

The Care Co-op Toolkit

A step-by-step guide to starting
and growing a care co-operative

An initiative of the BCCM and
the Care Together Program



Acknowledgments

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Authors and contributors:

Linda Seaborn, Lauren Moxey, Nick Hislop, Anthony Taylor, Kristin Sinclair

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GPO Box 5166, Wynyard 2001 | caretogther.coop | bccm.coop

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What is Care Together?

The Australian Government has provided funding for the [Care Together Program](#), delivered by the [Business Council of Co-operatives and Mutuals \(BCCM\)](#) to facilitate service model innovation in social care.

The Care Together Program:

- Supports the establishment of new co-operative and mutual enterprises in care that provide sustainable workforce solutions in areas where current approaches are not working
- Identifies and supports the growth of existing social care co-ops and mutuals in priority areas, or supports existing social care organisations to convert to a co-op or mutual model to help address critical workforce issues

The goal of the Care Together Program is dignified, safe and quality social care for vulnerable people in all settings, including regional, rural and remote communities, delivered by empowered and well-trained workers in decent jobs.

The program funds information, education, research and advisory services to support [projects](#) and to build capacity more widely across social care sectors.



Video explainer: What is Care Together?



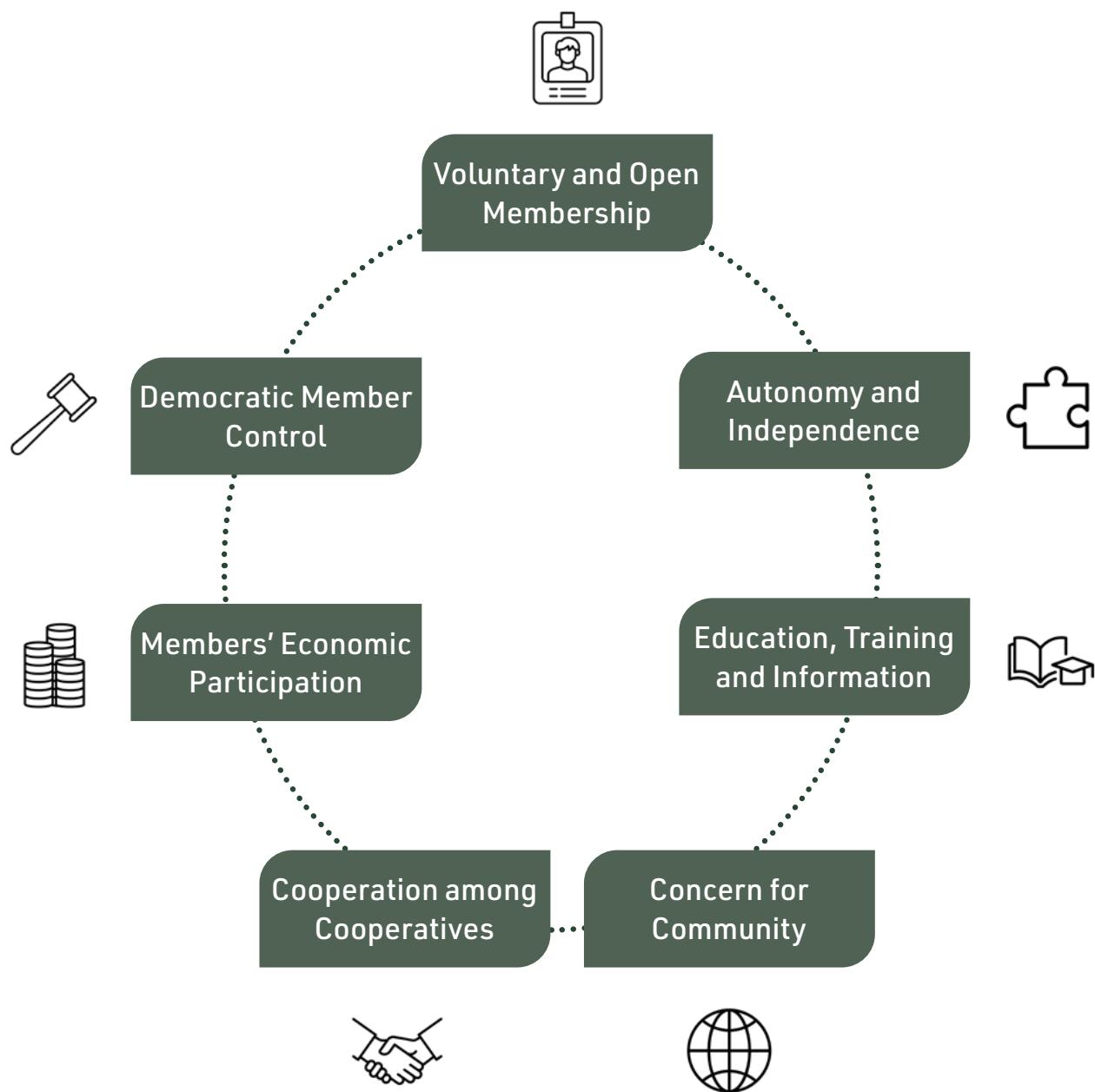
What are co-operatives and mutuals?

Co-operatives and mutuals are member-owned businesses formed to benefit the people who use them or work in them, rather than shareholders.

					
Co-operatives	Companies (Pty Ltd/Limited by shares)	Incorporated Associations	Companies (Limited by guarantee)	Indigenous Corporations	
Purpose		\$			Benefit Aboriginal and Torres Strait Islander peoples
Ownership					Members (majority First Nations)
Control					Often 1 member, 1 vote
Tax status	For-profit and not-for-profit options				Not-for-profit or for-profit
Regulator and reporting burden					
Regulatory costs	Low to moderate (\$350-\$250 ongoing)	High (up to \$1,146 ongoing)	Low (\$124 setup, \$53 ongoing)	Moderate to High (\$377 setup, \$1,146 ongoing)	Low (\$0 setup, \$70 ongoing)
Where they can operate			State-based only; further registrations required for interstate		

The seven Cooperative Principles:

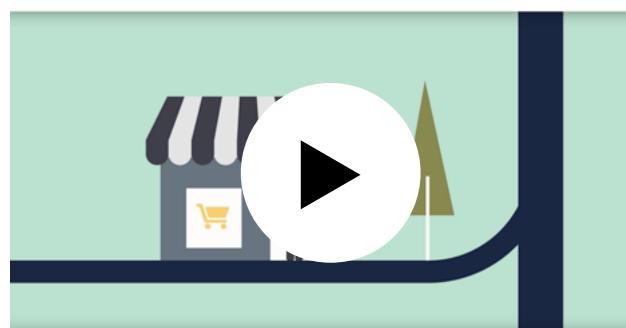
Designed around international cooperative values and the seven Cooperative Principles including voluntary and open membership and democratic member control, co-ops and mutuals empower their members to be active participants in the enterprise.



