges of a dynamic and rapidly changing industry. This is particularly the shift from internal combustion engines (ICE) vehicles and the rising adoption of EVs, plus the overall digital integration of electronics in vehicles. The second objective aims to enhance the profitable growth of the Co-operative's core business activities while also exploring new opportunities that can serve to diversify and reduce risk to the members. The third objective is designed to address the strengthening of the relationship between the Co-operative's members and its preferred suppliers, with goal of ensuring long-term business success (Capricorn, 2025e; Ignition, 2025).

At least five strategic pillars are encompassed within the strategic plan.

1. **Digital Transformation & Innovation:** Capricorn aims to expand its digital interactions for members and suppliers. This will include the development of a unified digital platform and the introduction of advanced security measures like **Capricorn ID** and multi-factor authentication (MFA).
2. **Ecommerce Expansion:** Launching new ecommerce partnerships, such as those with JB Hi-Fi Business (Australia) and Partmaster (New Zealand), to simplify member purchasing while retaining co-operative benefits were also planned.
3. **ESG Integration:** The strategy is aligned with Capricorn's 2025 ESG framework, focusing on key priority areas: climate resilience, sustainable consumption, employee wellbeing, ethical supply chains, and cybersecurity.
4. **Member Experience:** A deeper focus on people and culture, including the creation of new leadership roles in Communications, Engagement, and Brand to enhance the member experience are planned.
5. **Acquisitions and Workforce Solutions:** As part of the strategic plan, Capricorn acquired, in late 2025, Recruitment Innovations Pty Ltd., trading as Australian Skilled Migration (ASM), a migration agency based in Victoria, to directly address the critical skills shortage in the automotive sector (Capricorn, 2025k).

The general timeline and execution of the strategy was to launch the program during the financial year FY2025/26, and then steadily implement it over the six years to 2030. Designed to be complementary with the existing service models operating within the Capricorn Group, the overall long-term aim of the strategy was to prepare the Co-operative for the next 50 years of operations. At time of writing, the plan, which had been launched in late 2025, was being discussed and reported on via the Annual Report to members and related corporate documents, and at the annual gala dinners, conferences and trade shows (Capricorn, 2025e).

SOCIAL CAPITAL BUILDING

Capricorn continued to pursue its social capital building and development opportunities for the Co-operative and its members through the annual conventions and associated social networking events. For example, in 2021 Capricorn launched its first Facebook community, attracting over 3,055 members in the first twelve months (Capricorn, 2021). During 2023 and 2024 Capricorn



held a series of Gala Dinners for the members and also a major Convention in Hawaii, USA (Capricorn, 2023; 2024). This was reported as follows,

“This year Members, Preferred Suppliers and Capricorn employees met in Hawaii for the first overseas Convention since 2018. Convention is a unique opportunity for everyone attending. Connecting individuals in the automotive industry has always been a key focus for Capricorn, and Convention is a perfect example of the value of creating time and space to have informal chats and share stories. The keynote speaker, Malcolm Dix, an experienced presenter, engaged Members and Preferred Suppliers alike with an educational and entertaining training day. Attendees enjoyed six nights at a beachfront resort, in Waikiki, reconnecting with old and meeting new friends in the automotive industry. Other than enjoying a well-deserved break, attendees filled their days with networking events, the Gala Dinner and a number of adventure tours and cultural activities” (Capricorn, 2024d, p. 23).

These regular gatherings and networking activities were an important means by which Capricorn developed and maintained the social capital that existed between its members, the members and the preferred suppliers, and the Co-operative and both the members and suppliers. It involved their active participation in the State of the Nation surveys, conventions like the 2024 Hawaii Convention, Gala Dinners and numerous other community events. The feedback that Capricorn obtained from these networking activities reinforced member engagement and commitment and helped to shape the Co-operative’s strategic direction, advocacy efforts, and overall service offerings.

FINANCIAL PERFORMANCE AND MEMBER VALUE

The financial performance of Capricorn over the period 2020-2025 saw steady growth in turnover, assets, and equity. Table 3 provides a summary of these trends. A feature of Capricorn’s financial performance was the Member Value Return (MVR) program that served as a key metric that reflected both the monetary and non-monetary benefits that the Co-operative returned to its members. Overall, the financial strength of Capricorn enabled it to distribute dividends, rebates, and continued investment in member services. The MVR program was officially launched in 2021 and was described as the “MVR percentage”, a reference to the percentage of members’ “Total Member Eligible Spend” for the financial year. It is based on a formula of the total purchases made during the year from preferred suppliers (ex-GST), and less any excluded items (e.g. interest charges, some service fees). In 2021 the MVR was 28 per cent. Traditionally Capricorn distributed financial benefits via dividends, which commenced from 1982. Then, in 2019 it launched the Capricorn Rewards program (NCR, 2021; Capricorn, 2022b; 2025a).

Between 2020 and 2025, the MVR program saw steady growth in total value, reaching a record of approximately \$100 million in returns for the 2025 financial year (Capricorn, 2025n). The MVR is calculated by combining several distinct value streams. The first of these were trade rebates, which took the form of profit-sharing rewards issued as bonus Rewards Points based on the members’ annual trade account purchases. A second value stream were dividends, which were paid directly to members and were typically paid at a rate of 7 cents per share. A third value stream were rewards points, with standard points earned at a rate of 1.5 points per \$1 spent. Finally, there were mutual loyalty rebates, which comprised periodic bonuses for long-term members of the Capricorn Mutual Ltd., and Capricorn Risk Services Pty Ltd., subsidiary (NCR, 2021; Capricorn, 2021b).

Table 3: Capricorn Group Financial Performance 2020-2025

Year	Annual Turnover	EBIT	NPAT	Total Assets	Total Liabilities	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020	2,150,577	17,281	13,146	471,252	257,630	213,622
2021	2,590,858	53,492	37,558	549,955	278,289	271,666
2022	2,930,206	24,146	17,387	613,933	316,193	297,740
2023	3,399,470	45,269	30,973	697,321	366,828	330,493
2024	3,732,511	58,192	43,976	843,766	436,165	404,601
2025	3,974,094	63,748	46,195	932,304	485,291	447,013

Sources: Capricorn Annual Reports, 2020-2025.

Table 4 lists the overall value in financial terms that was reported by Capricorn during the six years from 2020 to 2025. As shown, these payments consisted of dividends, that were usually paid at a standard rate of 7 cents per share. However, in 2020, as a result the COVID-19 pandemic, the Board issued a special dividend payment at a bonus rate of 11 cents per share. Later, in 2023, the dividend was paid at a lower rate of 5 cents per share. Over the six-year period a total of \$92.1 million was paid out to members as dividends.

Table 4: Capricorn Member Value Return 2020-2025

Year	Est. value returned to members during year	MVR ratio	Paid as dividend	Paid as Rewards Points	Trade volume rebate	Total MVR to members
2020	\$50.3 million	23.0%	\$11.0 million ¹ \$15.6 million ²	\$32.40 million	\$13.4 million ³	\$72.40 million
2021	\$92.0 million	28.0%	\$12.5 million ¹	\$38.50 million	\$15.0 million	\$66.0 million
2022	\$63.3 million	22.3%	\$12.5 million ¹	\$43.35 million	\$15.1 million	\$70.95 million
2023	\$82.8 million	26.7%	\$9.9 million ⁴	\$50.14 million	\$17.0 million	\$77.04 million
2024	\$92.3 million	27.0%	\$14.6 million ¹	\$56.60 million	\$18.5 million	\$89.70 million
2025	\$96.6 million	25.9%	\$16 million ¹	\$59.90 million	\$20.0 million	\$95.90 million

¹ Paid at standard 7 cents per share. ² Paid at bonus rate of 11 cents per share. ³ Special COVID rebate. ⁴ Paid at a rate of 5 cents per share.

Sources: Capricorn Annual Reports, 2020-2025.

Trade volume rebates also provided financial benefits to members. In 2020, a special rebate was paid as part of the Co-operative's response to the COVID-19 pandemic. Over the six-year period a total of \$99 million was paid out as trade volume rebates. Additionally, members were provided with Capricorn Rewards Points that were another mechanism for rewarding loyalty. As shown in Table 4, during the period a total of \$280.89 million was distributed to the members. The overall financial value distributed to the members during the period was around \$472 million.

In addition to the rewards issued by Capricorn Society Ltd., the members of Capricorn Mutual Ltd., also received Mutual Protection Loyalty Rebates. The first of these payments was made in 2021 with a distribution of \$6 million. In 2022 this payment was \$4 million (Capricorn, 2021c; 2022a).

ASSESSING CAPRICORN SOCIETY'S ACHIEVEMENTS

Capricorn Society Ltd. achieved remarkable growth and resilience from 2020 to 2025, navigating a period defined by industry transformation, innovation, and member-centric progress. At the start of the period the Co-operative launched a new brand identity, expanded its membership from 23,500 to 31,788, and introduced digital platforms like CapHub and myCAP to enhance member services and operational efficiency. Capricorn's proactive response to the COVID-19 pandemic included special financial distributions to members, demonstrating its commitment to supporting workshops during challenging times.

The company's financial performance was robust, with annual turnover rising from \$2.15 billion in 2020 to nearly \$4 billion in 2025, and total equity more than doubling. Over \$472 million was returned to members through dividends, rebates, and rewards points, reflecting Capricorn's strong member value return program. Capricorn also advanced its sustainability and governance agenda, launching its first ESG Report, strengthening diversity and inclusion initiatives, and adopting comprehensive governance principles. The co-operative addressed industry challenges such as skills shortages and supply chain disruptions through advocacy, workforce development programs, and the acquisition of the Australian Skilled Migration business to help fill critical roles.

Strategically, Capricorn released the "Powering Forward – Capricorn 2030" plan, focusing on digital transformation, e-commerce, ESG integration, and community empowerment to prepare for future industry shifts, especially the rise of electric vehicles and advanced automotive technologies.

Since at least 2012, Capricorn Society Ltd., has been ranked in the Top 100 largest Australian CMEs by turnover. During FY2012/13 the Co-operative's total turnover of funds processed was just over \$1.2 billion (Mazzarol et al., 2014). By 2025 Capricorn Society Ltd., was reporting a gross annual turnover of over \$3.73 billion, which made it the third largest Australian CME by turnover (Mazzarol, 2025). In 2025 Capricorn Mutual Ltd., was also recorded to have a gross annual turnover of \$129,643,000 for FY2023/24 (Mazzarol, 2025) also placing it into the Top-100 largest CMEs in Australia. Capricorn has also been cited at 226 in the Global Top 300 largest CMEs by turnover in the International Co-operative Alliance (ICA) World Cooperative Monitor for 2025 (ICA, 2025).

CHAPTER 8: APPLYING THE CONCEPTUAL RESEARCH FRAMEWORK

The conceptual framework for research into co-operative enterprise is focused on understanding the business model of the CME, and how it is influenced by, and in-turn influences, systems and member level factors (Mazzarol, et al., 2014).

At the systems level, which relates to the external environment, there are four major inputs (i.e. social cooperation, role of government, industry structure, natural environment), and two major outputs (i.e. economic, and social capital formation). These elements also interact with each other within the systems architecture. This views a social system as comprising six key elements (Luhmann, 1984; Mattheis, 2012):

1. *Communication* – all systems are social in nature and therefore it is essential that a system has communication between the actors within it, and between systems.
2. *Autopoiesis* – a Greek word for ‘self-creating’ or ‘self-making’, recognising that all systems must be able to replicate, adapt and evolve using communication to exchange knowledge and ideas, resulting in learning, amongst the actors within the system.
3. *Differentiation* – all systems are autopoietic systems (social structures) that operate within the wider environment and are differentiated and independent from each other.
4. *Operative closure* – each system has the ability to isolate (close) itself to develop its own unique systems-specific activities.
5. *Functional differentiation* – due to differentiation and operative closure, each system is able to evolve its own unique characteristics that can create functional and dysfunctional interactions between different systems within the environment.
6. *Structural couplings* – where two or more systems recognise the need to link together, they create inter-system relationships that open *structural holes* between them enabling an exchange of communication relaying ideas, information, and knowledge (Burt, 1992a/b).

Social systems are self-forming, complex, and dynamic. They involve interaction and behaviour at the individual, group, and organisational levels, through which change is achieved within the broader environment (de Haan, 2006). The creation of social systems is generated through both formal and informal networks of individuals and organisations that have common interests, and/or resource dependencies (Jessop, 1997; Klijin & Koppenjan, 2000).

A CME is a social system and has all six attributes outlined above. It operates within a systems level environment in which all other social systems (both formal and informal) operate. These other social systems interact with the CME, and the components of its business model (e.g. purpose, profit formula, processes, resources, share structure, and governance), which influence its ability to deliver a compelling member value proposition (MVP) to its membership. Key areas of interaction are: social cooperation between individuals and organisations, government legal and regulatory systems, market competition within industry structure, and the environment.

At the member level, the framework examines the four roles or “hats” that the member wears (e.g., investor, patron, owner, member of a community of purpose) (Mamouni Linnios et al., 2018). Members loyalty and commitment to the CME is influenced by how well the enterprise addresses the needs of its members (both manifest and latent) through its ability to generate and sustain an MVP (Suter & Gmür, 2013).

In the following sections the history of Capricorn is explored with a discussion of lessons learned. A summary of these issues is in Appendix A.

ASSESSING THE CRITICAL EVENTS THAT HAVE FACED CAPRICORN SOCIETY LTD.

This study has identified several critical events over the history of Capricorn. A critical event is defined here as a contingent event that is causally important for an outcome at a specific time that has longer-term strategic consequences. It is important to summarise these events to provide a historical context against which Capricorn can be examined using the conceptual framework.

