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Employee and Community Ownership in Australia

Pre-release Executive Summary and selected excerpts from the forthcoming white paper

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Employee and Community Ownership Hub (ECOH)

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There is a growing and broadly shared recognition that the economy is no longer working well for many Australians. Wages have not kept pace with productivity, wealth has become more concentrated, housing is increasingly out of reach, and communities find themselves with diminishing say over the economic decisions that shape their daily lives. Artificial intelligence is moving through the professions at a pace that few anticipated, placing a generation of capable knowledge workers in search of a viable economic future without a clear path forward. At the same time, a grey tsunami is quietly reshaping the business landscape: hundreds of thousands of baby boomer owners are approaching exit, most without a succession plan, placing millions of jobs and decades of accumulated enterprise value at risk of absorption by larger interests, offshoring, or quiet closure. Beyond our borders, geopolitical instability is fracturing the global order that Australian business has long taken for granted, disrupting energy systems and exposing the fragility of an economy built on the assumption that distance and globalisation were permanent advantages. The case for localisation, for enterprises that are owned here, governed here, and committed to staying here has never been more urgent or more strategically obvious.

This pre-release Executive Summary and excerpts from the forthcoming white paper makes the case for broader economic ownership as part of building a more participatory, resilient and fair 'ownership economy'[1]. Its primary focus is employee ownership, which remains an underused but practical option for business succession, shared prosperity, productivity and economic resilience in Australia. It also examines community ownership as a related and complementary pathway for anchoring economic benefit in place.

Ownership shapes behaviour. The way a business is owned largely determines its horizons, its values, its longevity and its performance - and most businesses are owned by a relatively small number of people who capture most of the wealth generated and make the key decisions about the enterprise's future. Employee and community ownership changes that distribution directly, shifting ownership, decision-making power, and financial returns toward the workers who build the enterprise and the communities where it operates. This shift matters beyond the firm level: employee-owned businesses are less likely to relocate or make workers redundant, more likely to reinvest surplus rather than extract it, and tend toward the longer-term stewardship that research associates with more equal and resilient local economies. Where ownership is broadly held and locally anchored, the evidence also points to wider social gains - stronger communities, greater trust, and the kind of long-term thinking that resists the short-term extraction that drives both economic fragility and environmental harm.

The paper examines how that shift can happen in Australia - what policy frameworks, financing mechanisms, and institutional support are needed to move employee and community ownership from the margins to the mainstream.

The authors and contributors are practitioners, researchers and advocates who have participated in the Employee and Community Ownership Hub (ECOH) - a community of practice, convened to advance employee

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1 We would like to note that references in this document retain the suffix identifiers (a, b, c) used in the full white paper, from which this summary is drawn. Where a suffix appears without its counterparts, this reflects that only selected references from the full paper are included here.

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and community ownership in Australia[2]. We consider that the evidence assembled here warrants serious policy attention and have also sought to present that evidence fairly, including by recognising the limits of employee ownership and the circumstances in which it may not be the right fit.

In policy terms, systemic reform recommended in this paper should be broad enough to support the main incorporation options used in Australia, i.e., conventional companies, including mutual entities under the Corporations Act, and also co-operatives[3] under Co-operative National Law, Aboriginal Corporations, and incorporated associations. In plain terms, this means that any new laws or tax changes should be designed to work for the full range of business legal structures Australians actually use - not just standard companies, so that no viable ownership model is overlooked.

The paper begins to trace the relationship between employee ownership and community ownership. While employee ownership is the starting point, it sits within a wider project of reshaping ownership so that wealth, control and economic benefit are shared more broadly and remain more firmly anchored in place in what we have termed the ownership economy. Future work through ECOH will build on this foundation and develop that connection further.

We do not write as neutral observers. We want to see more employee and community-owned businesses in Australia, and we want public policy, legal frameworks and institutional support to make that easier.

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2 The ECOH community of practice is hosted by RMIT FORWARD in partnership with Co-operative Bonds, with support from Employee Ownership Australia and the Business Council of Co-operatives and Mutuals.