Co-ops and mutuals can have different types of members. They can be:

- Individuals, who are consumers of the co-op product, such as residents in a housing co-operative or customers in a food co-operative
- Employees in worker co-ops or employee-owned enterprises, who are producers of the co-op product, such as home care services
- Businesses, such as small and medium enterprises that operate independently within a bigger co-op, such as independent providers of health services operating within a co-operative premises with a co-operative business "back end" for insurance and business systems

Co-ops and mutuals can have different structures, depending on who their members are, and whether they are designed to distribute profits or reinvest them in the co-op.



What are care co-operatives?

Care co-operatives are organisations formed to provide social care. They can include aged care and disability services, primary health care, housing for key workers and people living with disability, veterans' care and Indigenous health and community services.

Care co-ops and mutuals deliver social care through structures where members of the organisations – who can be the consumers, the carers, the community or any combination of these – are involved in decision-making, and benefit from its activities. Co-operative and mutual structures increase diversity and choice in health, community and social services, and offer positive outcomes for accountability, innovation, quality and productivity.



What is the BCCM?

The BCCM is the national peak body for Australian co-operatives and mutuals. Co-operatives and mutuals provide essential services and affordable pricing to their members across the economy from banking, insurance and superannuation to retail, agriculture, health, social care and housing.

Serving eight in every ten Australians, co-operatives and mutuals are private sector, member-owned entities. They are formed to benefit their members, drawn from the stakeholders of the business such as customers, suppliers, employees or people in the local community.

The BCCM delivers the Care Together Program in Australia.

How can co-operatives and mutuals improve care delivery in Australia?

Care delivery suffers in areas of "thin markets" – places where market demand is insufficient to generate adequate supply. Co-operatives and mutuals excel at addressing this type of market failure through harnessing the energy of members, who have a vested interest in the business.

Care co-ops and mutuals generate benefits through their autonomy and independence, decision-making by members, member economic participation, reinvestment of profits and co-operation. They can:

- **Increase organisational diversity in social service markets:** Co-ops and mutuals can assist smaller service providers to come together to collaborate and operate more efficiently in a market, for example, Murrumbidgee Aged Care Network Co-operative.
- **Harness the professionalism of carers and unleash their entrepreneurialism:** Employee-owned organisations are an alternative to privatising or outsourcing services. Governments can sponsor innovation, such as in the example of Kudos Services, Australia's first employee-led mutual in early childhood disability care.
- **Increase consumer choice and control by helping individuals and communities to formulate their own responses to problems in client-directed care markets:** Community-owned co-ops and mutuals empower local communities to exercise self-determination.

There is evidence that when carers and consumers are empowered through democratic governance, productivity and workplace satisfaction increase dramatically.

Examples of care co-operatives

Kudos Services kudoservices.com.au

An employee-led mutual providing specialist allied health and support services for children and adults living with a disability.



Kudos Services is a bold, brave and ambitious organisation for children, young people and adults living with a disability and their families.

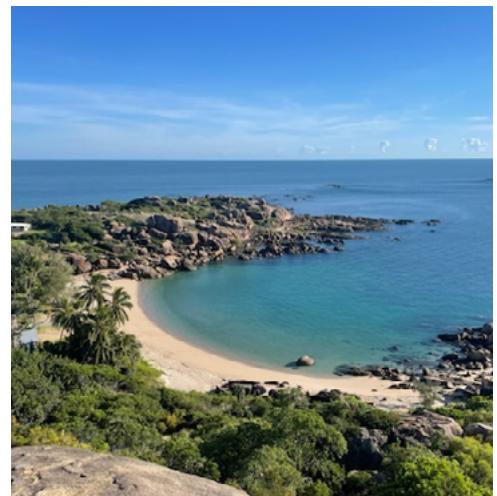
With a team of highly skilled therapists and support staff, the organisation exists to support and celebrate people living with a disability, from early intervention through to ongoing therapy.



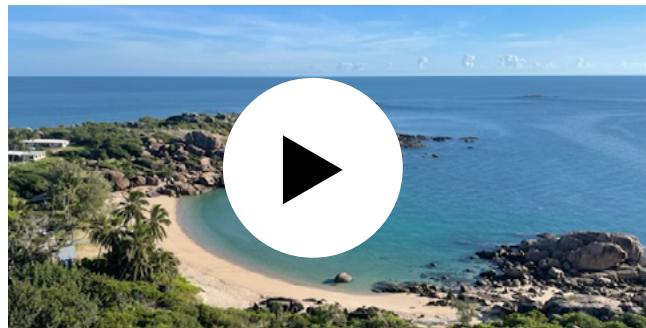
Giruldala Community Co-operative

giruldala.com.au

A First Nations community-controlled co-operative that manages affordable housing, home and community care services, homecare packages, NDIS support and Indigenous family and wellbeing programs.



The partnership between Girudala and Care Together demonstrates the long-term impact of tailored, culturally grounded strategic support.



Co-operative Care Wagin

cooperativecarewagin.org.au

A new community-owned co-operative in the West Australian wheatbelt town of Wagin. It will help local people remain in their homes by supporting better access to essential care services.



"People band together around a common interest and a common need and make something happen. To do that you need to harness the abilities and the strength and the interest of the community. What we're pioneering is care services through a co-operative model."

Wendy Pederick, Chair, Co-operative Care Wagin



Eurobodalla Community Care Co-operative

eccc.coop

A newly formed worker-led co-operative of independent care and support workers in the Eurobodalla Shire. It enables sole traders to retain their independence while sharing resources to meet rising demand, strengthen service quality and build a sustainable, skilled local workforce.