THE FIRST CRITICAL EVENT – FOUNDING CHALLENGES AND EARLY FINANCIAL STRUGGLES

During the Co-operative’s foundation years from 1974 to 1979 it faced the challenges of raising sufficient start-up capital from its members, and also the lack of experience within its inaugural Board. The initial group of just 20 members struggled to pay the relatively high sum of \$5,000 (approx. \$50,063 in 2024 dollars) to purchase the minimum 5,000 shares. These funds were required to be fully paid-up before the end of the year or the Co-operative could not be formally registered. As a result, it had to operate under its original trading name, “Capricorn Automotive Suppliers” until 1975 when 21 members had managed to pay their \$5,000 to purchase the shares (Amery, 2004).

In 1977 the decision was made to lower the entry price for members from \$5,000 (approx. \$34,147 in 2024 dollars) to \$200 (approx. \$1,366.26 in 2024 dollars). The lack of adequate working capital placed the company under financial strain, which required personal guarantees by the Board in relation to bank loans. The Board’s inexperience was showing, and this included the decision to purchase the parts needed by the members, and non-core consumer products, holding them in expensive warehousing, before distributing them to members who would then take time to pay for this stock.. This impacted the cashflow of the Co-operative. Additionally, there was a challenge in securing preferred suppliers, who would view Capricorn’s “buying power” as being substantial if its membership was large. The business model had to be adjusted and was eventually addressed by lowering the membership entry fee, actively recruiting new members, and negotiating with preferred suppliers.

THE SECOND CRITICAL EVENT – DEVASTATING FIRE OF 1980 AND RISK OF LIQUIDATION

The second critical event took place in 1980 with the devastating fire that destroyed the building being leased by Capricorn as its head office and warehouse. The fire wiped out the merchandise and equipment held in the warehouse and office, as well as the majority of the company’s records. The cause of the fire remains unknown but has been attributed to an arson attack. Needless to say, the incident triggered a financial crisis and a collapse in confidence within the Board.

A consequence of the loss of merchandise and records was that the Co-operative could not quickly complete its transactions with members, which led to a severe cashflow problem. A Board vote

to liquidate the Co-operative was debated. However, the presence of Frank O'Connor, who had been the founding Chair, and at the time was serving as General Manager, turned the tide. He spoke with passion about his belief in the Co-operative's future, and of its importance to the members and the wider automotive services industry. The final vote for liquidation was defeated by only one vote, but that was sufficient to save Capricorn.

Frank O'Connor, who had been requested to serve as General Manager by the Chair Bob Bloffwitch following the resignation of Colin Wright, the inaugural Manager, secured Board endorsement of his ultimatum that to turnaround the company, the directors would need to support fully his recovery plan and recommendations. O'Connor went on to be General Manager from 1981 to 2000. His vision and leadership enable the Co-operative to recover and grow. He introduced new financial management practices, such as rewards for members who paid their accounts early, and was able to issue the first fully franked dividend in 1982. This significantly boosted the confidence that the members had in Capricorn and their loyalty, despite the fire, was instrumental in the survival of the Co-operative.

THE THIRD CRITICAL EVENT – INDUSTRY DEREGULATION AND MARKET SHIFTS

The third critical event was the deregulation of the Australian automotive industry that took place during the 1980s and 1990s. The manufacturing of automobiles had reached a peak in the 1970s, but due to high costs, and the need to maintain equally high tariffs to protect the local industry from foreign imports, the sustainability of the sector was in question.

During this period, which also involved the floating of the Australian dollar in 1983, the Australian Federal Government of Labor Prime Minister Robert "Bob" Hawke began a process of opening up the national economy to greater international market competition. This required the lowering and eventual removal of trade tariffs, which had been the foundation upon which the Australian car manufacturing industry had developed commencing during the First World War. Aware of the significant number of manufacturing jobs within the sector, the Hawke Labor Government was keen to retain the sector, but also to get it to become more globally competitive. The "Button Plan" that sought to address this issue led to a series of restructures within the sector.

Within the oil and gas sector there was a rationalisation of the key suppliers of fuels and lubricants. This led to the acquisition of Golden Fleece by Caltex, which led to the reduction in the number of service stations, and the increased pressure on small operators who comprised the bulk of Capricorn's membership at that time. Capricorn responded to this challenge by widening the eligibility of members beyond the service stations to include mechanical workshops, panel beaters, spray painters, and later auto-electricians and other automotive services. This, along with the Co-operative's expansion overseas into New Zealand and later South Africa enabled Capricorn to adapt to these changes in the automotive industry and its associated markets.

THE FOURTH CRITICAL EVENT – NATIONAL AND INTERNATIONAL EXPANSION CHALLENGES

During the late 1980s and into the 1990s Capricorn commenced its national and international expansion program. Its first entry was into NSW starting in Sydney. They found that NSW, in particular Sydney, posed a very different cultural, logistical and geographic challenge. This was not only the size and diversity of the membership network, but the need to concurrently build up

a preferred supplier network that could reliably and cost-effectively supply the parts and other goods to the members.

As Capricorn expanded into the other Australian states and territories, it had to learn to adapt and adjust its business model to satisfy differing markets. Local representatives able to deal with member and supplier needs promptly and often face-to-face were a feature of this. It required continuous adaptation and a persistent effort.

The international expansion into New Zealand and South Africa involved similar challenges, but also the need for Capricorn to navigate and adjust to the specific requirements of the regulatory environments, business cultures, and financial systems in those countries. New Zealand proved to be more culturally and legally aligned with Australia, with a strong understanding and embrace of co-operative enterprises. By contrast, South Africa, despite the willingness of the national automotive industry associations and a key suppliers' network to engage with Capricorn, demonstrated a high level of scepticism towards the Co-operative business model. Further, there was a tendency for members to take longer than desired to pay their accounts.

THE FIFTH CRITICAL EVENT – TECHNOLOGICAL TRANSFORMATION

A fifth critical event was the challenge facing Capricorn in the management of the transformation that the Co-operative was required to undertake to upgrade its digital and online systems and services. This took place through the late-1990s and across the decade of the 2000s. Computer and online systems were becoming essential to the efficient operation of any business. Given the international reach of Capricorn's membership and preferred supplier network across three countries, it was imperative that the Co-operative invested in the upgrading of its digital systems.

During this period Capricorn made the steady transition from paper-based to digital online operations. This included rolling out Capricorn's first website and building the CAPLink system. These developments required significant investment and change management, not only within the company itself, but in the education and connection of its members and the preferred suppliers. At that time many small and medium enterprises (SMEs), which were the bulk of Capricorn's membership, were still not fully engaged in the use of computers let alone the adoption of e-commerce as a core business strategy.

The digital transformation was successfully undertaken. However, the upgrading of the various back-office and online systems demanded new skills and resources. These included the appointment of new management staff such as Jo Parker, who brought to the company knowledge and expertise in the management of information and communications technologies (ICT). These upgrades eventually improved the efficiency of the Co-operative's high-volume transactions, while also linking members from across three countries into the Capricorn online member services portal. This not only facilitated transactions between the member and the supplier, but also provided both with information, knowledge and assistance.

THE SIXTH CRITICAL EVENT – CORPORATE RESTRUCTURING AND GOVERNANCE REFORM

Throughout the 2000s and 2010s Capricorn faced a sixth critical event relating to the need for corporate restructuring and the reform of the Co-operative's governance system. In 2006, Capricorn made the decision to move from the WA State co-operatives legislation to the federal *Corporations Act 2001 (Cth)*. This decision established Capricorn as a company limited by shares

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but also enabled it to operate as a co-operative under its own constitution. However, the change resulted in the loss of co-operative taxation status relating to rebates.

The new legal environment under which Capricorn was operating after 2006 enable the company to operate more freely across all Australian states and territories (which was not the case prior to the introduction of the *Co-operatives National Law 2012*). It also provided more flexibility in its management of financial services business subsidiaries, and its international member networks. However, it also highlighted the need for Capricorn to significantly upgrade its Board skills and overall governance systems. This saw the introduction of independent directors and formal succession planning, as well as the adoption of regional divisions from which directors could be elected. Eventually this led to the Co-operative's adoption the CME Governance Framework introduced by the BCCM in 2018 (BCCM, 2020).

THE SEVENTH CRITICAL EVENT – GLOBAL FINANCIAL CRISIS

The Global Financial Crisis (GFC) that impacted the world economy during 2008-2009, with lingering impact on many countries for many more years, also impacted the membership network of Capricorn. An impact of the GFC was a slowing down of business and the postponement by many people in the purchase of new motor vehicles, and the repair and maintenance of used vehicles.

This had a detrimental effect on the SME business owners that comprised the Capricorn membership. However, Capricorn's co-operative business model, which emphasised a conservative approach to risk management enable it to weather the GFC. Despite the economic downturn it was nevertheless possible for the Co-operative to declare fully franked dividends for its members, and for the membership network to continue growing.

THE EIGHTH CRITICAL EVENT – WITHDRAWAL FROM SOUTH AFRICA

The eighth critical event revolved around Capricorn's decision in 2014-2015 to withdraw from its operations in South Africa. Despite the hard work that the Co-operative had invested in that country, financial and cultural challenges continued to persist. Slow or irregular payment by members of their trade accounts were a particular problem, with the return on Capricorn's investment into the South African market not considered to be worthwhile.

Capricorn's Board did not find the decision to withdraw from South Africa an easy one. They were keen to exit the market in an orderly manner, providing much support as possible to their loyal members. Exiting the market took time and incurred costs, which included the buy-back of members' shares. However, in the longer-term it freed-up resources that Capricorn was able to better deploy in either Australia or New Zealand.

THE NINETH CRITICAL EVENT – COVID-19 PANDEMIC

The COVID-19 Pandemic that took place during 2020-2022 and lingered through until 2023 created significant disruption to global supply chains. This impacted the automotive services sector which found it difficult to obtain parts and associated goods. There were closures of workshops caused by supply chain problems, but also lockdowns that limited ease of movement, leading to many people putting off having vehicles serviced and repaired. Substantial economic uncertainty spread throughout the sector.

Capricorn responded with special financial distributions in the form of bonus dividends and rebates. It also accelerated its roll out of digital online platforms (e.g., CapHub, myCAP) that helped members remain in contact with suppliers, other members and the Co-operative. Overall, the structure and member-centric focus of the Co-operative business model that motivated and managed Capricorn's operations helped to maintain stability and provide much needed support to members during the subsequent pandemic.

THE TENTH CRITICAL EVENT – SKILLS SHORTAGES AND INDUSTRY TRANSFORMATION

The final critical event faced by Capricorn manifested in the first half of the 2020s with a chronic shortage of qualified technicians and skilled tradespersons in the Australian and New Zealand automotive aftermarket services sectors. Recruiting and retaining talent was not a new issue, but Capricorn moved to address it by establishing its Rising Stars program to recognise and encourage apprenticeships across the membership network. It also actively engaged in career expos aimed at promoting the benefits of becoming a skilled technician within the automotive industry.

In 2025 Capricorn made the strategic decision to acquire Recruitment Innovations Pty Ltd., which traded as Australian Skilled Migration (ASM). This decision emerged from the 2025 State of the Nation Report, which found that 48 per cent of automotive workshops were affected by a shortage of skilled employees, with 38 per cent struggling to find qualified workers from the domestic labour market. ASM provided an organisational asset that had the expertise to recruit and on board the supply of skilled overseas workers wanting to relocate to Australia. This corporate acquisition was designed to provide Capricorn's members with a streamlined pathway to partner in attracting skilled migrant labour (AP&P, 2025).

Concurrently, Capricorn launched its corporate strategy "Powering Forward – Capricorn 2030". This focused on addressing challenges such as the skills shortage, digital transformation, the integration of environmental and social development goals (ESG), and the empowerment of the membership network. Capricorn by 2025 was cognisant of the move away from fossil fuel driven internal combustion engines (ICE), with eco-conscious consumers favouring either Hybrid (e.g. BEV, PHEV), or fully electric EVs going into the 2030s. Maintaining the commercial viability and sustainability of their members businesses continues to be the primary driver of Capricorn's purpose as it plans need to adjust to a fast changing and very different future automobile landscape.

SYSTEMS LEVEL ANALYSIS – INPUT FACTORS

As explored in the narrative history of Capricorn, the foundation and continuation of the enterprise has been influenced by four input factors.

SOCIAL COOPERATION

The creation of CMEs requires the existence within the community that form them of a sense of common or shared goals and values, as well as a sense of community that will facilitate mutual trust and respect. Further, for successful creation of a CME, the community must possess at least three things: i) resources (e.g., time, capital, skills); ii) mobilisation (e.g., mutual needs, common goals); and iii) motivations (e.g., desire to cooperate and sustain collaborative effort) (Birchall & Simmons, 2004). Similarly, according to Preluca et al. (2022), social cooperation manifests in the

sharing of skills, advice, knowledge, ideas, and organisational best practices. This section will analyse Capricorn within those parameters.

According to Amery (2004), Capricorn's founders knew that their business needs could not be met at individual levels, that for these needs to be met they needed to pool their resources toward a common purpose. They chose the Co-operative model because they believed it was the most suitable for their likely member base of small business operators in the retail motor industry. Collectively, they were able to build purchasing power and bring competitively priced goods and services to members.

In terms of **resources** Capricorn required financial, managerial and physical resources to establish itself in the early years from 1974 to 1979. Of particular importance was the need for the founder members to purchase shares to create an initial pool of risk capital to enable the business to operate. However, the initial requirement for each member to subscribe and pay \$5,000 for 5,000 shares, was challenging. This led to the delay in registering Capricorn as a co-operative under WA co-operatives legislation. Later, in 1977, the entrance fee was lowered to \$200. Despite this, there was a need to provide members with incentive discounts for early payment to maintain cashflow. As Capricorn's membership grew, it was easier for the Co-operative to negotiate better pricing from preferred suppliers. Early partnerships with Lucas and Coventry Motors enabled Capricorn to secure buying discounts for its members.