3 Noting that hybrid co-operative trust models, outlined later in this paper, are now emerging, pointing to new ways of combining democratic enterprise structures with trust-based ownership and stewardship.

1. Executive Summary

Employee and community ownership forms part of a broader ownership economy - a project that rethinks who owns, who benefits, and who participates in economic decisions. In practice, this determines whether jobs stay local, whether wealth remains in communities, and whether enterprises are sustained as part of stronger, more resilient local economies. It also has immediate relevance in Australia, where a large number of businesses will need to navigate ownership transition as existing owners retire.

The succession challenge

Australia faces a major and time-sensitive business succession challenge. At 30 June 2025, there were 2,729,648 actively trading businesses in Australia, including 994,178 employing businesses (ABS 2025). Small businesses employed over 5 million people in 2023–24, representing 39% of the private sector workforce and contributing close to one third of GDP (ASBFEO 2025b; ASBFEO 2025c). In 2023 it was reported that nearly half of all small business owners are aged 50 and over (ASBFEO 2023), yet only 24% of SME owners have a succession plan in place, falling to 19% among family businesses (MYOB 2025b; Grant Thornton 2025). Where family succession or trade sale is not the right fit, employee and community ownership offers a viable alternative - one that can preserve enterprises, build shared wealth, and keep economic benefit anchored in place (see for example Ownership at Work 2023). The scale of this challenge, and the evidence for ownership transition as an alternative to closure or consolidation, is summarised in Figure 1.

The evidence base

The case for employee ownership rests on evidence across multiple dimensions. UK research indicates an 8–12% productivity premium, with employee-owned businesses more than 25% more likely to have seen profits increase, five times less likely to make employees redundant, and paying twice as much in bonuses and dividends compared with conventional businesses (Ownership at Work 2023). US longitudinal research found substantially lower layoff rates in employee-owned firms during recessions (Kruse 2022). Research on Italian towns near Bologna links employee ownership to smaller wealth gaps, stronger social networks, lower crime, and longer, healthier lives - consistent with broader evidence that more equal societies produce higher levels of trust and wellbeing (Erdal 2011; Wilkinson and Pickett 2010; Wilkinson and Pickett 2019). Of the models available, Employee Ownership Trusts (EOTs), now gaining significant traction across the UK, offer a compelling contemporary path to realising these gains (see Section 3 for an explanation of EOTs).

The Australian policy gap

The UK, US, Canada, and a growing number of countries have demonstrated what supportive policy can achieve. The UK introduced Employee Ownership Trusts (EOT) tax reliefs in the Finance Act 2014 and by June 2025 the UK EO Business Register recorded around 2,470 employee-owned businesses with more than 500 transitions in 2024 alone (EOA [UK] and WREOC 2025). Canada legislated an EOT framework and a temporary $10 million capital gains exemption in 2024 (Government of Canada 2023; Norton Rose Fulbright 2024). Denmark's EOT-equivalent legislation took effect 1 January 2026, and Slovenia adopted its Employee Ownership Co-operative Act in October 2025 (Rosen 2026; IED 2025). Scotland became the first country to legislate a wide-ranging ownership economy vision at national level when the Scottish Parliament passed the Community Wealth Building Bill in February 2026; it became law on 25 March 2026. (Scottish Parliament 2026a).

Australia has not yet built an equivalent framework. There is no dedicated EOT legislation, the Australian Taxation Office (ATO) addresses employee share schemes rather than EOTs as a distinct succession model, and the tax-free Employee Share Scheme (ESS) concession remains capped at $1,000 - a threshold unchanged since 1997, while New Zealand's equivalent is now $3,000 (EOA 2025b; ATO 2025, New Zealand Inland Revenue 2025a).

Our core recommendations

Taken together, the scale of the succession challenge, the evidence base, and the international policy momentum suggest that employee and community ownership should be treated as a central economic policy consideration rather than a peripheral niche.