"Workers can come together, and they all have access to training to increase their skills and keep up with their professional development. To me that's a great bonus for the community, if they choose a support worker from a co-op, it's going to be a certain standard. The benefit for me is the sense of belonging. It can be very isolating being an independent support worker. It's not just about what the support workers need, it's about what we want to see in the community."

Pei-Shan Wu, Independent support worker and Founding Board Chair, ECCC

Murrumbidgee Aged Care Network Co-operative macn.coop

A new shared services co-operative, made up of small, independent aged care providers in regional NSW. It supports members to remain locally owned and operated by sharing essential back-office services such as compliance, HR and financial reporting.



"If Cypress View wasn't here, the nearest aged-care facilities are at least an hour away. Families can no longer see them on a daily basis; they can enjoy their last days here in the town that they built.

That's our whole philosophy... we are community-led organisations. We range in size, but we are all single standalone providers who are trying to meet the same requirements as some much bigger organisations who have a head office. But in doing so, we want to help each other.

Initially what it will do is help us meet the standards, meet the reporting that is required, for all of us – no matter our size. We can look at purchasing power... One of the other major benefits is that we are all single voices on our own, and this co-operative will allow us to be a bigger voice in a big pool."

Karen Hodgson, Facility Manager, Cypress View Lodge

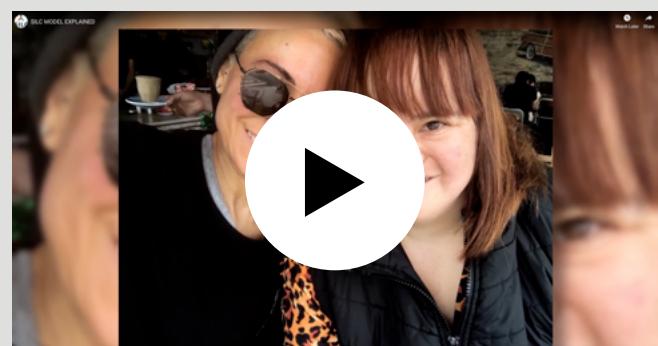
Supported Independent Living Co-operative (SILC)

silc.coop

SILC is a secondary co-op (co-op of co-ops) that supports NDIS participants and their family members to create positive home environments through forming and operating small, family-governed supported independent living (SIL) homes. SILC is a registered NDIS provider and supports 12 SIL-funded homes in Sydney. SILC is growing as more SIL homes are formed and become members.

"At SILC, we support families who want to voluntarily be part of our community and also actively participate in the co-design and running of their family members' supported accommodation."

Faen Burrows, former Head of Service Development at SILC



The Co-operative Life

lifecoop.com.au

The Co-operative Life is a worker co-operative providing safe, high quality and caring support services for elderly people and people living with disability. Operating in the Sydney metropolitan and New England regions of NSW, it is an approved aged care provider and is registered with the NDIS.

"The Co-operative Life's mission is to provide sustainable, person-centred employment for employees and members, as well as high-quality, person-centred care for older people and people living with a disability. The Co-operative Life believes that empowered and supported staff will provide the highest standards of care to the people they support."

Rhonda, TCL member



Discover more examples of care co-ops here and around the world



Learning from those already walking the path is one of the most powerful ways to build your own care co-operative. Use these tools to connect with, be inspired by and learn from care co-ops and mutuals already making a difference.

Use the Care Together interactive map

Care Together's [interactive map](#) showcases a wide range of care co-operatives and mutuals operating across Australia. These member-owned organisations provide essential services in:

- Health and allied health
- Disability care and accommodation
- Disability employment
- Aged care (residential in-home, and community)
- Child care
- Housing
- First Nations-led care

You can filter the map to focus on Care Together program participants or specific service areas. Use it to find local examples, potential partners, or simply see what's possible.

Discover co-operatives worldwide

Looking beyond Australia? Visit the [.COOP Global Directory](#) to find co-operatives around the world working in care, community and health services. These international examples can offer inspiration and models for collaboration and growth.

Learn from real stories

Our [Care Together case study library](#) features real-world examples of care co-operatives and mutuals in action. These stories showcase a diversity of models, communities and services, and offer insights into what makes co-operatives successful. Whether you're just starting out or refining your model, these case studies are a valuable resource.

Watch and learn

We're producing a library of [short videos](#) highlighting the experiences of people building and running care co-operatives. From grassroots organisers to established leaders, these videos will share the practical lessons, challenges and wins from the frontlines.

Stage 1: Getting started (3-6 months)

What problem are you trying to solve?

Define the problem by identifying the factors that are causing the problem, your motivation for addressing the problem and why other organisational models may not be succeeding.

Is a co-op right for you?

It is important to understand why a co-operative model is better suited to addressing the problem than other business models. You also need to determine who the members of your co-op will be:

- Individuals (e.g., care consumers)
- Producers (e.g., care workers)
- Enterprises (e.g., smaller care organisations)

Co-ops are based on the notion that a group of people working together to meet common needs will achieve more together than working alone. Co-ops focus on their purpose and the benefits they provide to members, not on making a return (profit) for investors. The co-operative business model is designed so that each member is treated fairly (equity), has an opportunity to be part of the board (agency) and has an equal say in the running of the enterprise (equality). The co-op is controlled by its members and guided by their values. Co-ops help to keep resources in their local community and contribute to the region's economic vitality.

Members of a co-op may be geographically close, or they may be spread across vast distances. Technology platforms can facilitate member discussions, meetings and voting, enhance engagement and support democratic participation and working together to develop new products or improve services.

Forming a steering committee

Once you are clear that a co-op is the right structure, a steering committee guides the development of a co-op through its formative stages. Clarifying the purpose and scope of the intended co-op will inform its leadership needs, the sector in which it will operate and who the members are (consumers, workers or enterprises).

The group should be small enough to communicate easily – five to seven people with a shared vision is an ideal starting point. Group members should bring a range of relevant skills and experience, such as those with lived experience of a relevant issue; workers from the co-op's sector; people with knowledge of co-ops; professionals with expertise in law, accounting and governance; and those with project management experience.