There was also a need for strong and competent leadership. This took the form of Frank O'Connor, who served as the inaugural Chair, and then General Manager from 1981 to 2000. His passion for the Co-operative and its purpose in supporting the small businesses that made up the automotive services industry provided clear strategic direction, and operational oversight during the early and formative years. He was also supported by the Board, led by capable Chairs such as Bob Blofwitch (1977-1994), Ken Crew (1994-1995), and Wayne Negus (1995-2003). Operating under the rules and principles of the Co-operative legislation, Capricorn dedicated itself to the benefit of its members, as owners, and applied a consensus-building approach consistent with the democratic principles of co-operatives.

Other resources needed by the Co-operative were access to physical premises that could be used to accommodate both its office and warehousing activities, and later its subsidiaries in areas like travel agencies. The first of these was the building in Stirling Street, Perth WA. Nevertheless, the Co-operative's success depended heavily on the membership. Their trust and belief in the value that the Co-operative could provide, their willingness to cooperate to build the business, and their willingness to invest substantial sums through the purchase of shares, were all crucial to Capricorn's success. The founder member directors were actively involved in developing their Co-operative business knowledge and acumen to improve their bargaining power when negotiating with suppliers of both goods and services.

The **mobilisation** process that Capricorn undertook focused on addressing the economic needs of the independent, small business owner-operators within the automotive aftermarket services industry. It also built trust and leveraged personal relationships to recruit new members. During the late 1970s and early 1980s Capricorn's founding members pooled their purchasing power and secured trade discounts from suppliers, who were rewarded with "preferred supplier" status. This served to mobilise more new members to join. The social capital that already existed within

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the founding membership (a legacy of the Golden Fleece service station owners' network) helped to foster mutual trust and camaraderie. This enabled established members to approach and recruit new members via word-of-mouth.

As the size of the membership grew, suppliers were encouraged to provide better discounts, and this, in turn, facilitated more interest from new members. The tangible benefits of lower prices and enhanced access to parts and other goods, provided clear incentives to join Capricorn. The nature of the Co-operative as a member-owned and democratically governed enterprise was also attractive to many. As noted by Amery (2004),

“Even in the first early years, Capricorn was able to demonstrate to the initial service station participants that even in small numbers their buying power could be greatly enhanced if they purchased as a group” (Amery, 2004, p. 12).

The **motivations** for the Co-operative's foundation was to level the competitive playing field and maximise the efficiency and profitability of individual members' business operations (Amery, 2004). However, Capricorn's membership recruitment focused on five key areas. The first was the promotion of membership as a way to create clear economic benefit. Capricorn demonstrated that by joining, members could access better prices and discounts on automotive parts and supplies, directly improving their business profitability. Early members shared invoices to prove the real savings achieved through collective buying.

A second area of focus was on the development of trust and social capital building. The engagement of the Co-operative in regular industry gatherings fostered trust and camaraderie. As members experienced tangible benefits, word-of-mouth and personal recommendations became powerful motivators for others to join. This worked closely with a third focal point relating to personal commitment. During challenging periods, each member was encouraged to recruit at least one new member, turning recruitment into a shared responsibility and leveraging personal networks. As the following statement attests,

“The logic was simple – even though they may have been competitors to each other, by working together and co-operatively they could all achieve a better buying deal than they could as individual businesses” (Capricorn, 2010, p. ii).

The fourth point of focus was the lowering of barriers to entry. As discussed above Capricorn reduced the initial membership fee from \$5,000 to \$200, making it easier for more businesses to participate and benefit from the Co-operative model. Finally, there was the attraction of Capricorn as an inclusive and democratic organisation. The presence of the principle of a one-member-one-vote voting system and a focus on member-driven governance made the Co-operative attractive to independent business owners seeking a voice in their industry.

As former Chair, Colin Heavyside explained,

“No, it's true; this is what drives all cooperatives I believe, is need. So, a cooperative cannot exist without need first so the village must be hungry enough to decide one day that it is actually better for them to cooperate to secure food than it is to hunt signally. So, this is very basic. Cooperatives in my view are driven by very basic human instinct and need. Perversely, when cooperative becomes highly successful and the participants begin to be well fed the need diminishes. So over time you see that cooperatives unless they try and understand and

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meet ongoing need and that need may change and that's quite legitimate, then they will actually grow to be irrelevant and that's when they die" (C. Heavyside, 2012).

ROLE OF GOVERNMENT AND REGULATORY FRAMEWORK

Governments play a crucial role in shaping the fate of CMEs. This can take the form of setting legal and regulatory frameworks that enable these enterprises to form, and operate with protections for their members, and benefits such as tax concessions and protected trading environments. However, they can also negatively impact CMEs by introducing market deregulation leading to increased market competition.

The company was initially registered under the *Co-operative and Provident Societies Act 1903* (WA) in 1975, which provided Capricorn with a legal foundation and structure for its business model as a co-operative. However, the introduction of the *Trade Practices Act 1974* (Cth) that was designed to promote competition and fair trading was embraced by Capricorn as there was an expectation that the Act would offer protection for the small businesses that comprised the membership of the Co-operative in same manner to that of the same legislation in the United States. Unfortunately, the TPA Act did not provide the same level of protection.

During the 1980s and 1990s deregulation policies became a feature of Federal Government action in the expectation that this would improve the competitiveness of the Australian economy. The "Button Plan" led to major changes in the automotive industry, and restructures within the oil and gas sector resulted in fewer, but larger suppliers of petroleum and lubricants shrinking the number of service stations and forcing Capricorn to widen its membership base to include the independent workshops in mechanical, panel and paint, and auto-electric services.

In 2006, Capricorn moved away from the WA State co-operatives legislation and registered as a company limited by shares under the *Corporations Act 2001* (Cth). This led to the loss of special taxation benefits available as a co-operative but facilitated the national and international growth of the company across Australia, New Zealand and South Africa. It also enhanced the governance systems and processes within the Co-operative.

Government regulatory collaboration and advocacy were also features of Capricorn's history. For example, Capricorn collaborated with government agencies and industry associations (e.g. Motor Trade Associations, Business Council of Co-operatives and Mutuals) to advocate for favourable policies, access to technical data, and support for the Co-operative sector. The company also adopted best-practice governance frameworks, including the Co-operative and Mutual Enterprise (CME) Governance Principles, and regularly reported on compliance, risk management, and sustainability in line with evolving regulatory expectations.

There was also some benefit from government support and its investment in infrastructure. For example, while Capricorn's growth was primarily member-driven, government regulation influenced infrastructure needs (e.g., compliance with financial services licensing, digital record-keeping, and reporting standards). Capricorn also responded to government initiatives and regulatory changes affecting skills shortages, apprenticeships, and industry standards, often collaborating with public programs to address workforce needs. Government legislation and regulation shaped Capricorn Society Ltd.'s legal structure, competitive environment, and governance from 1974 to 2025. The company adapted to changing laws, collaborated with

industry and government bodies, and invested in infrastructure and compliance to support its growth and resilience as a leading Co-operative.

According to Greg Wall, CEO of Capricorn from 2011 to 2019,

“In terms of the Government I think there are a number of things happening on the Government front that are affecting us right now. [...] this almost right to service where the cars are getting more technically complex; the manufacturers are keeping the knowledge around how you service those cars in house and therefore the independent repairers are actually blocked out of being able to look after those cars, particularly even when they come out of warranty. [That’s the electronics on them?] That’s right. That’s a big push and it has happened in most other countries where the Government has legislated that the technology has to be provided to the market; it hasn’t yet happened in Australia. [So], for example the operating manual of how to fix these cars stays with the dealer principals and five years on when the car’s out of warranty and you want to take it to your local bloke, you won’t be able to unless this is actually opened up. [...] The MTAs are doing it now; these are called the AAAA, the Australian Automobile Aftermarket Association” (G. Wall, 2012).

INDUSTRY STRUCTURE

Industry structure is influenced by five competitive forces that shape business strategy (Porter, 2008). These forces include the level of competitive rivalry in a market, the power of buyers and suppliers, and the threats posed by substitutes and new market entrants. CMEs can use collective efforts to challenge market distortions caused by monopolies, increasing bargaining power for buyers or suppliers. This model allows small producers or individual households to pool resources, compete with monopolists, or offer substitute services.

The competitive rivalry within the Australian automotive industry reached a peak during 1970s with the competition between the “Big Three” firms (e.g. GMH, Ford, Chrysler), British Leyland, several European brands, and the Japanese. However, deregulation and the “Button Plan” in the 1980s–1990s led to consolidation among manufacturers and service stations, intensifying competition. The rise of supermarket chains in fuel retailing (e.g. Coles, Woolworths) further increased rivalry, squeezing margins for independents.

Within New Zealand competitive rivalry was less of an issue due to the cessation of even local vehicle assembly in 1998 led to increased imports of motor vehicles, which heightened the level of competition among automotive workshops and parts suppliers. South Africa continued to manufacture motor vehicles but created a dual market structure consisting of OEM manufacturers and local independent workshops. Over time, increasing imports of motor vehicles raised the level of competitive rivalry particularly for independent automotive workshops.

Capricorn adapted to these challenges by widening the scope of its membership, adding to the original service station operators, the independent mechanical repair and servicing workshops, panel and paint workshops, and auto-electricians. This diversification enabled the Co-operative to remain competitive.

Buyer bargaining power in Australia and New Zealand for the small, independent automotive workshops was low, and this became worse as the number of such firms increased as customers, facing rising inflation became more price-sensitive and focused on better pricing and service. In

South Africa economic pressures and a greater use by customers in payment in cash, led to rising customer price sensitivity, which also squeezed workshop profit margins.

Capricorn's group buying and use of preferred suppliers provided members with lower costs for their parts and related materials, which in-turn, enabled the members to offer competitive prices to customers while still maintaining acceptable profit margins.

In relation to supplier bargaining power, the consolidation in the Australian automotive industry, particularly among parts suppliers (e.g., Repco, Burson), and the oil companies, increased the power of suppliers. In both New Zealand and South Africa, limited local manufacturing, and the heavy reliance on imported vehicles gave suppliers enhanced leverage and therefore stronger market power. However, Capricorn's Co-operative business model created a countervailing power a supplier's market power, opening the way for buyers to negotiate better prices and trading terms. Additionally, Capricorn's preferred supplier network helped to reduce supplier power and generate mutual value creation for suppliers and the Co-operative's members as counterparty buyers.

The threat of new entrants was created by the lowering of tariffs and the deregulation of the automotive industry. Deregulation lowered barriers to entry for new workshops and parts retailers, but high capital requirements and the need for supplier relationships limited large-scale new entrants. Capricorn's established network, member benefits, and technology investments (e.g., digital platforms) helped defend against new entrants by increasing member loyalty and operational efficiency.

The threat of substitutes emerged with the introduction of EVs and Hybrids (BEV, PHEV). In Australia and New Zealand, the shift to EVs, Hybrids, and digital diagnostics created new service needs and potential substitutes for traditional repair shops. In South Africa, economic constraints led some customers to delay repairs or seek informal alternatives. Capricorn responded by investing in member training, digital tools, and expanding service offerings to help members adapt to changing technology and customer preferences.

Capricorn Society Ltd. navigated major industry changes—deregulation, consolidation, technological shifts, and evolving buyer/supplier dynamics—by expanding its member base, building strong supplier networks, leveraging collective negotiations, and investing in technology and training. This strategic adaptation helped its members remain competitive in increasingly challenging and relatively quick changing markets.

In 2012, Capricorn Chair Colin Heavyside, identified the challenges facing the automotive industry and the Co-operative's members in relation to structural changes in the industry,

"The industry will be different I think in terms of the technological changes which are coming. The only certain thing is change we know that but the only other certain thing we know is that the rate of the change is increasing. So, the changes in our industry will come faster than they ever have before. We don't want to become in a cooperative sense, the blacksmiths of the 21st century. We want to avoid that so again we need to examine need; we need to remain relevant as we grow and diversify our member value proposition" (C. Heavyside, 2012).

During 2012, Capricorn CEO Greg Wall also made observations on the changes that were either taking place or would take place within the automotive industry over the future years. In his assessment, he highlighted the anticipated departure of the OEM manufacturers, and the consolidation, via merger and acquisition, of the automotive parts suppliers,

“There is a lot of change within the automotive industry right now. [...] You have got manufacturers disappearing out of Australia; you’ve got bigger franchising groups trying to push as many of these independent repairers out of the market as possible. The other big move at present is all the suppliers, you have now got Repco being bought out by Americans, the biggest Ford motor part company in the world; Coventry has been bought out by AHG; they have got AMCAP so that’s a complementary thing; Bursons is the next biggest to Repco is currently owned by Private Equity; you have got SuperCheap Autos who has just been bought by Metcash. So, there is heavy rationalisation of the supply chain side of the equation, so talking about fortified forces, it is reducing” (G. Wall, 2012).

NATURAL ENVIRONMENT

The environment can play an integral role in influencing a CME’s strategic decision-making process. Geography significantly influences human activity and shapes business behaviour and industry operations (Banerjee, Iyer & Kashyap, 2003). Additionally, the environment can create high uncertainty for co-operatives, due to climate change, pollution, biodiversity loss, or the collapse of ecosystems (Mazzarol et al., 2014). These impact manager and board member decision-making, depending on how they interpret the level of threat these may pose. Indeed, there are at least three types of ecologically induced uncertainties, including uncertainty over future industry and market conditions; the inability to predict the impact of environmental change on the organisation; and the lack of knowledge about impact and the suitability of response options (Mazzarol et al., 2014).