These recommendations are organised around the five shifts set out in Figure 2: policy reform, business succession, community ownership, ownership culture, and ecosystem building. Each of these shifts has a distinct and necessary role in enabling the transition this paper advocates.

For Government and the ATO

1. **Issue dedicated ATO guidance** on EOT tax treatment as an immediate pre-legislative measure, including clarification of Division 7A treatment for EOT financing, which currently creates deemed dividend liability before a business has generated the profits to service a transition (EOA, 2025b; ATO, 2025). Without this clarification, businesses can face tax liabilities before the profits to meet them exist - a structural barrier capable of derailing an otherwise viable employee ownership transition[4].
2. **Introduce a defined capital gains tax (CGT) concession** for qualifying sales to employee trusts, making an employee ownership transition financially competitive with a conventional sale but with governance safeguards built in from the outset to avoid the fiscal cost escalation experienced in the UK[5].
3. **Amend the Fair Entitlements Guarantee (FEG) Act** to protect employee-elected directors in insolvency. The current exclusion from claiming the government safety net that covers unpaid entitlements if the business becomes insolvent creates a structural disincentive to worker board participation, which is particularly acute for co-operatives where Australian law requires a majority of directors to be elected by and from the membership (BCCM 2025b).
4. **Update the $1,000 tax-free employee share scheme (ESS) threshold**, unchanged since 1996; New Zealand's equivalent threshold is now $3,000 (EOA 2025b; ATO, 2025; New Zealand Inland Revenue, 2025a).
5. **Commission a Productivity Commission review of employee ownership's economic contribution to Australia**, including its potential effects on productivity, resilience, business succession, local wealth retention and procurement outcomes (draw on recent Scottish reforms that treat inclusive ownership and social procurement as connected parts of a broader community wealth building framework) (Scottish Parliament 2025; Scottish Parliament 2026b).

4 The ATO should clarify how EOTs will be taxed. Current rules appear to treat this funding arrangement as an early profit payout which can potentially result in a tax problem before the business has actually earned the money needed to complete the ownership transition.

5 The future expanded White Paper will further outline how the policy's success also created fiscal pressure. The UK Budget 2025 records that the original 2013 costing suggested the entire EOT tax regime would cost less than £100 million in 2018–19, but that the CGT relief alone had reached £600 million in 2021–22 and was forecast to rise to £2 billion by 2028–29 without intervention (UK Government 2025a).

6. **Ensure all reform is legal model-neutral by recognising and correcting existing bias toward conventional company structures**. Any new ATO guidance, tax concession, CGT relief, or FEG amendment must work across conventional companies, mutual entities, co-operatives under co-operative national law, Aboriginal Corporations, and incorporated associations[6]. Reform that embraces the full diversity of ownership structures aligns policy with the broader goal of fair and accessible participation.

For Professional Advisors

7. **Include employee ownership as a standard succession option** alongside trade sale and family succession in all relevant client conversations.

8. **Develop Continuing Professional Development modules** on EOT, worker co-operative, and community ownership models for lawyers and accountants, and engage tertiary institutions to incorporate alternative ownership models into business and law curricula.

For Business Owners

9. **Begin planning early** - transitions typically take 18 months to several years and reward early preparation; contact Employee Ownership Australia (EOA) or the Business Council of Co-operatives and Mutuals (BCCM) for initial guidance and connection to specialist advisors.

10. **Assess values alignment alongside financial return**. Who owns a business after the founder exits has material consequences for culture, workforce and community, as the SGS Economics and Meld Studios cases in this paper illustrate.