Developing a feasibility study

A feasibility study is developed prior to creating a business plan and will help you to determine the future success of your co-op. It should determine whether your co-op will be financially viable and answer questions such as:

- How many members are expected to join?
- What are the benefits your members are expecting?
- What is the potential size of the market?
- Who are your key competitors?
- What makes the co-op unique to its members?
- What are the risks, benefits, strengths, weaknesses and threats?
- What are your primary costs in establishing and operating the co-op?

Developing a business plan

A business plan is more detailed than a feasibility study. The business plan should describe in detail your vision, products and services, member needs, channels to market and customer segments. It will also detail the required resources including assets, equipment, intellectual property, people and costs. The business plan is an essential resource to promote the co-op, and to garner interest and support from funders and stakeholders.

All co-ops, regardless of their size or type, need a business plan. A business plan helps clarify the activities of the co-op and identifies the logistics, resources and finances required for it to be successful. It is important to understand how your product or service will address the problem, create change and achieve the desired outcomes. It is also important to understand what will make your product or service unique and ensure members remain a part of your co-op, and new members will join.

The co-op should be able to prepare forecast financial statements that identify how the co-op will fund its first year of operation. This information establishes what the co-op's capital and finance needs will be. The rules for a co-op must set out the minimum share capital required for membership or the amount of an annual subscription.

A care co-op may need to comply with relevant sector laws:

- NDIS providers must register with the [NDIS Quality and Safeguards Commission](#)
- Aged care providers must be approved by the [Aged Care Quality and Safety Commission](#)
- Childcare services must comply with the [National Quality Framework](#)

The BCCM's [Business Planning for Co-operatives guide](#) can take you through the range of questions to consider as part of your business plan.



Writing your co-op rules

All types of corporations, including co-ops and mutuals, must have a constitution. This is a set of rules and processes for the internal running of the business. Legislation for co-ops refers to the constitution as the "rules".

The rules for each co-op must align with the relevant co-operative law in the state or territory where you plan to have your main office or place of business. They must describe the main activities the co-op will undertake, and how each member commits to supporting the co-op's activities, which is the "active membership" criteria.

Defining the rules for your co-op sets the foundation for how it will operate and is a contract between the co-op and your members. The rules are also a contract between the co-op and its CEO, Secretary and each Director of the co-op.

Your co-op will need to be either a distributing (for-profit) co-op or a non-distributing (not-for-profit) co-op, and this will need to be identified in your rules. Distributing co-ops are usually driven by a need to provide a financial return to their members through dividends, rebates or lower prices. Non-distributing co-ops are usually driven to provide a social outcome for their members through better services, control and flexibility, and greater choice. Non-distributing co-operatives can either have shares or no shares. In a non-distributing co-op surpluses are reinvested into the business to fulfil the co-op's purpose rather than distributed to members as a dividend. The BCCM's [Choosing your co-operative type](#) can assist with determining which type of co-op you need.



The rules also provide processes for voting, holding meetings, electing the directors and reporting to members. The BCCM's [Co-op Builder tool](#) can assist you to develop your rules.



Having your rules approved

The rules and any disclosure statement must be approved by the registrar of co-operatives in the state or territory where you plan to have your main office or place of business.



Your rules need to be agreed on by intended members during a meeting and are then submitted to the registrar for approval.

The registrar must be satisfied that your rules and disclosure statement (if required) comply with the Co-operatives National Law. Using the Co-op Builder or the model rules means that registrars do not need to check any of the standardised rules in these resources. Registrars will focus their attention on those rules that have been specifically drafted, such as rules about the co-op's purpose, primary activities and active membership requirements.



Registrars must also approve the proposed name for the co-op. The name must not be similar to another co-op or contain offensive or restricted words.

The registrar will advise if the rules and disclosure statement are approved, or whether any amendments are required. Once they are approved, you may hold a formation meeting and vote on accepting them and formally adopt them.

Raising start-up funds

Attracting funding for a new idea requires planning from the start. There are two phases requiring finance in the development of all new co-ops:

1. Before registration – the period when you are developing or testing the idea and forming the co-op
2. After registration – the period when you start to trade or provide services

Funding sources for these phases are different because the funding instruments, risks and returns are different. Before registration, the costs will be those associated with a feasibility study, developing a business plan, crafting registration documents and registering the co-op. Funding will generally come from those leading the co-op's formation, or it may come from grants or donations – or a mix of all these.

Once the co-op is registered, the costs of the co-op relate to starting the business operation. For this phase, there are different funding options such as offering shares or accepting membership subscriptions.

It is important for each phase that you have a clear idea of how much finance is required. This should be identified in your business plan.

Stage 2: Establishing your co-operative (3–6 months)

Identifying first members

To register your co-operative, you will need at least five people or enterprises to be members (this is a legal requirement, although in exceptional cases you may start with fewer). The founding members will play an important role in establishing and building the momentum of your co-op to be a successful and sustainable business. Each member will have equal ownership and say in making decisions, so choose your first members wisely. Consider establishing clear roles and responsibilities for each member to address registration, financing, rules and the business plan. If your members do not have the required skills, consider employing professionals such as legal consultants, accounting and financial advisors, co-op advisors or business advisors. You may be able to attract these skills pro bono by finding people who support your objectives.

Formation meeting

The purpose of the formation meeting is for the founding members of the co-op to approve the rules, elect the first directors and authorise the application for registration of the co-op. At least five prospective members must attend the meeting.

Prospective members need to be formally notified of the meeting details and receive a copy of the approved rules and, in the case of a distributing co-op, the disclosure statement.

At the formation meeting, two copies of the approved rules, one copy of the disclosure statement (if relevant) and the application for registration form should be signed.

The first directors should be appointed and members approved, and these details recorded in the co-op register.

Registration

To register your co-op, you must lodge an application with the registrar in your state or territory. The co-op needs to have at least five members – a member may be an individual or they can be a business or corporation.

Along with submitting a statement of director details, you will then need to pay a fee before the registrar reviews your application.