Capricorn Society Ltd. originated in WA, a region characterised by vast distances, remote communities, and a dispersed population. This geography influenced the Co-operative’s early focus on building strong networks among independent service station operators and later, automotive workshops. The need to connect members across large and sometimes isolated areas shaped Capricorn’s emphasis on centralised purchasing, logistics, and the development of digital platforms to bridge geographic gaps as the Co-operative expanded nationally and internationally.

The company’s history was directly affected by extreme events. Notably, a devastating fire in 1980 destroyed Capricorn’s headquarters and warehouse, wiping out merchandise, equipment, and records. While the fire was attributed to arson, the event highlighted the vulnerability of physical assets to environmental hazards. The devastating earthquake that impacted Christchurch in New Zealand in 2011 affected the businesses of many of Capricorn’s members in that city. In the aftermath of the earthquake, Capricorn Mutual Ltd. (CML) played a critical role in supporting the recovery of the local automotive aftermarket industry. As a member-owned discretionary mutual, its response was tailored to the specific needs of its members, primarily mechanical and collision repair workshops (Capricorn, 2025a).

Additionally, the Co-operative and its members have faced challenges from bushfires (such as the 2019–2020 Australian bushfire crisis), which impacted members’ businesses and prompted Capricorn to coordinate relief and support efforts. Weather-related disruptions, such as supply

chain delays due to storms or floods, have also periodically affected operations and member businesses. Further, in the aftermath of the serious flooding across southeastern Queensland during February 2022 CML was actively engaged in assisting Capricorn members whose businesses were impacted by the floods.

This took the form of paying out around \$35 million to more than 200 members across southeast Queensland and northeast NSW. Capricorn Mutual managed claims for critical industry-specific risks, including damage to business buildings, specialized equipment, and customer vehicles under a member's "care, custody, or control" (Capricorn, 2022c).

In relation to diseases and public health, the COVID-19 pandemic (2020–2022) had a profound impact on Capricorn and its members. Lockdowns, staff absenteeism due to illness, and public health restrictions led to workshop closures, supply chain disruptions, and changes in consumer behaviour (e.g., delayed vehicle servicing). Capricorn responded with special financial distributions, digital service enhancements, and advocacy for industry resilience. The pandemic underscored the importance of adaptability and digital transformation for business continuity.

The impact of landscape and pollution on Capricorn can be understood with respect to the way in which the Co-operative has addressed environmental sustainability. The co-operative's members, primarily in the automotive service and repair sector, have operated in an environment increasingly shaped by environmental regulations and sustainability concerns. Issues such as the disposal of waste oil, batteries, and packaging, as well as the adoption of recycling and solar energy at Capricorn's facilities, reflect a growing focus on environmental stewardship. Capricorn's sustainability reports from 2020 onward detail efforts to reduce environmental impact, manage waste, and promote responsible practices among members and suppliers.

Over five decades, Capricorn Society Ltd. has demonstrated resilience and adaptability in the face of environmental challenges. Geography and topography influenced its networked, member-centric model; climate and weather events tested its crisis response; public health crises accelerated digital transformation; and landscape/pollution issues drove sustainability initiatives. These factors collectively shaped Capricorn's strategic direction, operational priorities, and commitment to supporting its members through environmental uncertainty.

ENTERPRISE LEVEL ANALYSIS – ASSESSING THE BUSINESS MODEL

The main elements of the enterprise level analysis are the purpose and member value proposition (MVP), governance, share structure, profit formula, key processes, and key resources, all of which are integral to the function of the business (Mazzarol et al., 2018).

PURPOSE

The purpose refers to the strategic reason for a co-operative to exist and the value which it offers to ensure membership (Mazzarol et al., 2014). A CME is usually created for a purpose relating to the addressing both economic and social problems which its members share which can be best addressed through mutual ownership and collective action (Puusa et al., 2016; Mazzarol, 2024). The purpose is designed to encourage shared values and identity, as economic interest in of itself is not enough to generate this shared identity (Ghuri et al., 2021; Mazzarol, 2024). Such an

identity resonates with all current and future members, and guides CMEs to protect them from degeneration or demutualisation (Mazzarol, 2024).

Capricorn Society Ltd.'s purpose statement is part of its overall strategic intent statement, which includes the Co-operative's vision statement and statement of values. These are summarised the textbox, where it can be seen that they form a comprehensive statement.

Capricorn Society Ltd.'s Vision, Purpose and Values

Our Vision: One Capricorn empowering our community to thrive.

Our Purpose: To improve the lives of Members by supporting them in building stronger businesses.

Our Values: Our Values support our Vision, Purpose, and Culture. They are the qualities that help us make a difference and make the Capricorn Community a better place. Our Values serve as a foundation for how we ACCT – Accountability. Courage. Collaboration. Trust.

Source: Capricorn (2025e,p. 8).

The founding of Capricorn in 1974 was motivated by the desire amongst the Golden Fleece service station operators in WA to collaborate with each other to address their relative lack of bargaining power when dealing with suppliers. Over time, Capricorn's purpose was clarified, refined and formalised as the organisation grew. The core purpose became supporting members (small and medium automotive businesses) to build stronger, more sustainable businesses through collective purchasing, business services, and advocacy. This purpose was consistently communicated in annual reports and strategic documents, especially as the Co-operative expanded nationally and internationally.

By the 2020s, Capricorn's purpose was explicitly stated as,

“As a trusted Member-owned organisation, our focus is to improve the lives of our Members by supporting them in building stronger businesses resulting in the sustainable future of the automotive industry” (Capricorn, 2020, p. 4).

This statement was central to the “Stronger with Capricorn” brand campaign and was reinforced in all major communications. As can be seen from the textbox, the purpose statement has changed over time and become more concise.

The purpose has guided Capricorn's strategic decisions, including expansion, diversification of services (finance, insurance, technology), and investment in digital transformation. All major initiatives are evaluated against their alignment with the member-focused purpose. The purpose underpins the Co-operative's commitment to delivering value to members through rebates, dividends, rewards, and business support. It also drives Capricorn's advocacy efforts on industry issues such as skills shortages, sustainability, and fair access to technical data.

The statement of purpose is embedded in Capricorn’s governance framework, ensuring that directors and executives prioritize member interests and Co-operative principles in decision-making. It also shapes the organization’s culture, emphasizing mutual benefit, democratic participation, and community. Capricorn’s purpose is consistently communicated to members, staff, and stakeholders through annual reports, marketing campaigns, and digital platforms. It serves as a unifying message that reinforces the Co-operative’s identity and long-term vision.

MEMBER VALUE PROPOSITION

To develop an effective MVP, a Co-operative must assess how its members perceive its value and how this value is generated within the organisation, considering both economic and social benefits. When the goals of the Co-operative and its members are aligned, it operates more efficiently than an investor-owned firm (Candemir et al., 2021). Importantly, the MVP needs to be unique and not readily available elsewhere (Ghauri et al., 2024).

When considering a co-operative’s MVP, Mazzarol (2024) raises the questions,

- *“How does the business help the members? Do all members have the same needs?”*
- *“What roles do the members have as patrons, investors, owners, and members of the community of purpose?” (p. 9).*

This kind of analysis is necessary because the principle of voluntary and open membership means people are not compelled to become members, thus they need to see the value in their membership (Mazzarol, 2024). An MVP can ensure active member participation, which is an important aspect of a co-operative’s success (Ghauri et al., 2024). An active member participates through patronage, involvement in governance, and engaging in roles as patron, investor, owner, and community member (Ghauri et al., 2024). These are considered the four “hats” members wear when engaging with the Co-operative (Mamouni Limnios et al., 2018).

Capricorn Society Ltd.’s MVP centres on delivering tangible and intangible value to its members, primarily small and medium automotive businesses, through collective purchasing power, financial returns, business support, and a strong Co-operative community. There are at least four key elements that form the foundation of Capricorn’s MVP:

- **Financial Benefits:** Members receive value through trade rebates, dividends, and Capricorn Rewards Points, which can be used to pay bills, purchase goods, or reinvest in shares.
- **Business Support:** Access to preferred supplier networks, credit facilities, digital platforms (like myCAP and CapHub), and tailored financial and risk services.
- **Community and Networking:** Regular conventions, events, and programs (such as Rising Stars) foster professional development, recognition, and social capital.
- **Advocacy and Representation:** Capricorn advocates for members on industry issues, skills shortages, and regulatory matters.

In relation to financial returns and rewards, during 2024–2025, Capricorn delivered record value to members, with the Member Value Return (MVR) program distributing approximately \$100

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million in dividends, rebates, and rewards points. The MVR ratio (value returned as a percentage of member investment) remained strong, reflecting the Co-operative's commitment to sharing profits directly with members.

During the foundation and growth years of the Co-operative from 1974 to the 1990s the MVP began with a focus on pooling resources to increase buying power and reduce costs for independent service station operators. The early years saw the introduction of trade rebates, member dividends, and the establishment of preferred supplier networks. Over time the Co-operative expanded its services to include travel, finance, and risk management, and widened membership to include mechanical workshops, panel beaters, and auto-electricians.

In the expansion and modernisation period of Capricorn's history, during the 2000s and 2010s, the company expanded nationally and internationally in New Zealand and South Africa, further strengthening its buying power and supplier relationships. The introduction of digital platforms (e.g., CAPLink, myCAP) and loyalty programs (Capricorn Rewards) enhanced member engagement and operational efficiency. Regular conventions, networking events, and the Rising Stars apprentice program-built community and supported workforce development. The co-operative invested in governance reforms, member-focused strategic planning, and the adoption of best-practice Co-operative principles.

More recently, from 2020 to 2025, Capricorn has focused on innovation, resilience and a strategy that is member-centric in its focus. Capricorn's MVP was reinforced during the COVID-19 pandemic through special financial distributions, digital service enhancements, and advocacy for members. The Member Value Return (MVR) program distributed record value (approx. ~\$100 million in 2025) through dividends, rebates, and rewards points. Digital transformation (e.g. myCAP, CapHub), new finance products, and enhanced business support tools empowered members to manage and grow their businesses. The Rising Stars program and acquisition of Australian Skilled Migration (ASM) addressed skills shortages and workforce needs. Additionally, there was ongoing advocacy, sustainability initiatives, and a strong focus on co-operative governance and member engagement ensured the MVP remained relevant and impactful.

From 1974 to 2025, Capricorn Society Ltd. has consistently demonstrated its MVP by providing economic benefits, business support, community, advocacy, and democratic ownership—adapting and expanding these offerings to meet the evolving needs of its members and the automotive industry. According to Chair Mark Cooper, writing in the Annual Report of 2020,

"In calculating the value of our returns to Members, Capricorn considers both monetary and non-monetary benefits. We call it 'Member Value Return', or MVR. In 2020 we returned \$50.3 million in value to Members, which equates to an MVR of 23%. That means for every dollar invested in Capricorn, you receive a 23% return" (Capricorn, 2020, p. 7).

Colin Heavyside, speaking as Chair of Capricorn in 2012, summarised the MVP as follows,

"... therein lies the challenge that to maintain that communication about what you are doing, why you are doing it and to maintain the value proposition is just so critically important. What will determine that – come back to my village analogy – it is how hungry are they. How hungry is the village. Now if the truth is that after some time and the market changes and so



forth that that hunger disappears, there are other needs and that cooperative can't provide those then ultimately it will..." (C. Heavyside, 2012).

David Fraser, speaking in 2012 as CEO Automotive, the MVP was – in his opinion – a largely transactional and economic issue, whereby members enhanced their business efficiency by being members of the Co-operative,

"... when a member joins Capricorn that provides them with instant credit to any one of our 2,000 odd, preferred suppliers. Now that means that for parts that they need to repair vehicles that they don't frequent see in their workshop they would not normally have an account with some suppliers so that would either have to pay COD or open an account and those sorts of things. [...] We make it quite simple because we will provide them with a channel directly to that supplier with credit. So that's one part of the value proposition. We facilitate the financial transaction that occurs between the supplier and the member and in some ways the best way to try and describe how we fit into the supply chains is we are a bit like the BPay of the industry. But that also means that it is not uncommon for a typical member to deal with somewhere between 20 and 30 suppliers in a month. Some of those they would be dealing with on a day-to-day basis (quite frequently) and there would be others we might only deal with once or twice a month and there will be others intermittently" (D. Fraser, 2012).

Greg Wall, speaking in 2012 as Group CEO made similar comments to those of David Fraser, stating,

"The irony of ours is we have shares at a dollar; we pay a very good dividend and about 80 percent of our members reinvest that back into shares; very few take the cash. We also have these reward points which is basically the one percent; we call them reward points not a trading rebate. And they can use reward points in a number of different ways: pay their bill, so every month you can say here's my bill I'll use my reward points to pay part of my bill. Most of our members accumulate their reward points and then after they get to a reasonable chunk of money quite often, they convert those to share. Quite often they leave it there because they see it as a forced saving. I've got \$20 million of reward points in my balance sheet" (G. Wall, 2012).

Patronage Role

Members of Capricorn have consistently demonstrated their patron role by actively using the Co-operative's purchasing, credit, and business support services. They pool their buying power to access better prices and terms from preferred suppliers, participate in loyalty and rewards programs, and utilize Capricorn's digital platforms and financial products to support their businesses. Their ongoing engagement with these services is a core driver of the Co-operative's growth and sustainability.

Investor Role

Capricorn's members showed their investor role by purchasing and holding shares, reinvesting dividends and rewards points into additional shares, and supporting capital-raising initiatives. The willingness to invest significant sums—especially in the early years—and to reinvest returns demonstrates a clear understanding of the long-term benefits of collective ownership and profit-sharing.

Ownership Role

As owners, members exercise democratic control through the one-member-one-vote system, participate in annual general meetings, elect directors to the board, and engage in governance reforms. Many members have served as directors or on committees, contributing to strategic decisions, succession planning, and the adoption of best-practice governance frameworks. This active participation ensures that the Co-operative remains accountable and aligned with member interests.