For the Ecosystem

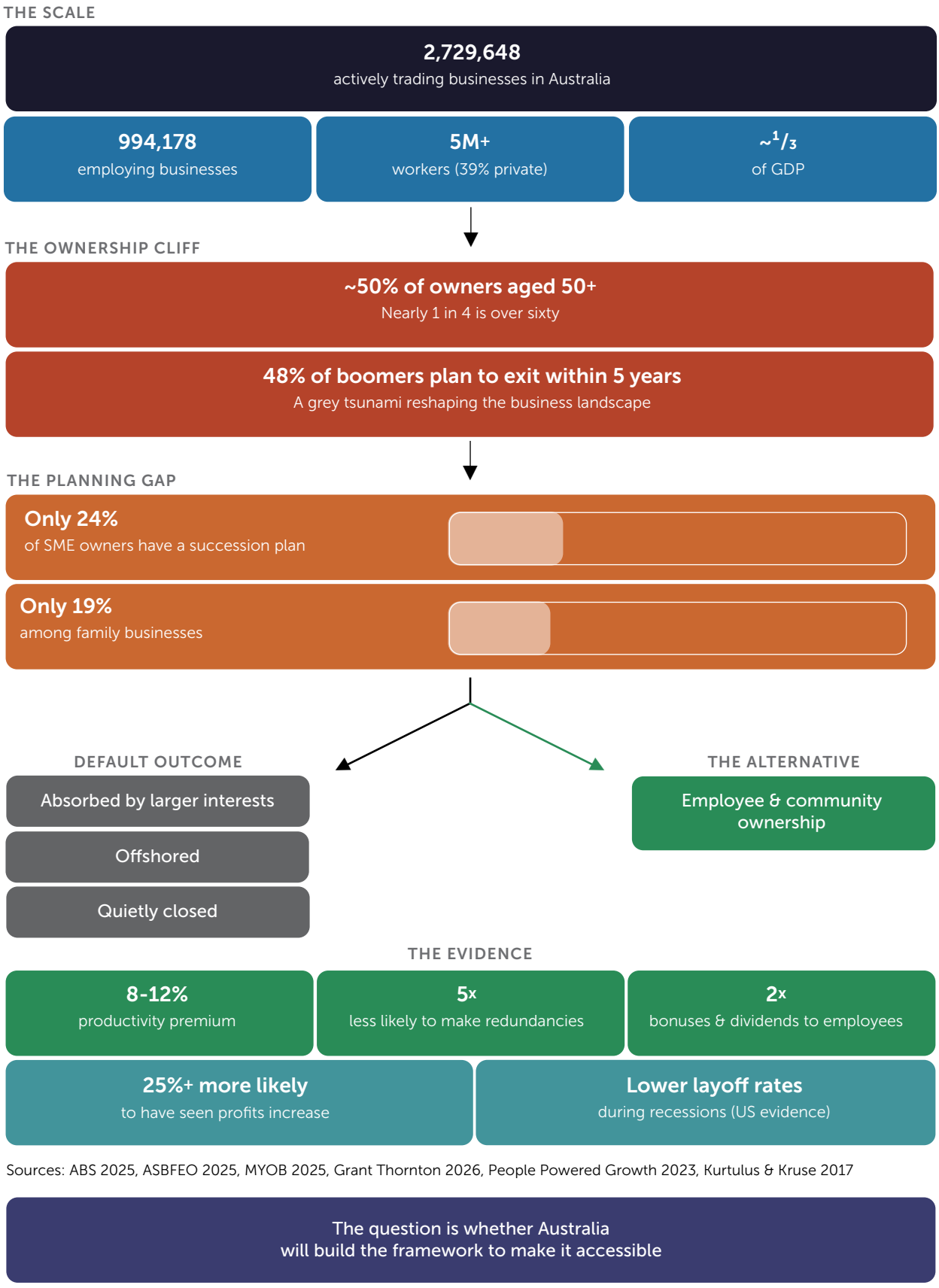
11. **Build peer networks, shared services and a procurement-matching directory** to lower the transaction cost of transition and improve visibility of employee and community-owned enterprises for public and private buyers.

12. **Promote greater awareness and use of existing financing instruments** suited to the governance requirements of employee and community-owned enterprises - including Co-operative Capital Units and Mutual Capital Instruments already available under Australian law but remaining largely unknown and underused in practice (BCCM 2021b; BCCM 2023a).