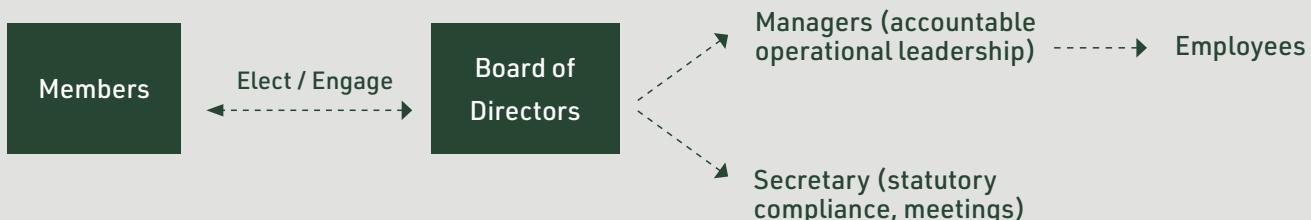
Once the application is approved, the registrar will send a certificate and copy of the registered rules for your approval.

Getting governance right

Governance is how an organisation's purpose is translated into action. Co-ops are governed by a board of directors and you will need to find your initial directors from among the co-op's founding members.



Example governance structure:



The founding members play an important role in establishing and building the co-op and providing leadership and focus to set up the operations of the business.

Unlike company shareholders, who generally seek a financial return, co-op members are motivated by meeting shared needs and improving community outcomes. This requires a distinct governance structure that balances financial sustainability with a strong focus on purpose and ongoing member value.

If the governance system is designed properly, the co-op will constantly improve its capacity to serve its members.

The BCCM offers courses and advisory services to help new and existing co-ops improve their governance, including the three-day Foundations of Directorship for CMEs course in partnership with the Australian Institute of Company Directors.



Raising the next stage of start-up funds

Now that the co-op is registered, it is time to raise the funding for the co-op to commence business operations. The co-op will need to determine which funding mechanisms to use, such as offering shares, accepting membership subscriptions, crowdfunding or a loan. How much finance is required for this stage should be identified in your business plan.

The Community investment for Australian co-operatives: A handbook can guide your co-op when raising funds from your community.



A co-op guide to marketing an offer and its associated activity workbook can guide you in developing a marketing plan for potential members or investment.



Recruiting members

To build the co-op, new members will need to be recruited. The first step is to identify potential members and prepare material to promote the co-op to them. The [Narrative reporting: a framework and guidance for co-operatives](#) is a good tool to help you communicate the value of your co-op in a way that is engaging, informative and inspiring.



Potential members need to be invited to a meeting. If they are interested in joining then the co-op needs to ensure they meet the active membership criteria, followed by formally approving and registering new members and issuing share certificates (if needed).



Stage 3: Launching your co-op (2-6 months) and operating your co-op

Engaging with key stakeholders

Engaging and maintaining support from key stakeholders such as customers, suppliers, funders and local community groups is an ongoing task. People and the community are the backbone of every co-operative.



Members (owners and users)

- The core stakeholders.
- They may be consumers, workers, producers or community members, depending on the co-op type.
- They invest capital, use the co-op's services, vote in governance matters and share in profits or benefits.



Board of Directors

- Elected by members to represent their interests.
- Responsible for governance, strategic direction and ensuring the co-op operates according to its purpose and principles.



Employees and management

- Deliver day-to-day operations and services.
- Their interests include fair wages, job security and alignment with co-operative values.



Funders, lenders and investors

- Banks, credit unions, government programs or impact investors who provide capital.
- They may not be members but are important to the co-op's financial sustainability.



Regulators and peak bodies

- Government agencies (for compliance, taxation, sector regulations).
- Co-operative federations or councils (like the BCCM) that advocate for the sector and provide support.



Community and local partners

- Especially vital in community and social co-ops.
- The co-op often exists to meet community needs, create jobs or provide social value, so local residents, councils and partner organisations are key stakeholders.



Suppliers and customers

- External partners who provide goods and services to or purchase from the co-op.
- They may or may not also be members (e.g., in producer co-ops, the customers are the members).

Establishing an office and hiring staff

The co-op will need a location and facilities to conduct its business activities. These will vary depending on the type of business. For example, if services are offered in people's homes (e.g., home-based aged care) the co-op may only require a head office, or it may require more substantial facilities (e.g., a community-based early childhood education and care centre). You will need to establish financial accounting processes, job descriptions and staff induction procedures.

Beginning trading

The co-op will implement the business plan and begin offering the care services in ways that are aligned to the co-op's stated purpose.

Member and board education

The fifth cooperative principle focuses on the need for education, training and information. This principle is a key component of a thriving co-op, empowering members to understand their rights and responsibilities, and to actively participate, contribute and collectively achieve their shared goals.



Members will be service users or workers, depending on your type of co-op, and they are the co-op's key stakeholders. Ongoing education of members and board members is crucial.

There are many resources to help educate co-op members about co-operatives and the power of working together. You may wish to develop bespoke resources that help educate new members about the history of the co-op and the problem or need it was formed to address. Care Together is a program designed to help new and early-stage co-ops. You can contact the program if you need assistance with developing key resources.



Co-operation amongst co-operatives is the fourth cooperative principle and key to the success of all co-operatives over the long term. Consider joining the Australian peak body for co-ops to learn from other co-ops, share information and knowledge and have the support of the wider co-operative movement.

Co-operation among co-operatives is the fourth cooperative principle and key to the success of all co-operatives over the long term.

Stage 4: Growing your co-operative

Growing your membership

To grow your membership you will need a clear value proposition, a clear idea of who your potential members are and a communication strategy to promote your co-operative to potential members. Potential members need to be able to meet the active membership criteria specified in your rules.

New members should be formally nominated and approved by the board. Their names must be entered into the members' register, and they should be issued with a share certificate (if needed).

Raising additional capital

It is important that you have a clear idea of how much finance is required. This should be identified in your business plan. To raise additional capital there are different funding vehicles, such as offering shares or accepting membership subscriptions.

If your co-op is considering raising funds for growth or new projects, access the [Capital Builder](#) to learn about co-op capital and find guidance for raising funds.



Good governance

For co-ops, good governance centres on a clear statement of the co-op's purpose and making decisions consistent with that purpose. Other elements to good governance include:

- An effective, engaged and skilled board of directors
- Well-drafted policies and processes to aid planning and decision making
- Clearly defined roles and accountabilities for board and management
- Strong connection and communication with members

The [Governance wheel](#) is a helpful representation of the elements of a robust governance model for a co-op. The idea of the wheel is that each element equally contributes to achieving the co-op's purpose.



