



# MEDIA RELEASE

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## **Australia launches 2012 United Nations International Year of Co-operatives**

Continuing turmoil within global financial markets and rising public disenchantment with big business provided a dramatic backdrop to today's launch of the UN International Year of Co-operatives in Parliament House, Canberra. The Assistant Treasurer, The Hon Bill Shorten MP, joined 100 co-operative and mutual business leaders from all over the country, Parliamentary colleagues, and delegates from the Australian UN Mission in formally launching the International Year and at the same time unveiling a commemorative \$1 coin to mark the occasion.

Delegates from all major sectors of the Australian economy – agriculture, transport, farming, export, banking, retail, automotive, superannuation and insurance – came together in the nation's capital to commemorate the once in a generation opportunity and explore ways to promote the value of the co-operative and mutual form of business in contributing significantly to both economic and social development.

Speaking from the national launch, Greg Wall, Chair of Social Business Australia and CEO of Capricorn Society Ltd pointed to the theme of the International Year, "co-operative enterprises build a better world", as a compelling message for anyone looking for a business model that puts their needs first.

Mr Wall pointed out that co-operatives and mutuals are a fine example of good 'business citizenship' amid growing public dissatisfaction with corporate greed, excess and the huge power major corporations wield politically and socially.

"People are frustrated because they feel that there has been a systemic abuse of their trust and they no longer have control over the way their economic and social interests are being managed, which is evident in the recent protests we are seeing around the world.

"The 2012 United Nations International Year of Co-operatives is about demonstrating that there is a business model which offers a greater benefit to society because profits are returned to customer-owners and the community either directly or through cheaper products and better service," said Mr Wall.

Co-operatives and mutuals have a different ownership structure to companies listed on the stock exchange, whereby their owners – typically their customers – each have an equal say in the company's affairs through a 'one member, one vote' system.



In Australia, there are over 1,800 co-operatives and 106 customer-owned banking institutions across a range of industry sectors and collectively serve an estimated 7.5 million Australians – more than the number of private retail investors.<sup>1</sup>

“People trust co-operatives because they are owned and run equally by everyday people who have a direct interest in the products or services the co-operative offers – they can be farmers, producers, consumers, employees and even tenants,” said Mr Wall.

Speaking at the launch on behalf of the nation’s financial co-operatives, Abacus – Australian Mutuals Head of Public Affairs Mark Degotardi said “Australian customer-owned banking institutions are delighted to join the co-operative movement in celebrating the 2012 International Year of Co-operatives.

“Credit unions, building societies and mutual banks provide important competition and choice for consumers because of their community focus, excellent customer service and competitive rates. Credit unions, building societies and mutual banks give back to their customers because they are not under the same pressure as listed banks to pursue large profits for shareholders.

“Mutual banking institutions stood firm amid the economic turmoil of the past few years and continue to deliver sustainable value to their customer-owners, and we are proud of that achievement,” said Mr Degotardi.

The International Year of Cooperatives marks the first time the United Nations has awarded a business model an "International Year" designation.

According to International Cooperative Alliance’s newly released Global300 report, the world's 300 largest cooperatives generate revenues of US\$1.6 trillion, equal to the GDP of the world's ninth largest economy. According to responses to WOCCU's 2010 *Statistical Report*, nearly 53,000 credit unions in 100 countries serve 188 million people. The combined institutions hold aggregate assets totalling US\$1.5 trillion.

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<sup>1</sup> <http://www.australia2012.coop/about/about-co-ops/what-about-co-ops-australia>



# FACTS

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## **International Year of Co-operatives 2012**

In December 2009, the UN General Assembly adopted a resolution proclaiming 2012 the International Year of Co-operatives, in recognition of the contribution co-operatives make to the social and economic development of communities around the world. The theme of the International Year is *Co-operative Enterprises Build a Better World*.

Ban Ki-moon, United Nations' Secretary-General has declared "Cooperatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility".

The United Nations declares international years as a way of bringing attention and action on major issues. In the case of 2012, it plans to raise public awareness of how co-operatives contribute to poverty reduction, employment generation and social integration.

## **Australia – the land of co-operators**

1,800 co-operatives & 106 mutual banking institutions.

An estimated 7.5 million credit union, co-op and mutual member shareholders – more than the number of Australian private retail investors\*.

The Top 100 co-ops, mutuals & credit unions in Australia turned over \$AUD14.7b in 2011\*  
Third largest mutual banking sector (credit unions & building societies) after the US and Canada. Australian credit unions hold \$83b in assets and serve 4.6 million members.

The Australian public's faith in the co-operative model of business far outweighs its fascination with the stock market model. The nation's population holds on average more than one co-operative membership per capita compared to 43 per cent of adult Australians who own publicly-listed shares.

At the end of March 2011 there were 22,546,300 Australian residents\*\*\* maintaining some 23 million relationships with member based organisations across all aspects of their private lives and business needs:

Over 5 million Australians have superannuation investments managed by an industry fund (Industry Fund website).

Around 6.5 million Australian motorists co-operate through membership of the State automobile associations. (Top 100 List)

An estimated 5 million people have chosen to have their health insurance with either a member based enterprise or Medibank (a Government Business Enterprise). (Medibank website 3.4 million; HBF WA = 951k plus smaller funds)

Some 6.5 million memberships exist in other member-based organisations. (Top 100 list)

That's more than one member based organisation relationship per capita.



**Links/references:**

[www.australia2012.coop](http://www.australia2012.coop)

[www.socialbusiness.coop](http://www.socialbusiness.coop)

<http://www.ilo.org/global/topics/employment-promotion/cooperatives/>

*\*According to the latest Australian Shareholding study approximately 7.26 million people, or 43% of the adult Australian population, own shares;*

*\*\*Co-operatives Australia Top 100 List of Co-operatives, Credit Unions and Mutuals –*

[www.australia.coop](http://www.australia.coop);

*\*\*\*ABS announcement 29/09*