NRMA ROAD TRAVEL REWARDS

MONASH University | MONASH BUSINESS SCHOOL

BCCM

Strengthening Australia's Mutual Economy

Member-owned enterprises support competition, resilience and long-term value.

October 2026

We acknowledge the Traditional Owners of Country throughout Australia. We pay our respects to Elders past and present.

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Mutuals are a major part of Australia's economy

Co-operatives and mutuals operate across financial services, health, agriculture, retail, motoring, manufacturing, housing, energy and community services.

Australia's co-operative and mutual sector includes:

1,810
active co-operatives and mutuals

37.8
million+
combined active memberships

$231.1
billion+
combined turnover, including superannuation funds

$2.08
trillion
combined assets, including superannuation funds

Approximately
95,000
people directly employed

The mutual economy is not a niche business model. It includes large and established organisations operating across essential parts of the Australian economy.

Australia already has a substantial member-owned economy. The opportunity is to ensure policy settings recognise its role and allow it to grow on its merits.



A different model of enterprise

Mutuals are businesses owned for the benefit of their members

A modern mutual combines member ownership and member benefit with contemporary governance, technology and commercial practices.

The model is built around five characteristics:

Member ownership

The organisation is owned by its customers, policyholders, producers, employees or community members.

Democratic control

Members typically have voting rights, often based on one member, one vote.

Member benefit

Profits can be reinvested in the business, returned through improved services or lower costs, or used to strengthen financial resilience.

Professional governance

Modern mutuals operate with contemporary governance, risk management and regulatory frameworks.

Long-term focus

Decision-making is directed towards sustainable value for members and the community rather than short-term shareholder returns.



Mutuals combine commercial capability with an ownership structure designed around long-term member benefit.

Why a stronger mutual sector matters

Member-owned businesses can strengthen competition and resilience

Co-operatives and mutuals already operate across markets that affect the everyday lives of Australians.

Their ownership structure aligns decision-making with the long-term interests of members rather than external shareholders. Communities and consumers benefit from the advantages flowing from this model:

- Service continuity
- Consumer choice and access
- Long-term decision-making
- Local accountability
- Competition in concentrated markets
- Service delivery in underserved markets
- Economic resilience

A complementary model

Co-operatives and mutuals do not replace investor-owned or government-owned businesses.

They provide an established alternative ownership model that can complement both, particularly where long-term value, member benefit, place-based solutions and local accountability matter.

As governments respond to cost-of-living pressures, productivity challenges and changing service needs, the mutual model provides another way of organising capital, ownership and service delivery.

A stronger mutual sector can expand the range of business models competing to serve consumers and communities.

CASE STUDY

Australian evidence on the value of mutual ownership

Member ownership can change how businesses invest, compete and serve communities.

Research by the Mutual Value Lab at Monash Business School, supported by the NRMA and the Business Council of Co-operatives and Mutuals (BCCM), examined 11 Australian co-operatives and mutuals across sectors including banking, health, housing, agriculture, energy, motoring and regional services. The study drew on interviews with 16 senior leaders.

The research identified eight ways mutuals create value.

1. Put profit to work for members
2. Build financial resilience
3. Create value in local communities
4. Help underserved markets and shape competition
5. Maintain a member-focused purpose
6. Build long-term relationships
7. Support longer-term decision-making
8. Help create and strengthen other mutual enterprises

Across sectors, the research found that member ownership gives mutuals greater scope to take a long-term approach, including maintaining services, investing ahead of demand and retaining surplus for members.

Much of this value is not captured well in conventional financial reporting, and sustaining it depends on strong governance, leadership and ongoing member engagement.

Member-ownership can influence where profits go, how investment decisions are made and how businesses contribute to members, markets and communities over the long term.

Thambar, P., Hall, M., & Zhang, L. (2026). Leadership, governance and innovation: The social value of cooperative and mutual enterprises. Mutual Value Lab, Monash Business School

8 ways co-operative and mutual enterprises create value

1 Profit for people

Commercial success creates value for members.