These elements should be brought together in a strategic plan. Ongoing strategic planning and business development planning will guide your co-op to adapt as your co-op grows and/or conditions around it change. The [Good Governance Matters course](#) can help to develop a sound strategic plan.

Financial reporting

Co-ops are different from investor-owned companies. They work to create value for members, rather than making profits for investors. Creating value for members is about developing a strong, sustainable business that meets member needs over the long term while remaining financially sound.

You can use [financial performance measures for co-operatives](#) to help track how well a co-op is progressing towards financial sustainability and delivering value to members.



Co-ops must report annually to the registrar in their state or territory and to their members. [Financial reporting requirements](#) for co-ops registered in states or territories under the Co-operatives National Law (CNL) scheme depend on whether the co-op is small or large (these terms are defined in the National Regulations).

Large co-ops must prepare and lodge audited financial statements with the registrar. The same financial statements are also presented to members. Audited financial statements are to be prepared in accordance with the Australian Accounting Standards.

Small co-ops must prepare and lodge an annual return with the registrar. The annual return does not include financial statements but does include information about the directors, any changes to the directors and confirmation that the co-op is solvent.

Co-ops that are registered charities are required to lodge reports to the [Australian Charities and Not for profits Commission \(ACNC\)](#) and may be subject to auditing requirements by the ACNC, or by agencies as a condition of any grant funding.

Promotion / marketing

[Narrative reporting: a framework and guidance for co-operatives](#) is a useful tool to help you communicate the value of your co-op in a way that is engaging, informative and inspiring.

[Marketing an offer - A co-op guide to marketing an offer](#) and the [associated activity workbook](#) can guide you in developing a marketing plan for attracting potential members or investment, with a real care co-op case study.

Regulation FAQ for aged care co-ops

Introduction

The new rights-based Aged Care Act came into effect on 1 November 2025. The act is in response to the 2021 Royal Commission into Aged Care Quality and Safety findings. The Royal Commission noted that "the system designed to care for older Australians is woefully inadequate. Many people receiving aged care services have their basic human rights denied. Their dignity is not respected and their identity is ignored. It most certainly is not a full life. It is a shocking tale of neglect."

It recommended a new Aged Care Act as the cornerstone of a new, person-centred aged care system. The Australian Government accepted this recommendation.

At the same time, the Australian Government has recognised the potential of co-operatives and mutuals, as person-centred enterprises, to contribute to the social care reform and innovation effort. \$7 million over 2.5 years has been made available to fund the Care Together Program through the Department of Health and Aged Care.

The overarching problem identified in the Royal Commission was lack of choice and control for older people to receive safe and quality care. Consumer- and multi-stakeholder-owned models of co-operatives place consumers at the centre of ownership and governance and should be one of the pillars of a new person-centred care sector.

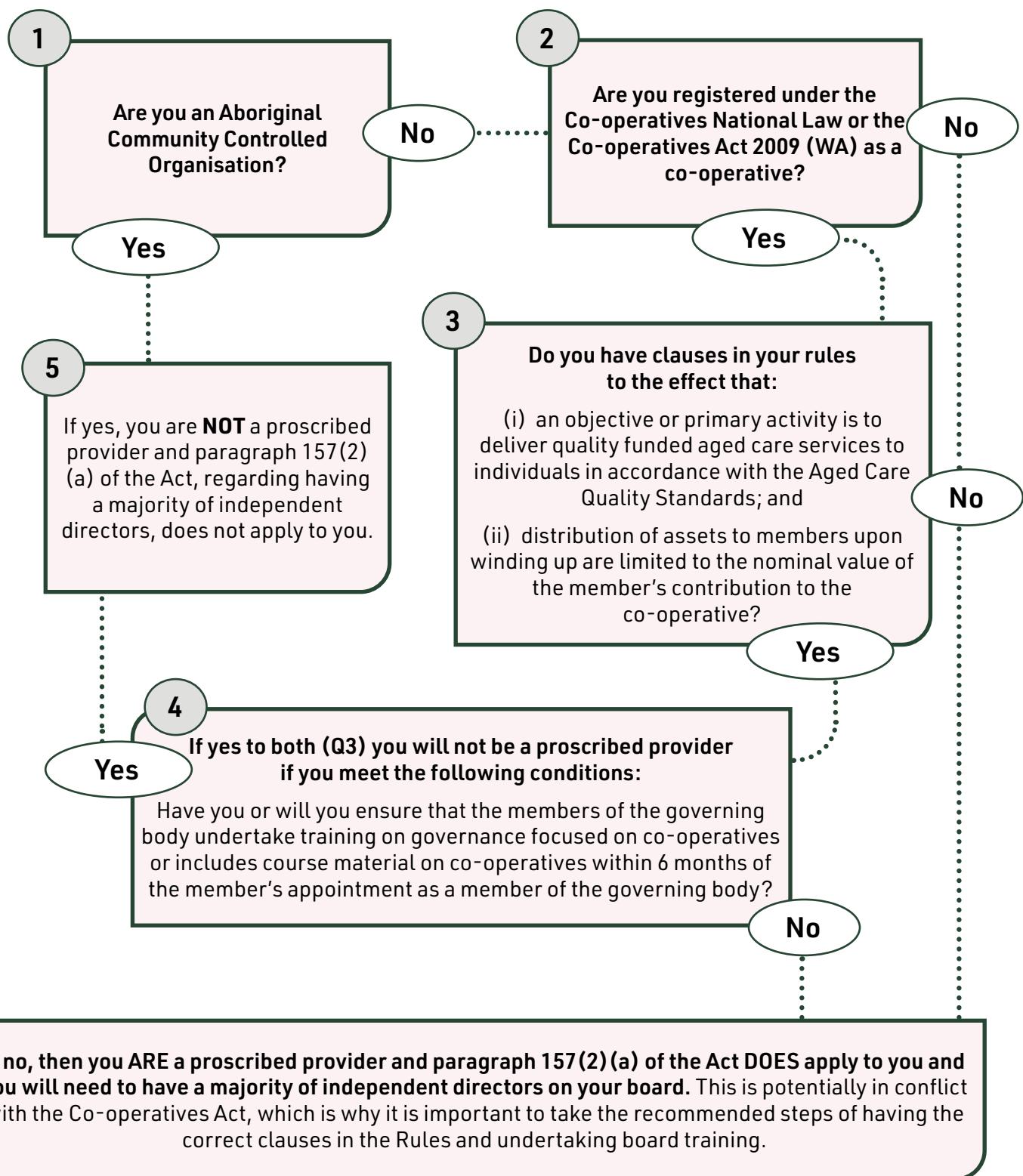
The Act (paragraph 157 Membership of Governing Bodies (2)(a)) requires that aged care providers have a majority independent non-executive directors on their governing body. This conflicts with the democratic, participatory and member-based governance model of registered co-operatives, which requires a co-operative to have a majority of member-directors on its board. In addition to their participation in governance, members of a co-operative generally must have an ongoing economic relationship with their co-operative (the concept of active membership in Co-operatives National Law) and may also be involved in the management of their co-operative. This means that members may not be considered independent and/or non-executive as directors.