Employee ownership addresses concerns across the political spectrum: business continuity, worker wealth-building, local economic resilience, environmental stewardship, and productivity growth. In a period of heightened geopolitical tensions and disrupted global supply chains, domestic economic resilience has new strategic urgency (Department of Industry, Science and Resources 2025). Locally owned, employee-governed enterprises carry strategic value because ownership structure shapes business behaviour and time horizons, and member-owned models can keep ownership, profits and decision-making local while reinvesting value in Australian communities (EOA 2023; BCCM 2026a). Australia's co-operative sector is already a significant agricultural exporter, demonstrating that member-owned enterprises can build domestic capacity while competing internationally (BCCM 2025a). The evidence is substantial. The question is whether Australia will build the framework to make it accessible.

6 The BCCM has argued for a corporate diversity approach that addresses structural barriers affecting mutual entities, co-operatives and employee-owned businesses (BCCM 2026a; BCCM 2026b).

Australia's small business succession challenge



Sources: ABS 2025, ASBFEO 2025, MYOB 2025, Grant Thornton 2026, People Powered Growth 2023, Kurtulus & Kruse 2017

The question is whether Australia will build the framework to make it accessible

Figure 1: The scale of Australia's business succession wave, the planning gap, and the evidence for employee and community ownership as an alternative.

2. Why Ownership Matters

"Employee Ownership Australia believes that ownership matters, because the way business is owned largely determines its behaviour, its horizons, its values, its longevity and its performance."

Alan Greig, EOA

The evidence (that will be further articulated in the expanded white paper) makes a compelling case for employee and community ownership across multiple dimensions - productivity, resilience, employee wealth, social cohesion, environmental stewardship, and First Nations alignment. But evidence alone does not produce change. What is needed alongside the research base is a clear framework for action: a shared understanding of where Australia needs to get to, what needs to shift to get there, and what the concrete mechanisms for change look like in practice. Figure 2 provides that framework. It has informed the development of this paper and the broader work of ECOH, and it is offered here as a summary for policymakers, practitioners, advisors and business owners who want to understand why employee and community ownership matters and how to advance it in the Australian context.

Figure 2

3. How Does an Employee Ownership Trust (EOT) Work?

EOT Tripartite Governance Model

Most EOTs adopt a three-part governance structure that separates custodianship of the shares from day-to-day management, while giving employees a formal channel for input. The three elements are:

- **Corporate trustee**: holds shares on behalf of employees with fiduciary duties
- **Board of directors**: manages the operating entity
- **Employee counci**l: provides employee voice and representation

This structure ensures professional management while embedding genuine employee participation. UK data shows employees are represented on the trust board in 78% of EOTs and on the main company board in 53% of cases - employee voice is the norm, not the exception (Pendleton and Robinson 2025). It also finds that exiting owners are trustees in just under three-quarters of cases, often to protect deferred consideration, and that the average payment term is a little more than six years, helping explain why former owners may retain some involvement until they are fully paid out (Pendleton and Robinson 2025).

How the EOT Model Works

The trustee company acquires shares and becomes the owner of the trading company. The trust holds these shares in perpetuity on behalf of all employees; with beneficiaries defined by current employment rather than individual allocation.

Key structural elements:

- **Trading company board**: manages the business
- **Trustee board**: acts as custodian, ensures business is run in employees' interests
- **Employee council**: provides voice mechanism for workforce
- **Employee-elected directors** (optional): can sit on either board
- **Independent trustee chair**: serves as consensus-builder

"Best practice is that there's a mix of employees and senior managers on that trustee board. We've never actually voted on anything. We've always reached consensus."