Community of Purpose Role

Capricorn's members have built and sustained a strong sense of community by participating in conventions, networking events, and social programs (such as the Rising Stars apprentice program). They share knowledge, mentor apprentices, support each other during crises (e.g., bushfires, COVID-19), and contribute to advocacy efforts on industry issues. This collective spirit is reinforced by regular engagement in surveys, feedback mechanisms, and community initiatives, reflecting a shared commitment to mutual benefit and industry advancement.

Capricorn Society Ltd.'s members have demonstrated their understanding of these four roles through active service use, investment and reinvestment, democratic governance, and strong community engagement, ensuring the Co-operative's resilience and relevance for over five decades.

GOVERNANCE

The governance of any CME focuses on the composition, quality, and character of the directors of the Board. The composition of the Co-operative's board informs the effectiveness of its operations. In addition, whether the management team has been sourced from within or outside the Co-operative can affect the operations of the Co-operative.

Mazzarol et al. (2014) argues the management and board should comprise experts in business, finance, legal issues, and marketing, while also having strong knowledge of the unique character and operations of co-operatives, the spirit of cooperation, and develop a "collective competence" (p. 40). Indeed, this reflects Candemir et al. (2021) which argues governance informs the difference between investor-owned firms and co-operatives, an IOF involves private ownership by investor shareholders who supply capital but remain largely absent from daily management of the business (Preluca et al., 2022).

Over the five-decade history of Capricorn Society Ltd., the Co-operative has consistently developed and strengthened its corporate governance. In relation to the Board's composition and its sustainability, Capricorn's Board began with member-directors representing the geographic regions and business segments of the Co-operative. Over time, the board structure was formalised to ensure representation from all major geographic zones (e.g. WA, NSW/ACT, QLD, SA/NT, VIC/TAS, New Zealand). A formal succession plan was introduced, including the Vice Chair role to ensure smooth leadership transitions. This enabled planned handovers and continuity in governance.

To enhance board expertise and sustainability, Capricorn introduced independent (non-member) directors with specialist skills in finance, governance, and risk management. This broadened the board's capabilities and supported best-practice governance. More recently, all directors were

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required to complete and pass the Australian Institute of Company Directors (AICD) course, and new directors received mentoring and induction training to ensure effective governance.

Supporting the Board has been the Executive Leadership team which has played a critical role since the earliest years of the Co-operative. This has its foundations in the role model provided by Frank O'Connor, who served as General Manager from 1981 to 2000. He was fundamental in helping Capricorn recover from the horrific fire of 1980 that almost led to the liquidation of the Co-operative and laid the groundwork for the growth and diversification of the company in the twenty-first century.

The hallmarks of the Executive Leadership team have been its professionalism, capacity for restructuring, and development of the Co-operative's leadership talent. For example, the executive team evolved from founder-led management to a professional structure with a Group CEO and specialised executives for finance, risk, technology, and operations. Periodic restructures were also undertaken to streamline decision-making, integrate new subsidiaries (e.g., financial services, insurance), and align management with strategic priorities. The executive team has included both internal promotions and external appointments, ensuring a blend of Co-operative experience and industry expertise.

In addition to the Board and Executive the governance of Capricorn has rested on the role played by the membership. Member participation in general meetings and key strategic decisions has been critical to the Co-operative's democratic governance. Capricorn has maintained a one-member-one-vote system, with members actively participating in annual general meetings (AGMs) and extraordinary general meetings (EGMs). Members elect directors, vote on major decisions (such as changes to legal structure or constitution), and are consulted on strategic direction. Participation has been encouraged through combining meetings with networking events and trade nights to boost attendance.

Finally, there is the continuous development of the Co-operative's addressing of its regulatory compliance commitments. These focused on four major areas, the legal structure, the governance framework, best practice principles, and regulatory reporting. In relation to legal structure Capricorn was initially registered under the *WA Co-operative and Provident Societies Act 1903*, then transitioned to a company limited by shares under the *Corporations Act 2001 (Cth)* in 2006 to facilitate national and international operations and compliance with financial services regulation.

With respect to the Co-operative's governance framework, the Co-operative adopted a formal governance framework, including board charters, codes of conduct, and the establishment of board committees (e.g., Audit & Risk, Remuneration & Nominations, Digital & Innovation). Capricorn also adopted the CME Governance Principles developed by the BCCM, emphasising transparency, risk management, ethical conduct, and member value creation. The regulatory reporting requirements have also been a feature of Capricorn's governance process. The company complies with ASIC, financial services licensing, and international accounting standards, and regularly reviews its compliance and risk management systems.

Speaking in 2012, David Fraser, who was the CEO Automotive at that time, explained the way in which Capricorn addressed the regulatory compliance requirements that it faced as a company

limited by shares registered under the *Corporations Act 2001* (Cth), and overseen by the Australian Securities and Investment Commission (ASIC),

“I guess the down side of going the path we have chosen to go is that because for all intents and purposes we act like a public company and therefore we are regulated by ASIC and we comply with all their regulatory requirements, it means that it is an additional cost and it also creates I guess complexities from a member’s perspective in a sense that we are compelled to having to send them information as a shareholder when really they are an owner and it is not like our shares are trading as they would be on an exchange and therefore that creates some frustration for the member because they were very used to almost never seeing a piece of paper from Capricorn. Well, we certainly sent a lot of information to them from a marketing perspective and promotional perspective and other things that we are doing for them, but from a corporate perspective it was very limited because there wasn’t a need to do anything. And suddenly they are receiving these big annual reports. We have to produce a prospectus now for anyone who wants to join. We have to be compliant of anti-hawking laws when it comes to how we encourage the person we are speaking to actually ask us about shares because we are not allowed to talk about it. It is just a very complex matter. So that was probably one of the challenges that we have faced in that period [transition from co-op to corporate in 2006]” (D. Fraser, 2012).

PROFIT FORMULA

The profit formula indicates if the CME is profit-oriented, non-profit, or distributing, and how it sets prices and issues member rebates. Notably, although co-operatives face the same pressures of an investor-owned business, its main goal is not to maximise profits, rather, it is seeking to maximise benefits to its membership (Mazzarol et al., 2014).

Capricorn Society Ltd. distributes financial value through a combination of dividends, rebates, reward points, bonus shares, community contributions, and reinvestment of profits, ensuring members benefit directly and indirectly from the Co-operative’s success. The common forms of financial distribution to members have been dividends, trading rebates, rewards points, bonus shares, and contributions to the wider community. In relation to dividends, Capricorn has consistently paid dividends to its members, typically at a standard rate (e.g., 7 cents per share), with occasional special dividends (such as during the COVID-19 pandemic in 2020). Dividends are paid directly to members as shareholders, reflecting the Co-operative’s profit-sharing ethos.

Trade volume rebates are a core financial benefit, distributed based on members’ annual trade account purchases. These rebates are often paid as bonus rewards points or direct credits, incentivizing active participation and loyalty. By contrast, the Capricorn Rewards program allows members to earn points (typically 1.5 points per \$1 spent) on eligible purchases. Points can be redeemed for goods, services, or to pay off monthly Capricorn statements, providing flexible and tangible value. Capricorn’s members also have the option to reinvest dividends and reward points into additional shares, increasing their ownership stake and future dividend entitlements. Bonus shares are also occasionally issued as part of special member reward initiatives.

Capricorn supports the broader community through initiatives such as the Capricorn Cares program (supporting farmers and health causes), the Rising Stars apprentice program (recognizing and rewarding young talent), and donations during crises (e.g., bushfires, floods). These efforts reflect the Co-operative’s commitment to social responsibility and industry



development. Profits not distributed as dividends or rebates are reinvested into the Co-operative to fund digital transformation, member services, business support tools, and strategic growth (e.g., acquisitions like Australian Skilled Migration). This reinvestment ensures long-term sustainability and continued value creation for members.

Over its history Capricorn evolved from a business model that purchased, warehoused and then on-sold the automotive parts and associated products that its members needed. However, as time passed, it became an intermediary aggregating and managing transactions between the members and preferred suppliers. This included a substantial movement into other services, initially travel agency, and car hire, but ultimately financial services. These included the risk management services of Capricorn Mutual Ltd., and Capricorn Risk Services Pty Ltd., and Capricorn Financial Services Pty Ltd.

This movement towards becoming strongly involved in financial services changed the nature of the Co-operative's underlying business model, and the appointment of Greg Wall as Group CEO in 2011 was in part associated with this past experience of executive management of large financial services mutual enterprises (e.g., Home Building Society and State West Credit Society). This was acknowledged by Colin Heavyside, during an interview in 2012 while he was Chair of Capricorn,

"I think that's because we don't hold inventory because we don't manufacture, because we don't have the usual cost bases in our business model, we are effectively a financial institution that's what we are; we are a provider of credit; we are a manager of money that's actually what we do. We don't buy and sell water pumps and spark plugs and all that sort of stuff. That's essentially what we do so we are a transaction aggregator and out of that we click the ticket just like MasterCard or Visa we provide credit and we manage relationships between the credit provider and their customer ultimately. So, growth for us is not built on our capital it is built on transactions and there is a constant cash flow of settlement discount so if you look at our business model it is pretty robust; it takes a lot to break it even with growth. And the other part is that the growth that we are going through currently and will continue to go through for probably five, six, seven years yet is basically an untapped market opportunity. If I give you an example, roughly 50 to 60 percent penetration of membership in WA, so of all the available workshops out there about 60 percent are members. In New South Wales it is less than 14 percent. Now the New South Wales market is five times as big as what the area is. So, we know that we can get organic growth without actually having to work hard so again it is not that we are actually trying to squeeze what I call the 80/20 rule, we are actually not trying to bend that" (C. Heavyside, 2012).

David Fraser, speaking in 2012 when he was CEO Automotive, explained the way in which the financial transactions undertaken by the Co-operative delivered benefits to the membership,

"... we take a settlement discount essentially from the supplier and one percent is passed on straight away because that's that reward point [...] we take the settlement discount. They get a discount on their invoice from the supplier. [...] So what happens is the member will get a discount on the parts that he buys from the supplier which will be on his invoice so it has nothing to do with us in that sense, we don't handle any of that other than we will, on his behalf when we talk to our supplier, we will leverage a volume discount, but he will see it on the invoice straight away. What he gets from us at the end of the month is on his statement if for argument's sake it has said that he has spent \$10,000 it will show him that he has earned 10,000 reward points. We also sell those reward points to our suppliers so if suppliers



want to run a sales incentive they can use our reward points as a bonus reward point to the member. [...] they buy them off us at cost – we don't make a margin on that. And that is also passed onto the members. So, for argument's sake he has earned 10,000 points for spending \$10,000. On his statement it might also say that he has earned another 1,000 points because he has dealt with supplier A and he has spent \$1,000 with that supplier so there is 1,000 bonus reward points for him as well, but we haven't funded that 1,000 because we have recovered that from our supplier" (D. Fraser, 2012).

RESOURCES AND PROCESSES

The resources and processes used in CMEs depend on the enterprise's nature and goals. The key resources necessary for a sustainable co-operative are a strategic network of partners, tangible assets, and intangible assets (Mazzarol et al., 2014). The strategic network of partners comprises members and other complimentary actors with the purpose of providing value throughout the network.

Tangible assets refer to physical resources required for the Co-operative to function, which typically include human and financial resources, infrastructure, equipment, and business systems. Conversely, intangible assets are the core competencies of the enterprise, including the knowledge and skills required to be effective. Indeed, one major intangible resource is the capacity to unite members through aligning their individual self-interests with the collective action necessary for creating whatever "collective good" is outlined in the Co-operative's purpose (Mazzarol et al., 2014, p. 37). Processes refers to the sustainable delivery of resources and benefits to members (Mazzarol et al., 2024).

Capricorn Society Ltd.'s growth and resilience from 1974 to 2025 were underpinned by effective mobilisation of financial and human capital, strategic investment in physical assets, and continuous improvement of operating systems and online services, enabling the Co-operative to deliver sustained value and support to its members.

The key resources employed by Capricorn were financial capital, human capital and physical assets such as buildings, plant and equipment. The co-operative's foundation depended on members pooling significant financial capital to purchase shares and provide working capital. Over time, Capricorn's ability to raise and manage capital enabled expansion, investment in new services (e.g., finance, insurance), and resilience during crises (such as the 1980 fire and the COVID-19 pandemic). Profits were reinvested to support growth, technology upgrades, and member returns.

In relation to human capital, leadership from founding members, a professional executive team, and a skilled workforce were crucial. The co-operative invested in staff development, board training (e.g., AICD courses), and succession planning. Member engagement and participation in governance also contributed to organizational strength and adaptability. The role played by physical assets was also important. Capricorn leased and later purchased premises for offices, warehousing, and subsidiaries (e.g., travel agency). Physical assets supported warehousing, logistics, and business operations. Investments in new headquarters reflected growth and the need for modern facilities to house expanding staff and technology infrastructure.

Complementing these resources were the business processes that enable the best use of these financial, human and physical resources. Of prime importance were the operating systems that the Co-operative employed. Capricorn transitioned from manual, paper-based systems to advanced digital operating systems. The introduction of CAPLink, ERP upgrades, and integrated accounting and management systems improved efficiency, transaction processing, and scalability as the Co-operative grew nationally and internationally.

As the digital revolution transformed the way that organisations worked, Capricorn invested in the development and continuous upgrading of its digital and online services. For example, the launch of digital platforms (myCAP, CapHub, online member portals) enabled real-time account management, business insights, and streamlined communication. Online services supported member engagement, rewards redemption, and access to technical and business resources. These innovations were especially critical during the COVID-19 pandemic and in supporting a geographically dispersed membership.