The issue is particularly stark for worker-owned co-operative models, because their members will almost always be considered non-independent and/or executive due to their role within and relationship with their co-operative.

As a result, specific provisions have been made in the new Aged Care Rules (2025) for co-operatives, considering their member-based boards and co-operative legislation requirements. Under the new Rules, the requirement for a majority of independent directors (paragraph 157(2)(a)) does not apply to co-operatives if they meet specific conditions, such as directors undergoing governance training with co-operative-specific content, and have rules committing to aged care quality standards. This accords with co-op identity and principles.

How the aged care governance regulation applies to a co-operative

For providers registered as nursing and transition care or residential care:



How to qualify for the exemption for co-ops

- Rules: ensure drafting of rules is correct (part 4)
- Training: ensure directors complete governance training (part 5)

I'm a registered provider that's exempt from the governing body requirements. Do I need to apply for a determination?

No. If you meet the criteria that exempt you from the governing body requirements, it is applied automatically. You don't need to apply for a determination.

What happens if your co-op is not exempt per the Rules?

This is what all providers have to do regardless of structure:

A majority of the members of the governing body of the provider must be independent non-executive members.

This does not apply if both of the following apply at that time:

- (i) the governing body of the provider has fewer than 5 members; and
- (ii) the provider delivers funded aged care services to fewer than 40 individuals.

Or if a determination that the requirement set out in that paragraph does not apply is in force at that time.

Guidance on rules for co-op aged care providers

The BCCM has prepared a constitution library with key rules that you will need, and you can use these individually or in the Co-op Builder.



The Co-op Builder is a FREE step-by-step tool to help groups prepare and understand the legal documents required to form a co-operative in Australia.

The Co-op Builder is designed to suit any co-operative enterprise or purpose.

The two Rule requirements are:

- (i) an objective or primary activity that is to deliver quality funded aged care services to individuals in accordance with the Aged Care Quality Standards; and
- (ii) distribution of assets to members upon winding up are limited to the nominal value of the member's contribution to the co operative (provided that such a limitation complies with the legislation under which the co-operative is registered).

Other resources for continuous improvement in care co-ops

- [Co-operative and Mutual Enterprise \(CME\) Governance Principles Edition 1.2](#)
- [CME Governance Principles - Notes for smaller mutuals and co-operatives](#)
- [Mutual Value Measurement®: Business benefits, discovering your mutual value, getting started](#)
- [Global cooperative principles](#)
- [Aged Care Act 2024](#)
- [Aged Care Rules 2025](#)

Resources

Establishment

Starting a co-operative: A step-by-step checklist

See page 36 below for a detailed list.

Co-op 101: A guide to starting a cooperative

A US resource from the Centre for Cooperative Development.

Choosing your co-operative type

Guidance on distributing and non-distributing co-op types.

Governance

Enlightened co-operative governance

A 2012 report from Ernst & Young on balancing co-op strengths with broader governance requirements.

Good governance matters

A Canadian short course on co-op governance covering topics like Elinor Ostrom's Eight Principles for Governing the Commons.

Financial management

AASB staff FAQ: Co-operative and mutual enterprises commentary and FAQs

A paper from the Australian Accounting Standards Board on the accounting implications of using a co-op or mutual business structure.

Business Planning for Co-operatives

A guide to developing a business plan for a co-operative, including sample forecast profit and loss, and cash flow statements.

Community investment for Australian co-operatives: A handbook

A guide for communities considering forming a co-op and using it to fund activities to benefit their community.

Marketing an offer – A co-op guide to marketing an offer and activity workbook

Developing a marketing plan for potential members / or investment.

Reporting

International Cooperative Alliance guide on sustainability reporting for co-operatives

Guidance on the information a co-op needs to develop and implement a sustainability report.

Key performance indicators: A framework and guidance for co-operatives

A framework to use quantifiable metrics to reflect how well an organisation is achieving its stated goals and objectives.

Mutual Value Measurement Framework®

An accredited framework for measuring the total value created by co-ops, mutuals and member-owned firms, helping to articulate mutual value through a set of common dimensions and shared language.

Narrative reporting: A framework and guidance for co-operatives

Useful for reporting and generally communicating with members about the value of the co-op in a way that is engaging, informative and inspirational.

Regulation

A care co-op may need to comply with relevant sector laws:

- NDIS Quality and Safeguards Commission
- Aged care providers must be approved by the Aged Care Quality and Safety Commission
- Childcare services must comply with the National Quality Framework

Advisory services

Co-operative founders might benefit from the assistance of experienced professionals in legal services, accounting, capital raising, marketing and promotion, governance and education and training.

The BCCM has a wide network of associate members with experience helping co-operatives to form and grow. Contact the BCCM for a referral to a trusted advisor.

FAQ

What happens if we close the co-op?

In a distributing co-operative the assets of the co-op are distributed to the members.

In a non-distributing co-op the rules provide for the ways in which surplus property is to be distributed when the co-operative is wound up – usually to another organisation with similar objectives and similarly not-for-profit. Members only receive the nominal value of shares (if any) at winding up.

As there are legal and financial implications for closing a co-operative, it is important that members of the co-operative obtain their own independent advice about how to proceed. Generally, there are three circumstances under which a co-operative may close:

1. Voluntary winding up by members
2. Voluntary deregistration by members
3. Winding up due to insolvency (either commenced by the directors, creditors or the court)

Procedures are available from Registry Services in each state or territory.

Is there any startup funding or support available for co-ops?

