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Consumers set to be the winners under proposed changes to Mutuals' business arrangements

Freeing up mutual organisations to access more capital can help drive long-term investment in social infrastructure projects Australians need to meet growing human services challenges, according to leading mutual Australian Unity.

A key report released today by federal Treasurer Scott Morrison, known as the Hammond Report, proposes a series of changes to the Corporations Law, including to allow mutuals to raise capital without risking the loss of their mutual status.

"Today's Hammond Report is a significant breakthrough in promoting more business investment in Australia," Australian Unity's group managing director Rohan Mead said.

"It is a milestone moment for mutual entities looking to source capital for long-term investments in products and services that benefit its members and the broader community, and we are pleased that it has bipartisan support", Mr Mead said.

Mr Morrison released the report by Mr Greg Hammond, whom he appointed in March 2017 to examine the barriers mutuals, co-operatives and member-owned firms face in sourcing capital for investment.

The Treasurer today advised the government had accepted all 11 of Mr Hammond's recommendations, including adding a specific definition of "mutual company" into the Corporations Act and allowing them to issue capital instruments without risking their mutual status. The Hammond Report was also endorsed today by Labor's shadow assistant treasurer and spokesman on mutual and co-operatives Andrew Leigh.

"The Treasurer had flagged that this legislation could be enacted by the second half of next year. We are hoping the parliament can come together and achieve this for the benefit of the millions of Australians who are members of mutuals and co-operatives, and the millions more who are customers," Mr Mead said.

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Media Release

“As we said in our submission to Mr Hammond, these changes would not only enhance competition and promote growth for existing entities, but they would provide an incentive for community groups and service-minded individuals to establish new mutuals with long-term, community service objectives across a range of human services,” he said.

Ends

Further information:

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About Australian Unity

Australian Unity is a national health, wealth and living mutual company providing services to almost one million Australians, including 280,000 members. Australian Unity’s history as a trusted mutual organisation dates back to 1840. It has grown organically – by continually evolving to provide the services and products needed by the communities it serves—as well as through successful strategic mergers and diversification in to new business activities.

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