According to David Fraser, interviewed in 2012, the successful growth and operational efficiency that Capricorn enjoyed was contingent on the Co-operative's ability to adapt to the use of digital systems and to upgrade its Information Technology (IT) hardware and software to support the growth,

"... one change that has occurred in the structure of the business as a result of some of that aggressive and rapid growth. The other one I would say because we have been growing as fast as we have been that our systems and processes have probably not kept up with that pace of change [IT systems and processes or management?] Part of it is IT systems and part of it is just I guess more the function and operating inner systems from a manpower perspective. So that's now being addressed. Part of our current strategy is to address what we call our core systems with our IT platforms. [...] because for us to capture information from our suppliers we are very reliant on electronic platforms to be able to do all that sort of stuff. That hasn't changed in the last 10 years, but technology has changed; the internet's become a bigger part of everyone's lives and those sorts of things. So, we need to address and that is part of our core strategy" (D. Fraser, 2012)

At that point in time, Capricorn was just beginning to recognise the need for upgrading its IT systems, and what followed in the subsequent years was a major transformation of the company's digital competencies creating a best practice e-commerce and online communications platform that spanned both Australia and New Zealand.

SYSTEMS LEVEL ANALYSIS – OUTPUT FACTORS

The two main outputs from CMEs are their ability to generate economic and social capital. Over the period from 1974 to 2025 Capricorn Society Ltd. made substantial economic contributions by returning profits to members, supporting business growth, and investing in industry development. Socially, it built a strong co-operative community, advocated for industry needs, supported members and the public during crises, and contributed to broader social causes.

ECONOMIC CONTRIBUTION

Mazzarol et al. (2014) state that economic capital is measured by assets, jobs, and wealth creation. Co-operatives can provide indirect contributions through encouraging community enterprises

and enhancing community social and economic capacity, which can in turn address inequalities driven by uneven development and capital-accumulation processes (Vieta & Lionais, 2022; Mazzarol, 2024).

Measuring the economic contribution of Capricorn can focus on at least four areas. The first of these is the financial returns that it has paid to members. Capricorn Society Ltd. has consistently delivered economic value to its members through dividends, trade rebates, and reward points, returning a significant portion of profits directly to members. For example, in 2025 alone, Capricorn distributed approximately \$100 million in dividends, rebates, and rewards points.

A second area of economic contribution is the support that Capricorn has given to the businesses of its members, and the growth that the Co-operative's support has facilitated within the member network. By leveraging collective purchasing power, Capricorn has enabled small and medium automotive businesses to access better prices, credit facilities, and business management tools, improving their competitiveness and sustainability.

A third area of economic benefit has been Capricorn's investment in its technology and services. Profits have been reinvested into digital platforms, business support services, and strategic growth initiatives, further enhancing member value and operational efficiency. Finally, the fourth area of economic contribution has been its role in enhancing job creation and the development of the automotive services sector. The co-operative's expansion and support for members have contributed to job creation and the development of the automotive aftermarket industry in Australia and New Zealand.

SOCIAL CONTRIBUTION

The measurement of a co-operative's contribution to the development of social capital is always difficult due to the indirect and informal nature of how social capital is formed. This typically involves individuals meeting and interacting within the context of shared social norms, values, beliefs, trust, friendships, obligations, networks, and memberships (Bhandari & Yasunobu, 2009).

For co-operatives, trust between members and the Co-operative is critical to its long-term sustainability and for the development of social capital. Trust exists at a member-to-member level, is supported by governance and management systems which guide its operations and is reinforced by the history and culture of the Co-operative (Mazzarol et al., 2014).

An individual's trust in an organisation involves the propensity to trust, perception of existing member trustworthiness, the perceived risk associated membership, how risk is managed amongst members, and the outcomes, or benefits, from membership (Mazzarol, 2024). Perceived trustworthiness is impacted by behaviours and values of integrity, benevolence, and the effectiveness of members and the overall organisation (Mazzarol, 2024).

Measuring the social capital creation undertaken by a co-operative or mutual enterprise is not easy. However, it can be assessed by looking at such areas as community building, advocacy and representation, provision of support to the community during crises, and broader community assistance. With respect to community building Capricorn has fostered a strong sense of community among its members through conventions, networking events, and programs like the Rising Stars apprentice initiative, which recognizes and supports the next generation of

automotive professionals. Within the advocacy and representation area the Co-operative advocates for its members on industry issues, skills shortages, and regulatory matters, providing a collective voice and influencing positive change in the sector.

In relation to support to the community during both crises and normal times. Capricorn has provided special financial distributions and support during challenging times, such as the COVID-19 pandemic, bushfires, and floods, helping members and their communities recover and remain resilient. Through initiatives like Capricorn Cares (supporting farmers and health causes) and donations during crises, the Co-operative has extended its social responsibility beyond its membership, benefiting the broader community.

UNDERSTANDING SOCIAL CAPITAL

Social Capital is generally understood to comprise a combination of trust, reciprocity and networks. Trust has been discussed above. Reciprocity between members and between the Co-operative and its members can take the form of direct, indirect, and spatial reciprocity (Mazzarol et al., 2014). Direct reciprocity refers to when individuals give and get in response to their actions.

Indirect reciprocity is where an individual gives without receiving a direct benefit, however, retains some form of benefit indirectly such as enhanced reputation (Mazzarol et al., 2014). A sustainable co-operative is one which expresses a willingness to provide benefits without the expectation of direct reciprocity (Mazzarol, 2024). Also known as the theory of reciprocal altruism, this “suggests that individuals will be happy to accept indirect reciprocity in return for achieving good standing and respect so that they can subsequently call upon this goodwill to secure rewards from the community” (Mazzarol, 2024, p. 72).

Lastly, spatial reciprocity refers to the situation in which an individual can benefit from geographic proximity to a community. Indeed, stable, close-knit communities which have low member turnover are more likely to develop co-operative behaviour than those with highly transient or unstable communities (Mazzarol et al., 2014).

Effective networks are necessary for a functioning co-operative. Indeed, there are three interconnected layers at the enterprise level. Firstly, the production network layer is a vertical supply chain which links the Co-operative to suppliers and customers. This supply chain informs the ways in which the Co-operative can deliver value to its members. The second horizontal layer is the resource network, a series of complimentary actors providing a Co-operative with a variety of supports (Mazzarol, 2024).

Finally, the social network layer consists of interpersonal relations which take place between people (Mazzarol et al., 2014). The social network layer can include connections and contributions to community. This was discussed under the MVP analysis section. Additionally, concern for community as a co-operative principle reflects the difference between co-operatives and IOFs, in which the latter does not require “moral obligation to community” to be a driving force for decision-making (Gupta, 2014, p. 101). Furthermore, according to Cheney et al. (2023), this principle implies commitment starts with serving a co-operative’s members and then widening its concerns and interests based on the specific ways and level of depth that members discern.

In addition to, trust, reciprocity and networks, social capital fosters information sharing to ensure people have equal access to information which is not always guaranteed with a free and open market (Mazzarol et al., 2014). Co-operatives can address this by ensuring members have access to information so that those which may be excluded from such knowledge or resources have access to them.

In discussing the economic and social contribution of Capricorn, David Fraser, speaking in 2012 observed that,

“... there is a non-financial element to Capricorn’s business as well when it comes to member benefit and returning value back to the member and we do a lot of social networking with our members and that can be anything from an overseas convention to big dinners in all the capital cities, right down to a regional event where it will be a barbecue somewhere [...] Part of that networking is to connect again the supplier and the member but in a very social informal atmosphere.” (D. Fraser, 2012)

At the same time, Greg Wall, then Group CEO, made the following observations,

“In terms of social cooperation that’s one element that Capricorn does so very well in our community. We have a number of events throughout the year right through each State that are as simple as barbeque nights where we will invite people together with the suppliers, so the suppliers can come and show their new wares; what’s new or whatever through to formal training where we use an external group, the TAC Group, to help our people improve their business. The TAC Group do a lot of work with us about how to manage a better workshop and so on and so forth through to in every State we have an annual dinner display and the display is a full on trade show; we are talking about hiring the Convention Centre in Perth or in Sydney or in Melbourne, a full on trade show where cars, parts, every supplier always comes out to fill up the trade show and a big dinner that night. But we talk about the results of their cooperative; it is very much focused on that. Every two years we have a convention and go away. But one thing that’s really impressed me is the way in which we do that and the camaraderie between members who are competing businesses, but when they get together share stories and it is fantastic to see. [...] And they do it under our banner. We have got a field force out there that go out and see people but also make sure that they come to these many trade days throughout the year and sometimes we might even have a golf day, but they are more just social get togethers, but it still creates that fabric of social cooperation” (G. Wall, 2012).

It can be seen from the above that Capricorn has successfully addressed both the economic and the social contributions that it makes to its members and the wider community. This outcome has evolved and developed throughout the past five-decades and has positioned Capricorn Society Ltd., and its subsidiary companies, as leader in the CME sector in both Australia and New Zealand.

KEY LESSONS FROM THE CAPRICORN CASE

The history of Capricorn provides an example of a successful modern co-operative that has operated within highly competitive and rapidly changing market environments across three countries. It has adapted to market and regulatory changes, the impact of external threats and crises, and industrial transformation. Capricorn Society Ltd.’s journey shows that a co-operative

enterprise can thrive over decades by focusing on collective benefit, adapting to change, investing in governance and innovation, and maintaining a strong, member-driven culture.

At least eight key lessons can be learned from the Capricorn Society Ltd., case study. These are discussed as follows:

Collective Action and Co-operative Advantage: Capricorn's history demonstrates the power of collective action. By pooling resources and leveraging group buying power, small independent businesses can achieve better outcomes than they could individually. The Co-operative model enabled members to access better prices, services, and support.

Adaptability and Resilience: Capricorn survived early financial struggles, market deregulation, industry shifts, external shocks (such as fire and economic downturns), and the COVID-19 pandemic by adapting its strategies, diversifying services, and remaining focused on member needs. Flexibility and willingness to change were crucial to long-term survival.

Strong Governance and Professional Management: Effective governance, with member representation on the board, succession planning, and the inclusion of independent directors, was essential for strategic direction, risk management, and maintaining co-operative values. Professionalisation of the executive team and investment in director and board development supported sustainable growth.

Member-Focused Value Creation: Sustained growth was achieved by consistently delivering value to members, not just through economic returns (rebates, dividends, rewards), but also through business support, networking, advocacy, and a sense of community. The member value proposition was regularly updated to ensure it aligned with the evolving needs of members.

Innovation and Embracing Technology: Capricorn's willingness to invest in technology (e.g., digital platforms, online services) and to modernise its processes enabled it to scale, improve efficiency, and support a geographically dispersed membership.

Building Trust and Social Capital: Trust among members and between members and the organisation fostered loyalty, participation, and a strong co-operative culture. Community-building activities, transparent communication, and shared governance reinforced this trust.

Learning and Benchmarking: Capricorn learned from the history of other co-operatives, sought external advice, and benchmarked itself against best practices. This openness to learning helped it avoid pitfalls and seize new opportunities.

Commitment to Co-operative Principles: Adhering to co-operative and mutual enterprise principles (democratic control, member ownership, concern for community) helped Capricorn differentiate itself from investor-owned firms and maintain its relevance over five decades.

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FIGURES AND IMAGES

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Figure 10: Capricorn House, 172 Abernethy Road, Belmont, 1985. Source Amery (2004, p. 29). *First 30. Capricorn Society Limited*, Burswood, Capricorn Society Ltd.

Figure 11: Frank O'Connor on the floor with a Balinese dancer at the 1988 Convention in Bali, Source Amery (2004, p. 20). *First 30. Capricorn Society Limited*, Burswood, Capricorn Society Ltd.

Figure 12: Steve Barraclough (left) and Bob Jenkins (right). Source Amery (2004, pp. 37 and 47). *First 30. Capricorn Society Limited*, Burswood, Capricorn Society Ltd.

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Figure 16: Early computerisation used by Capricorn during the late 1980s and early 1990s. Source Amery (2004, p. 114). *First 30. Capricorn Society Limited*, Burswood, Capricorn Society Ltd.

Figure 17: Examples of Capricorn's Tri-Nation promotions 2003 and 2004. Source Capricorn Society Ltd., Annual Reports 2003 and 2004.

Figure 18: Lindsay Taylor (left) and Trent Bartlett (right) circa 2003. Source Amery (2004, p. 27 and 137). *First 30. Capricorn Society Limited*, Burswood, Capricorn Society Ltd.

Figure 19: David Fraser, former Group CEO, and Julie Wadley, first female member-director. Source Capricorn Annual Report, 2020.



Figure 20: Colin Heavyside (left), Russell Becker (centre), and Greg Wall (right). Sources Capricorn Annual Reports for 2015 and 2019.

Figure 21: Advertisement for Capricorn Autodata 2014. Source Capricorn Ignition, October 2014 p. 11.

Figure 22: Mark Cooper (left) Chair, and Bradley Gannon (right) Group CEO. Source Capricorn Annual Report 2020.

Figure 23: Capricorn's Governance Framework. Source, Capricorn Annual Report 2022.

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Figure 25: Rising Stars winners Megan Toia 2024 (left) & Lachlan Madsen 2025 (right) with his nominee, workshop owner Tim Ihuede. Sources: Capricorn (2024; 2025).