Westfund Health Insurance demonstrates this by investing surplus in free regional skin screening that directly benefits members.

2 Build wealth and financial resilience

Help members build security through pricing, assets and ownership.

Common Equity Housing Limited (CEHL) demonstrates this by providing secure, affordable housing that supports members to pursue education, employment and greater financial stability.

3 Create value through place

Keep economic and social value within the communities they serve.

Barossa Co-op demonstrates this by using community ownership and investment to strengthen its town centre and support local businesses.

4 Help the underserved and shape markets

Meet peoples' needs and help create or improve markets.

The NRMA demonstrates this by investing in communities and addressing gaps where early intervention can deliver social, economic and member benefits.

5 Have a member-focused purpose

Determine the organisation's purpose and priorities.

Kudos Services demonstrates this by giving employee-members formal decision-making rights over strategy and the use of surplus.

6 Build long-term relationship

Mutual ownership supports relationships that can extend well beyond the original transaction.

Capricorn demonstrates this through members progressing from customers to long-term owners and participants in governance.

7 Take a long-term approach to economic value

Use patient capital to make commercially disciplined decisions over longer time horizons.

CBH Group demonstrates this through long-term investment in rail infrastructure to reduce costs and strengthen value for growers.

8 Build the mutual economy

Help other co-operatives and mutuals establish, grow and succeed.

Goulburn Community Energy Co-operative demonstrates this by drawing on mutual-sector support and sharing its own experience with emerging community energy co-operatives.

Thambar, P., Hall, M., & Zhang, L. (2026). Leadership, governance and innovation: The social value of cooperative and mutual enterprises. Mutual Value Lab, Monash Business School.

The business operating environment has not kept pace

The sector is not consistently considered in policy and service delivery

Despite their scale and presence across major sectors, co-operatives and mutuals are not consistently reflected in policy development or service delivery.

This can mean opportunities to use member-owned models are considered too late, inconsistently across agencies, or not considered at all. Government and the sector can work together to unleash the potential of mutual ownership for the benefit of the economy and community.

Economic and industry policy should recognise different ownership structures

Co-operatives and mutuals have different ownership, governance and capital structures from shareholder-owned businesses.

Government policy should provide a competitively neutral environment in which they can establish, compete, invest and grow on their merits.

Areas identified for attention include:

- Legislation
- Policy and regulation
- Access to capital
- Community, small business and producer ownership
- Industry data collection
- Education, training and sector capability

The issue is not preferential treatment. It is ensuring member-owned enterprises can participate and compete under policy settings that recognise how they are structured.

Leveraging the unique benefits of co-operatives and mutuals

Australian governments can embed a practical approach to partnering with the co-operative and mutual sector without creating new institutions

Embed co-operatives and mutuals in mainstream policymaking

Australian governments could establish a Co-operatives and Mutuals Engagement Framework to ensure member-owned enterprises are considered and engaged as part of mainstream economic policymaking.

This framework could focus on identifying practical opportunities where co-operatives and mutuals align with public objectives, such as in regional service delivery or community-owned energy.

The framework could provide a consistent mechanism for:

- Earlier engagement
- Better coordination across government
- Identifying sector capability
- Testing new delivery models
- Considering mutual and co-operative models where appropriate

Australian governments should recognise co-operatives and mutuals as strategic delivery partners and establish formal mechanisms for ongoing engagement, collaboration and partnership. Key areas where this could deliver benefits include:

Regional transport

Community energy

Regional economic development

Service delivery in underserved markets

A stronger partnership and competitively neutral policy settings can help Australia's mutual sector contribute more to competition, investment, regional communities and service delivery.

The NRMA is a member-owned organisation, independent and non-partisan by design. We advocate for our members and their communities and engage constructively with governments, stakeholders and industry to help shape fair, practical outcomes that make life better for all Australians.

Read the full research report by the Mutual Value Lab at Monash Business School, supported by the NRMA and BCCM.

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