Graeme Nuttall

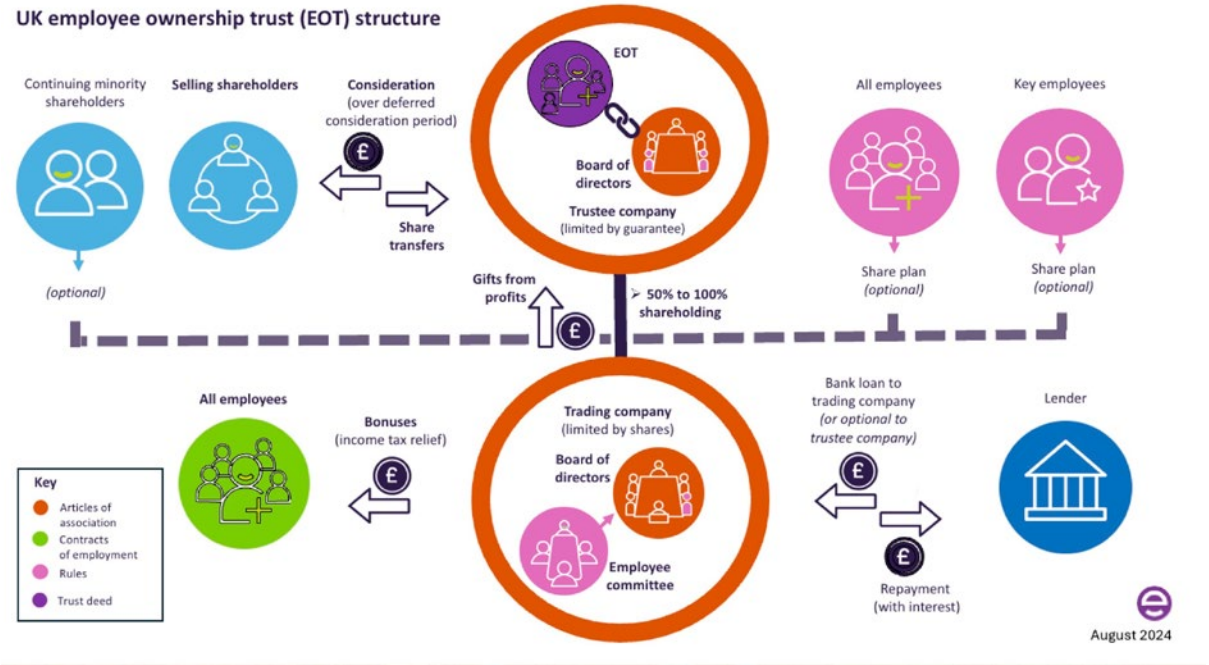


Figure 3: UK Employee Ownership Trust (EOT) structure (Nuttall, 2024)

Figure 3 shows how an Employee Ownership Trust works in practice. At its heart are two connected entities: a trustee company that holds the shares on behalf of employees, and the trading company - the actual business that continues to operate day to day.

When a business owner decides to sell to an EOT, they transfer their shares to the trustee company rather than to an outside buyer. They do not receive a lump sum upfront. Instead, they are paid back gradually from the profits the business generates. This deferred payment arrangement means the business does not need to take on crippling debt to fund the purchase, and the seller receives fair value over time rather than a windfall at the expense of the business's future. Once the trust owns the shares, it holds them permanently on behalf of all employees. Employees do not buy in or own shares individually - they are collectively the beneficiaries of the trust simply by virtue of working there. The business is run by its board of directors as before, but an employee committee gives the workforce a formal voice in how the enterprise is governed. Employees also receive income tax-free annual bonuses paid by the trading company, which in the UK is up to £3,600 per year (HM Revenue & Customs n.d.-b). Additionally, employees can optionally receive individual shares on top of their collective stake. If additional financing is needed, a bank can provide a loan repaid from profits. The result is that the founder exits fairly, the business remains independent, employees gain genuine stake and voice, and ownership cannot be sold from under them.

Hybrid forms are possible and beginning to emerge, though still rare. Alcock and Nuttall have described a potential "co-operative EOT" model that embeds co-operative governance within the trustee body (Alcock and Nuttall 2025); and, Slovenia's 2025 Employee Ownership Co-operative Act uses a co-operative vehicle to hold shares for employees in the absence of trust law (Gonza et al. 2026). These developments could possibly point to new ways of combining co-operative democratic enterprise structures with trust-based ownership and stewardship.