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APPENDIX A: CAPRICORN WITHIN THE CME RESEARCH FRAMEWORK

Influencing Factors	Application to Capricorn
<i>Systems-level inputs</i>	
Social co-operation	Social co-operation was the foundation of Capricorn Society Ltd. The organization began when independent service station owners recognized that by pooling their resources and working together, they could achieve better purchasing power and negotiate improved terms with suppliers. This collective action enabled small businesses to compete more effectively against larger market players. The Co-operative model fostered trust, mutual support, and a strong sense of community among members, which was crucial for overcoming early financial struggles and external crises throughout Capricorn's history.
Role of government	Government policies and legislation had a significant impact on Capricorn's development. The introduction of the Trade Practices Act 1974 was initially seen as a potential safeguard for small businesses but ultimately did not provide the expected level of protection. Over time, deregulation and changes in industry-specific laws (such as those affecting fuel retailing and automotive manufacturing) forced Capricorn to adapt its membership base and business model. Later, Capricorn's transition from a state-based Co-operative to a company limited by shares under federal law enabled national and international expansion but also resulted in the loss of certain tax benefits previously available to co-operatives.
Industry structure	The structure of the automotive industry, characterised by consolidation among suppliers, the dominance of large oil companies, and the decline of local manufacturing, shaped Capricorn's strategies. As competition intensified and industry power concentrated among a few large players, Capricorn expanded its membership beyond service stations to include mechanical workshops, panel beaters, and other automotive businesses. The Co-operative's ability to negotiate with suppliers and adapt to changing industry dynamics was key to its resilience and growth.
Natural environment	The natural environment influenced Capricorn both directly and indirectly. Geographical challenges in Western Australia, such as vast distances and dispersed populations, made centralized purchasing and logistics essential. Environmental crises, including a devastating fire in 1980 and natural disasters like floods and earthquakes, tested the Co-operative's resilience and crisis



	<p>response. Capricorn also responded to broader environmental concerns by supporting sustainability initiatives, waste management, and disaster relief for members affected by events such as bushfires and floods.</p>
<i>Enterprise-level factors</i>	
Purpose	<p>Capricorn Society Ltd.'s purpose has always centred on supporting its members—primarily small and medium automotive businesses, to build stronger, more sustainable businesses. The co-operative was founded to address the lack of bargaining power among independent service station owners, enabling them to pool resources, access better prices, and thrive in a competitive industry. Over time, this purpose evolved into a clear, member-focused mission: “to improve the lives of Members by supporting them in building stronger businesses,” which remains the guiding principle for all strategic decisions.</p>
Profit formula	<p>Capricorn’s profit formula is designed to maximise benefits to members rather than external investors. Profits are distributed through a combination of dividends, trade rebates, and reward points, with additional reinvestment into member services and business support. The co-operative’s model shifted from warehousing and selling products to acting as an intermediary that aggregates and manages transactions between members and suppliers, earning settlement discounts and delivering value to members through various financial returns.</p>
Processes	<p>Capricorn’s processes have evolved from manual, paper-based systems to advanced digital platforms. Key processes include centralised purchasing, transaction management, and member support services. The co-operative invested in technology upgrades (such as CAPLink, ERP systems, and online member portals) to streamline operations, improve efficiency, and support a geographically dispersed membership. These processes enable real-time account management, rewards redemption, and access to business tools.</p>
Resources	<p>The co-operative’s key resources include pooled financial capital from members, a skilled executive team, and physical assets like office buildings and IT infrastructure. Human capital (e.g., leadership from founding members, professional management, and engaged staff) was crucial. Investments in digital systems and continuous staff development have underpinned Capricorn’s growth and resilience.</p>



Share structure	Capricorn began with members purchasing shares to provide working capital, initially requiring significant investment from each member. Over time, the share structure evolved to allow for easier entry (lowering the cost of shares), reinvestment of dividends and rewards points into additional shares, and periodic share buybacks. The Co-operative transitioned from a state-based Co-operative to a company limited by shares under federal law, enabling national and international expansion while maintaining member ownership and democratic control.
Governance	Capricorn's governance is characterized by a member-elected board, formal succession planning, and the inclusion of independent directors with specialist skills. The Co-operative maintains a one-member-one-vote system, ensuring democratic participation. Governance frameworks include board charters, codes of conduct, and committees for audit, risk, and nominations. The board and executive team are responsible for strategic direction, risk management, and upholding Co-operative principles.
Member Value Proposition	Capricorn's MVP is built on delivering both economic and social value to members. This includes financial benefits (dividends, rebates, rewards points), access to preferred supplier networks, credit facilities, business support tools, and advocacy on industry issues. Community-building activities, such as conventions and the Rising Stars apprentice program, foster professional development and networking. The MVP is regularly updated to meet evolving member needs and industry challenges, ensuring ongoing relevance and impact.
<i>Member-level factors</i>	
Patron	Members of Capricorn Society Ltd. acted as patrons by actively using the Co-operative's purchasing, credit, and business support services. By pooling their buying power, they accessed better prices and terms from preferred suppliers, participated in loyalty and rewards programs, and utilized Capricorn's digital platforms and financial products to support their businesses. Their ongoing engagement with these services was a core driver of the Co-operative's growth and sustainability.
Investor	Capricorn's members demonstrated their investor role by purchasing and holding shares in the Co-operative, reinvesting dividends and rewards points into additional shares, and supporting capital-raising initiatives. The willingness to invest significant sums, especially in the early years, and to reinvest



	returns showed a clear understanding of the long-term benefits of collective ownership and profit-sharing.
Owner	As owners, members exercised democratic control through the one-member-one-vote system, participated in annual general meetings, elected directors to the board, and engaged in governance reforms. Many members served as directors or on committees, contributing to strategic decisions, succession planning, and the adoption of best-practice governance frameworks. This active participation ensured that the Co-operative remained accountable and aligned with member interests.
Community member	Capricorn's members built and sustained a strong sense of community by participating in conventions, networking events, and social programs (such as the Rising Stars apprentice program). They shared knowledge, mentored apprentices, supported each other during crises (e.g., bushfires, COVID-19), and contributed to advocacy efforts on industry issues. This collective spirit was reinforced by regular engagement in surveys, feedback mechanisms, and community initiatives, reflecting a shared commitment to mutual benefit and industry advancement.
<i>Systems-level outputs</i>	
Economic capital	Capricorn Society Ltd. consistently delivered economic value to its members through dividends, trade rebates, and reward points, returning a significant portion of profits directly to members. By leveraging collective purchasing power, Capricorn enabled small and medium automotive businesses to access better prices, credit facilities, and business management tools, improving their competitiveness and sustainability. Profits were also reinvested into digital platforms, business support services, and strategic growth initiatives, further enhancing member value and operational efficiency. The Co-operative's expansion and support for members contributed to job creation and the development of the automotive aftermarket industry in Australia and New Zealand.
Social capital	Capricorn fostered a strong sense of community among its members through conventions, networking events, and programs like the Rising Stars apprentice initiative, which recognizes and supports the next generation of automotive professionals. The Co-operative advocated for its members on industry issues, skills shortages, and regulatory matters, providing a collective voice and influencing positive change in the sector. Capricorn also provided special financial distributions and support during challenging times, such as the COVID-19 pandemic, bushfires, and floods, helping



members and their communities recover and remain resilient. Through initiatives like Capricorn Cares and donations during crises, the Co-operative extended its social responsibility beyond its membership, benefiting the broader community.

APPENDIX B: CAPRICORN DIRECTORS AND EXECUTIVES

Capricorn Chairpersons

<i>Term</i>	<i>Name</i>	<i>Occupation</i>
1974-1977	Frank O'Connor	Service Station industry
1977-1994	Robert 'Bob' Bloffwitch	Service Station and Mechanics industries
1994-1995	Kenneth 'Ken' Crew	Automotive industry
1995-2003	Wayne Negus	Motoring and Service Station industries
2003-2005	Brian McGill	Automotive industry
2005-2010	Russell Green	Motor industry, owner operator of mechanical repair business
2010-2015	Colin Heavyside	Automotive industry
2015-2019	Russell Becker	Automotive industries
2019-2024	Mark Cooper	Director and operator of automotive franchises
2024-Current	Mark Rowe	Automotive industries

Capricorn Executive Officers

<i>Term</i>	<i>Name</i>	<i>Job title</i>
1974-1979	Colin Wright	Manager
1981-2001	Frank O'Connor	General Manager
2001-2011	Trent Bartlett	Chief Executive Officer
2011-2019	Greg Wall	Chief Executive Officer
2019-2024	David Fraser	Group Chief Executive Officer
2025-Current	Bradley Gannon	Group Chief Executive Officer
1984-2005	Lindsay Taylor	Company Secretary
2002-2008	Karen O'Neill	Company Secretary
2008-2019	Bradley Gannon	Company Secretary & In-house Counsel
2019-2022	Will Bargmann	Company Secretary & General Counsel
2023-2025	Susannah Haines	Company Secretary & General Counsel
2025-Current	René Batchelor	Chief Legal & Governance Officer

Capricorn Directors (members of the Board)

<i>Name</i>	<i>Term</i>	<i>Occupation</i>
Barry Hatton	1974-[date unknown]	Service Station industry
Brian Tulloch	1974-[date unknown]	Service Station industry
Frank D. O'Connor	1974-2001	Service Station industry
Ray Kenyon	1974-[date unknown]	Service Station industry
Robert 'Bob' Bloffwitch	1974-2002	Service Station and Mechanics industries
W. Tom Drinkwater	1974-1975	Service Station industry; Bookkeeper
Kenneth 'Ken' Crew	1990-2000	Automotive industry
Max Jacobson	[date unknown]-2002	
Ralph John Beverage	[date unknown]-2000	
Wayne Negus	1987-2015	Motoring and Service Station industries
Brian McGill	1989-2005	Automotive industry
Sydney Keith Hall	1995-2005	Automotive industry
Peter Robinson	1993-2004	Automotive industry
Ross Pickering	2000-2014	Mechanical workshop owner
Mark Phipps	2002-2004	Smash repairs owner and operator
Russell Green	1999-2016	Motor industry, owner operator of mechanical repair business
Colin Heavyside	2004-2016	Automotive industry
Russell Becker	2005-2021	Automotive industry
Patrick Taylor	2005-2006	Motor industry
Vincent O'Neill	2005-2014	Automotive industry
Mark Coleman	2008-2014	Capricorn's first non-member director; Finance, business, and strategic planning
Bruce Rathie	2008-2024	Governance, law and banking



<i>Name</i>	<i>Term</i>	<i>Occupation</i>
Mark Cooper	2013-2025	Director and operator of automotive franchises
Julie Wadley	2014-2022	Automotive industry
David Kemp	2014-2022	Mechanic, automotive industry
Mario Pirone	2014-Current	General insurance, funds management and financial services
Peter Stewart	2015-2024	Automotive industry
Phil Saxton	2016-2023	Automotive workshop business owner and operator
Donna Vinci	2019-Current	Strategy, business, operations, risk management, governance, data and digital technology services.
Lydia Stjepanovic	2021-Current	Automotive services business owner
Mark Rowe	2022-Current	Automotive industries
Nigel Osborne	2022-Current	Automotive industries
James Candish	2023-Current	Mechanical services business owner
Samantha (Sam) Martin-Williams	2024-Current	Professional company director in finance, infrastructure, resources, education and technology sectors
David Banning	2025-Current	Automotive industries and governance
Anthony Shaw	2025-Current	Automotive industries

Capricorn Membership Numbers

<i>Year</i>	<i>Number of Members</i>	<i>Year</i>	<i>Number of Members</i>
1975	20	2011	14,266
1976	21	2012	15,202
1977	21	2013	15,739
1981	206	2014	16,143
1986	413	2015	16,468
1988	552	2016	18,179
1990	980	2017	18,850
1991	1,244	2018	19,665

Co-operative Enterprise Research Unit (CERU)

Capricorn society Ltd: Driving members to thrive since 1974

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1993	2,232	2019	20,909
1997	3,890	2020	21,899
2001	6,070	2021	24,613
2003	7,670	2023	26,966
2004	8,971	2024	29,317
2008	10,778	2025	31,788

Source: Amery, 2004; Capricorn Annual Reports.

APPENDIX C: CAPRICORN HISTORICAL TIMELINE 1974-2025

Dates	Summary of events
Pre-Establishment	<p>1970: The Golden Fleece service station proprietors met at a conference in South Perth, WA. A group of 12 of these proprietors formed “Group 11”, the precursor for Capricorn Society Co-operative.</p>
1970s	<p>1974: A group of 17 like-minded service station operators met to resolve and register the “Capricorn Co-operative Limited,” developed from the original Group 11. Capricorn Society Ltd refers to these individuals as the “Original 17” today. Each member was required to purchase 5,000 AU\$1 shares in the Co-operative by 31 December 1974. However, this was delayed until June 1975, due to difficulty in generating the capital needed. The distribution of profits to members was determined as a percentage of the individual’s purchases through the Co-operative. A five per cent administration charge was added to the invoices of all members. Five Directors were appointed: Barry Hatton, Ray Kenyon, Brian Tulloch and Tom Drinkwater, with Frank O’Connor appointed Chair.</p> <p>1975: Capricorn leased its first premises—a showroom and warehouse in Stirling Street, Perth—trading as Capricorn Automotive Suppliers (due to lack of registration until June). 18 June 1975, Capricorn Society Limited was registered under the <i>Co-operative and Provident Societies Act 1903</i>. A total of 21 members put in AU\$5,000 each for Capricorn’s working capital. At the end of the financial year Capricorn created its first Balance Sheet and Accounts. At the end of 1975 the warehouse sales were low and an attempt to diversify into other products was unsuccessful. The Co-operative needed more buying power.</p> <p>1977: The cost of shares for new members dropped to AU\$200. The Co-operative worked to persuade important suppliers to join them, however, turnover was still low and expenses high.</p> <p>1979: A new lease was taken for premises at 286 Hay Street, Perth. By the end of the financial year, membership and turnover was increasing and the main suppliers—such as Swan Tyres, Lynford Motors and Wesfarmers—were added.</p>
1980s	<p>1980: A fire destroyed the Hay Street premises.</p> <p>1981: The Board narrowly rejected a vote to wind up the Society. Capricorn ceased to warehouse products, focusing instead on purchases using the Co-operative’s buying power to achieve better prices.</p> <p>1982: The Co-operative reported its first dividend to approximately 200 members. It opened up its membership to also include mechanical</p>