From time to time there are co-op support programs or start-up funding. These are generally small and often dependent on the industry sector. The [Bunya Fund](#) is dedicated to co-op start-ups but you can also apply for other community grant programs, government grants etc. Search the various government grant programs on [Grants Connect](#).

Can we connect with leaders of existing co-ops to learn about co-op management and governance from them?

Care Together hosts online regular [Community of Practice for Social Care webinars](#). Past webinars can be viewed on-demand online.

The [Bunya Fund](#) funds education, training, advisory and mentoring to help co-operatives and mutuals thrive as they take on challenging economic, social, cultural and environmental problems in Australian communities.

Join the BCCM as an [associate member](#) and the BCCM can link you to co-op networks within Australia.

What's the difference between a co-op and a mutual?

Co-ops and mutuals are both types of member-owned organisations where people come together to meet their shared needs. A co-operative is a form of mutual where the organisation is guided by the [seven cooperative principles](#). Every co-operative is a form of mutual, but the mutual sector also includes other member-owned enterprises that aren't co-operatives.

[Defining Mutuality](#) explains what co-ops and mutuals are and how they fit together as a unified sector.

In Australia, there are legal definitions of co-operatives and mutuals:

A *co-operative* is an entity that is registered under Co-operatives National Law or the Co-operatives Act 2009 (WA) in its home state or territory. By registering the entity, the state or territory Registrar has confirmed the entity is designed to operate under the co-operative principles.

A *mutual entity* is a type of company defined in section 51M of the Corporations Act 2001. The basic requirement to meet the definition is that no member of the company has more than one vote in a general meeting.

What's the difference between a co-op member and a shareholder in the co-op?

In a co-operative, only members can be shareholders. The members and shareholders are one and the same.

Can groups set up an informal agreement to work together and call ourselves a co-op without doing all the paperwork and official processes?

If you have not registered the co-operative under Co-operatives National Law or the Co-operatives Act 2009 (WA) in your home state or territory, you cannot use 'co-op' or its derivatives in the name or business names of the organisation. There are penalties for doing so.

You can however follow co-operative principles and operate like a co-op would. The best option is to go through the registration process and get the structure and protections of the co-op model in place.

Starting a co-operative: A step-by-step checklist

1. Getting started

Understand whether a co-op model is right for you

- Clarify the social or business problem you're trying to solve
- Decide how the co-op model will benefit members and the community

Form a steering committee

- Define the co-op's purpose and scope
- Identify relevant stakeholders (e.g., workers, consumers)
- Recruit five to seven people with a mix of lived experience and professional skills
- Establish a shared vision

Develop a business plan

- Define services or products your co-op will offer
- Estimate start-up costs and ongoing financial needs
- Conduct market research
- Prepare financial forecasts and assess feasibility
- Determine how members will contribute (e.g., share capital, subscription)
- Identify sector-specific regulations (e.g., NDIS, aged care, childcare)
- Use resources like the BCCM's [Business planning for co-operatives guide](#)

Draft your co-op's rules

- Use the [Co-op Builder](#) or model rules for your state
- Ensure rules comply with Co-operatives National Law
- Choose your co-op name
- Define the co-op's purpose, member types and active membership criteria
- Specify whether the co-op is distributing or non-distributing

Get approval for your rules and (if required) disclosure statement

- Get agreement from members on draft rules
- Submit rules and (if applicable) a disclosure statement to the state/territory registrar
- Make changes if required by the registrar

Plan for raising start-up funds

- Estimate funding required before and after registration
- Identify potential sources: founders, crowdfunding, grants and loans
- Include funding needs and strategy in your business plan
- Refer to [Community Investment for Australian Co-operatives and Capital Builder](#)

2. Establishing your co-op

Identify first members

- Establish clear roles and responsibilities for each member
- Assess skills and capabilities of members and engage professionals if needed

Hold a formation meeting

- Notify prospective members and provide the approved rules and (if required) disclosure statement
- Ensure at least five prospective members attend
- Elect the first board of directors
- Formally adopt the rules and complete the application for registration

Register your co-op

- Lodge the registration application with the registrar
- Include director details and pay the registration fee
- Receive your Certificate of Registration and approved rules

Establish governance

- Clarify the board's responsibilities and focus on member value
- Ensure the board reflects the co-op's purpose and members
- Consider external support (e.g., legal, financial or co-op advisors)
- Use the BCCM's [Foundations of Directorship for CMEs course](#) if needed

Raise funds

- Determine how much finance is needed to start operating
- Choose funding mechanisms: shares, subscriptions, crowdfunding or loans
- Refer to [Community Investment for Australian Co-operatives and Capital Builder](#) if needed

Recruit members

- Identify potential members and prepare material to promote the co-op to potential members
- Hold meetings
- Ensure new members meet the active membership criteria
- Formally approve and register new members and issue share certificates

3. Launching and operating your co-op

Establish an office and hire staff

- Secure a suitable facility (head office or service site)
- Set up financial systems
- Write job descriptions and prepare staff induction

Begin trading

- Deliver services in line with your business plan and co-op purpose
- Ensure ongoing compliance with sector-specific laws (e.g., NDIS, aged care, childcare)

Provide member and board education

- Provide education on co-op values, rights and responsibilities
- Encourage active participation and shared goal achievement

4. Growing your co-op

Grow your membership

- Define your value proposition and target potential members
- Develop a communication and outreach strategy
- Approve and register new members, issue share certificates

Raise additional capital

- Identify capital requirements
- Consider offering shares or increasing member subscriptions
- Use tools like the [Capital Builder](#) and the BCCM's [resource library](#)

Maintain good governance

- Ensure decisions align with the co-op's purpose
- Maintain a skilled and engaged board
- Set clear roles, policies and procedures
- Communicate regularly with members
- Develop, review and adapt your strategic plan regularly
- Plan for service expansion or improvement

Prepare for reporting

- Lodge required financial reports with the registrar
- Registered charities: meet ACNC reporting obligations
- Report regularly to members (financial and non-financial updates)

Measure non-financial performance

- Track both financial and non-financial outcomes
- Set milestones and performance indicators aligned to your strategic plan
- Report progress to members
- Consider using the BCCM's [Co-operative Foundations online training](#) or [Mutual Value Measurement](#)©