4. Australian Voices: What We Learned from Practitioners

ECOH convened a series of practitioner sessions over six months (mid 2025), hosted by RMIT FORWARD. Business owners, advisors, and international experts presented their experiences and took questions from the group. The case studies below are drawn from those sessions.

Janna DeVylder - Meld Studios (first Australian EOT)

Background and significance. Meld Studios is significant in the Australian context as the first business in the country to implement an Employee Ownership Trust. Founded in 2009 as a strategic design consultancy, the firm grew to 21 permanent employees, reaching 42 at its peak with contractors, before market pressures led to its closure in 2024. While the commercial outcome was not the one its founders intended, the Meld Studios case provides a first-hand account of how an EOT operates under pressure within the Australian regulatory environment.

The succession decision. The decision to pursue an EOT followed a systematic process of elimination. Acquisition offers from larger consulting firms were assessed and declined on the grounds that the organisational culture the founders had developed was unlikely to survive absorption into a larger entity. A direct employee buy-in model was modelled and rejected, as it would have produced a bifurcated workforce of owners and non-owners that the founders considered incompatible with the egalitarian principles underpinning the practice. Family succession was not applicable to a firm that had not been structured as a family enterprise. The EOT emerged as the only model consistent with the founders' view that collective ownership should vest in the people who had built the enterprise.

Financing the transition. The financing approach was shaped by the same values as the ownership decision. Rather than leveraging the business to fund an immediate buyout, the founders seeded initial capital into the trust to acquire a first tranche of shares, and designed a ten-year transition structure in which founder equity would progressively dissolve as the trust's proportional ownership increased. A revenue-linked valuation formula with a 0.75 multiplier - set deliberately below the prevailing industry benchmark - was adopted to ensure that the consideration paid to the founders did not place the business under financial strain during the transition to employee ownership. The pricing decision reflected a deliberate judgement that the long-term viability of the employee-owned entity took precedence over the founders' extraction of maximum value at exit.

Governance and culture. Although the transfer of shares was structured over a decade, the founders chose to operate the business as fully employee-owned from inception. Governance was structured across three bodies - a company board, a trust board, and an employee council - with employee representatives participating on both the company and trust boards. The organisational culture shifted as a result of the transition, though not uniformly. Some employees engaged actively with the responsibilities of ownership; others continued to focus primarily on their professional roles without significant involvement in governance. This variation in engagement is consistent with observations made by Graeme Nuttall and others, who note that a range of participation levels is both normal and structurally expected in employee-owned enterprises.

What the closure revealed. The closure of Meld Studios in 2024 was attributable to sector-wide market conditions rather than to any failure of the ownership model. What the EOT structure provided during the period

of commercial difficulty was organisational cohesion. Staff continued to service clients through to the final day of operations. There was no erosion of commitment to the firm's obligations. As DeVylder observed, collective care fostered by employee ownership functioned as an organisational adhesive, sustaining collective purpose under conditions that would typically accelerate disengagement and attrition.

A regulatory gap exposed. The closure also brought into relief a structural deficiency in Australia's regulatory framework for employee ownership. Under the Fair Entitlements Guarantee (FEG), directors are excluded from the government safety net that provides for unpaid employee entitlements in the event of insolvency. In conventional firms, this exclusion reflects the principle that directors bear fiduciary responsibility for the enterprise's financial position. In an EOT, however, employee-elected directors occupy board positions as a direct expression of the model's commitment to worker voice and democratic governance. Excluding such directors from FEG protection creates a disincentive to the kind of worker participation in governance that the EOT model is specifically designed to promote, and represents an anomaly in the regulatory treatment of employee ownership that warrants legislative attention. DeVylder has subsequently engaged directly with Treasury and the Department of Employment and Workplace Relations on this matter, and the issue is addressed in the recommendations.

"Ownership structures don't always save you from market pressures."