Dates	Summary of events
	<p>workshops and later panel beating and other automotive industry areas. Capricorn purchased new premises in Abernethy Road, Belmont.</p> <p>1983: Coventrys joined the Co-operative as a WA supplier.</p> <p>1984: Capricorn formed a wholly owned subsidiary, Abernethy Travel. Membership increased to more than 300, mostly located in the Perth metropolitan area. The first Capricorn Convention was held in Bali, Indonesia.</p> <p>1985: Capricorn premises were moved to Welshpool Road, Welshpool where the Co-operative had extensive warehousing. Capricorn Convention was held in Penang, Malaysia.</p> <p>1986: The Co-operative launched its Superannuation Investment Trust. It won tender to buy Barron Rent-a-Car and later changed the trading name to Capricorn Rent-a-Car. Capricorn Convention was held in Pattaya, Thailand.</p> <p>1987: Capricorn's annual turnover reached AU\$14 million. The Co-operative moved to become a national supplier, expanding into Eastern States markets to get a better price. It began in New South Wales with 50 members in its first year. However, the supplier network of NSW was considerably more expensive to set up than forecasted. The Capricorn Convention was held in Bali.</p> <p>1988: The membership increased to over 500. Capricorn Convention was held in Bali.</p> <p>1989: Capricorn expanded into South Australia, with a launch at the Adelaide Hotel. The Co-operative's first in-house computer system began operation. Capricorn Convention was held in Singapore.</p>
1990s	<p>1990: Capricorn sold the Rent-a-Car business. The Co-operative expanded its network into Victoria. The Capricorn Convention was held in Bali.</p> <p>1991: Capricorn recruited new suppliers of Repco and Bursons. The Co-operative expanded its network into Queensland and Tasmania. Later the ACT formed part of Capricorn's NSW zone, and the Northern Territory formed part of the SA zone. The membership increased to over 1,000 and Capricorn had an annual turnover of more than AU\$50 million.</p> <p>1992: The Board decided to set up a Panel and Paint Division, which was later launched with Bob Jenkinson appointed Manager. In addition, Steve Barraclough was appointed Manager of National Sales and Marketing. Capricorn Convention was held in Bali.</p> <p>1993: Capricorn's membership increased to over 2,000. It was listed number 51 in <i>Business Review Weekly's</i> list of 100 fastest growing Australian private companies. Capricorn Convention was held in Bali.</p>



Dates	Summary of events
	<p>1994: Capricorn’s membership increased to 3,000. The Co-operative was listed in the top third of Australia’s Top 500 private companies. The Panel and Paint Division expanded, operating in all Australian states, with over 450 panel beaters as members. It became the largest group of independent panel beaters in Australia. The Capricorn Convention was held in Fiji.</p> <p>1995: Capricorn purchased premises on Burswood Road, Burswood, naming it “Capricorn House.” Parties in the Republic of South Africa were showing interest in using the Capricorn Society expertise, and initial talks were held with a view to franchising or licensing the Capricorn system. Capricorn Convention was held in Bali.</p> <p>1996: Capricorn Convention was held in Hong Kong.</p> <p>1997: Capricorn expanded internationally into New Zealand, with the first share issued on 30 May 1997. The centre of operations was in Auckland, capitalising on the support and network of the Motor Trade Association of New Zealand. The business was well accepted due to the established co-operative culture in NZ and the equality of ownership rights irrespective of member locality. Capricorn Convention was held in Mauritius.</p> <p>1998: Capricorn Convention was held in Fiji and Bali.</p> <p>1999: The Co-operative went online with its first website. Jo Parker was appointed the first IT Manager. New Zealand members were represented on the Board. Capricorn Convention was held in Vancouver, Canada.</p>
2000s	<p>2000: Following earlier interest (1995), Capricorn was registered in the Republic of South Africa.</p> <p>2001: Capricorn’s membership increased to over 6,000. The Co-operative won the Infrastructure Category of the Western Australian Information Technology and Telecommunications Awards. The Capricorn Convention was held in Phuket, Thailand.</p> <p>2002: The Capricorn Convention was held in Queenstown, New Zealand.</p> <p>2003: Capricorn Mutual Limited launched and was licensed as an Australian Financial Services licensee, the first as a miscellaneous mutual risk product provider. Capricorn’s supplier base passed 1,200 and this includes McCarthy Motor Holdings, RSA’s largest retailer of motor vehicles. Capricorn Convention held in Australia for the first time, in Darwin.</p> <p>2004: Capricorn celebrated 30 years in operation, releasing the book <i>First 30</i>. It rolled out CAPlink technology to its supplier base as a platform for future business productivity and leverage. It was listed as number 66 in <i>Business Review Weekly’s</i> list of Australia’s Top 500 Private Companies. The membership base increased to over 9,000. Capricorn Convention held in Cancún, Mexico.</p>



Dates	Summary of events
	<p>2005: The member purchases exceeded AU\$500 million.</p> <p>2006: Capricorn Society Limited (ACN 008 347 313) was incorporated. The membership of Capricorn Mutual Limited passed 3,000. The Co-operative became a full Australian member of the International Co-operative Alliance. Capricorn Convention was held in Mauritius.</p> <p>2007: An Investment Committee was established under the Capricorn Board to provide oversight of Capricorn investments. Capricorn lodged its first Offer Information Statement with ASIC. Capricorn Mutual obtained membership with the International Cooperative and Mutual Insurance Federation. First Capricorn share buybacks occurred.</p> <p>2008: Capricorn's Constitutional objects were amended to allow it to do anything a company may do. This meant Capricorn expanded into financial services. Capricorn Society Financial Services Pty Ltd (ACN 129 134 667) was incorporated, to provide members with access to debt funding and financial services. Capricorn Mutual Management Pty Ltd (ACN 129 143 479) was incorporated. Capricorn Mutual Management Pty Ltd was appointed as manager and corporate authorised representative of Capricorn Mutual Limited. Capricorn lodged its first Short Form Prospectus with ASIC. The membership base expanded to over 4,000. Capricorn obtained council approval for the refurbishment of 34 Welshpool Road, Welshpool. First Capricorn Travel Exclusive Tour took place to the Specialty Equipment Market Association Show in Las Vegas. Two independent Directors joined the Capricorn Society Board of Directors. Capricorn Convention was held in the Maldives.</p> <p>2009: Capricorn Mutual Ltd was relocated to 34 Welshpool Road after refurbishment. Capricorn member numbers passed 12,000 meanwhile Capricorn (New Zealand) members passed 2,000 and member purchases exceeded NZ\$100 million. Co-operative launched "Capricorn Secure," offering a revised membership in the Republic of South Africa. Capricorn declared its first fully franked dividend. Capricorn Technology Services Pty Ltd (ACN 140 317 942) (CTS) was incorporated to provide IT and web-services to members. In addition, iNeedAService Pty Ltd (ACN 140 447 338) was incorporated. The Corporate vehicle for Technology Services joint venture was formed between Capricorn and Perth based Anthem Software Pty Ltd.</p>
2010s	<p>2010: Social Business Australia Pty Ltd (ACN 142 242 108) was incorporated, a wholly owned Capricorn subsidiary. Capricorn's member purchases exceeded AU\$950 million. Capricorn Technology Services launched "Clang," a website to help the public find local auto services and all Capricorn members were provided with a free listing. Membership passes</p>



Dates	Summary of events
	<p>13,000 and Capricorn Suppliers pass 2,000. Capricorn Convention was held in Cherating Beach, Malaysia.</p> <p>2011: A strategic change and restructure of Capricorn and its subsidiaries occurred. Its member purchases exceeded AU\$1 billion. Capricorn Insurance Services Pty Ltd was incorporated to assist members in obtaining insurance for types of businesses and activities that Capricorn Mutual does not offer protection.</p> <p>2012: Launched Capricorn Fuel Card in Australia. It was the UN International Year of the Co-operative. A special dividend was provided for this. Sold its interest in the JV Regis & Partners Pty Ltd.</p> <p>2013: Capricorn Management Services changes its name to Capricorn Risk Services.</p> <p>2014: Moves residence from Capricorn House in Burswood to new head office location in West Perth. Winds up its Republic of South African operations, with member shares repurchased. Celebrates its 40th anniversary.</p> <p>2015: Finalises winding up Republic of South Africa operations. Launched Capricorn Mobil Fuel Card in New Zealand. New Chair appointed to the board, Russell Becker. In addition, two new independent directors are appointed. Conducted a Member Satisfaction Survey. Invested \$9.3 million in development of upgraded enterprise resource planning systems. Sold Capricorn House.</p> <p>2016: Launched Capricorn Service Data and Capricorn Vehicle Videos. Launched <i>Rediscover Capricorn</i> campaign.</p> <p>2017: Improved the online portal for members. Introduced a new membership class, Alumni Membership. UN International Day of Co-operatives. Launched Capricorn Risk Services website.</p> <p>2018: Launch of AutoBoost. Launched the Rising Stars program. Capricorn convention held in Salou, Spain. It was the 27th convention and first held in Europe. Launched Capricorn Cares program to raise donations for causes, in this case drought-stricken farmers in NSW and QLD.</p> <p>2019: Greg Wall retires as CEO and David Fraser appointed. Also voted in a new Chair of the board, Mark Cooper. Launched second Capricorn Cares campaign for prostate cancer.</p>
2020s	<p>2020: Launched the <i>Stronger with Capricorn</i> campaign. Partnered with Woolworths at Work. Launched Capricorn Rewards and CAPHub. Members affected by COVID-19 and lockdowns. Provided a special COVID-19 trade rebate. Conducted its first member survey under the label "State of the Nation."</p>



Dates	Summary of events
	<p>2021: The board conducted a comprehensive governance review. Capricorn conducted a survey—State of the Nation—among its members, with one of the big areas of concern being the need for long-term planning, including transition plans for retirement.</p> <p>2022: The co-operative continued to be impacted by the COVID-19 pandemic (e.g., supply-chain disruption and skills shortages). CML had to respond to the severe flooding in February-March in Queensland and NSW. Investment into digital platforms increased. Sustainability and diversity programs commenced.</p> <p>2023: Membership grew to 27,000. Major events (e.g., Gala Dinners, Convention in Hawaii) took place, which fostered networking and social capital building. State of the Nation survey found skilled labour shortages a major problem requiring an industry-wide response in both Australia and New Zealand. Online digital platforms like myCAP were upgraded with new services.</p> <p>2024: Capricorn celebrated its 50th Anniversary with the <i>Fifty Years Strong</i> campaign. Membership surpassed 29,000. Further investment in digital systems continued with the launch of the myCAP portal and SupportHub for member assistance. Sustainability strategies were rolled out. Megan Toia from Badgingarra Motors in WA won the national Rising Stars apprentice award. The Member Value Return (MVR) exceeded \$93 million returned to members.</p> <p>2025: Capricorn launched its <i>“Powering Forward – Capricorn 2030”</i> strategy that focused on digital transformation, e-commerce expansion, ESG integration, member experience and workforce development. The co-op acquired Australian Skilled Migration (ASM) to enable it to recruit skilled automotive workers from overseas. Membership reached 32,000. Annual turnover rose to \$4 billion and more than \$96 million was paid to members via the MVR program. Mark Rowe became Chair replacing Mark Cooper, and Brad Gannon became Group CEO, replacing David Fraser. The overall winner of the Rising Stars apprentice was Lachlan Masden from Homebush Auto Electrical in NSW.</p>



About the authors

Tim Mazzarol is a Professor Emeritus and Senior Honorary Research Fellow in Entrepreneurship, Innovation, Marketing and Strategy at the University of Western Australia and an affiliate Professor with the Burgundy School of Business, Groupe ESC Dijon, Bourgogne, France. He is also the Director of the Centre for Entrepreneurial Management and Innovation (CEMI), an independent initiative designed to enhance awareness of entrepreneurship, innovation, and small business management. He is also the founder Director of the Co-operative Enterprise Research Unit (CERU), a special research entity for the study of co-operative and mutual enterprises (CMEs) at the University of Western Australia. In addition, he is a founder Director and Company Secretary of the Commercialisation Studies Centre (CSC) Ltd., a not-for-profit mutual enterprise focused on advancing best practice knowledge of commercialisation. Tim is also a Qualified Practising Researcher (QPR) as recognised by the Australian Research Society (ARS). He has around 20 years of experience of working with small entrepreneurial firms as well as large corporations and government agencies. He is the author of several books on entrepreneurship, small business management and innovation. He holds a PhD in Management and an MBA with distinction from Curtin University of Technology, and a Bachelor of Arts with Honours from Murdoch University, Western Australia.

Amber van Aurich is a Research Assistant at the University of Western Australia where she is engaged in the UWA Business School supporting the Australian Research Council (ARC) Linkage Grant project investigating the economic and social contribution of the co-operative and mutual enterprise (CME) sector to Western Australia. She holds a Bachelor of Arts with First Class Honours from Edith Cowan University (ECU) majoring in History, Politics, and International Relations. She is currently a PhD Candidate at UWA School of Humanities where she is conducting a mixed methods study on identity-based spaces. Amber is experienced in qualitative research skills, including oral history, local history and feminist theory.

Dr Bruce Baskerville is an APDI Post-Doctoral Research Fellow at the University of Western Australia (UWA) where he is engaged with CERU via the UWA Business School, and the UWA Centre for Western Australian History. A public historian, Bruce grew up on Western Australia's Batavia Coast amid stories of Dutch shipwrecks and convict ruins, and the windswept awe of the Dongara sandplains and Abrolhos Islands. For many years he has researched the ways in which old institutions are adapted and naturalised in new places, from the Crown to building styles, shared histories to commonage systems. This has given him an abiding interest in communal and co-operative models of self-governance and their historical roots.