What Meld Studios demonstrates. The Meld Studios case demonstrates that an EOT can provide the institutional conditions for organisations to face adversity with coherence, dignity and shared purpose. That is a meaningful and practically significant finding.

Andrew McDougall - SGS Economics & Planning (employee-owned professional services)

SGS Economics & Planning took a different path: restructuring an existing 30-year-old public policy advisory firm (70–80 employees) from a unit trust with 5-6 owners to an employee-owned proprietary limited company.

The philosophical case. SGS provides public policy advice that shapes government investment decisions for sustainable outcomes. Andrew and the founding partners were clear they did not want conflicts of interest from external investors influencing how they provided that advice. They also wanted to preserve what they called the "college of professionals" culture - an organisation that existed as much for its people's professional development as for its clients. After fielding acquisition approaches and wasting time on them, they concluded they never wanted the business to be sold as the culture that had been built would not survive.

The practical problems. Beyond the philosophical case for change, the unit trust structure had concrete deficiencies. Its requirement to distribute all profits annually meant the firm could not retain reserves, leaving it exposed in downturns. And the partnership buy-in price was prohibitively high - high enough that Andrew spent two years at a competitor before committing. That barrier tied career advancement to financial capacity rather than professional capability, and effectively locked the next generation of leaders out of ownership.

How they restructured. After an 18-month facilitated process, SGS converted to a proprietary limited company with a shareholders' agreement containing two critical clauses: the company could not be sold, and if it were to wind up, that proceeds go to a public policy not-

for-profit. This shift fundamentally changed who the firm attracted. Ownership broadened from 5-6 to about 20 major shareholders, while all 70 staff received one share each. Buy-in dropped to a still significant but obtainable $70,000 (CPI indexed). Governance reflected the same logic with 3-4 directors elected by major shareholders, one staff-elected director, and two external non-executive directors appointed for independence and skills diversity.

What changed. The restructure made the company's purpose unambiguous. SGS developed a four-part test for evaluating client work: Is it in the public interest? Will it divide the organisation? Can we provide independent advice? Will our brand be captured? Staff internalised these criteria and applied them without prompting - Andrew described colleagues challenging a potential engagement in an informal setting because it conflicted with positions SGS had publicly taken. The commercial advantage was equally direct: as an entirely employee-owned firm with no external shareholders, SGS could credibly claim independence in a market where that distinction matters.

The great tumult. Andrew documented SGS's post-restructure experience in a candid paper, "SGS Grows Up." The five years following the 2011 restructure were rocky. Income fell by about a quarter over 2012 and 2013. SGS made redundancies for the first time in its 20-plus year history. Several partners departed for a variety of reasons, including perceived loss of control and/or reduced dividends. The reduced dividends (compared to the old unit trust's 100% annual distribution) changed the risk-return calculus. The period became known internally as "the great tumult."

The company survived because remaining partners showed flexibility - accepting that dividend formulas agreed during the restructure could not be met during lean years, and because the non-executive directors brought in discipline to make hard decisions the executive team might have delayed. As Andrew reflected: "Formulas don't work, goodwill and commitment does."

The share mechanics also evolved. The original partners received A Class shares (fixed value, no voting rights, capped dividend) while new partners received B Class shares (voting rights, modest fixed price). A share redemption program bought back all A Class shares over eight years - completing two years ahead of schedule in September 2019. At that point, all partners held equal stakes with equal voting rights. Company succession was absolute.

"The company's purpose is now absolutely clear to everyone."

What is still hard. The transition exposed tensions the legal restructuring could not resolve. Not all founding partners who signed the documents were genuinely committed to the envisaged changes. Cultural change, Andrew reflected, takes longer than structural change and requires ongoing attention. There are also live questions about balancing transparency with staff confidence: SGS is very open with revenue and utilisation data, but in lean periods, too much financial transparency can spook employees not used to the cyclical nature of consulting revenue. Additionally, the two-tier ownership structure - major shareholders and single-share staff - creates a tension SGS is still working through. The instinct that equal ownership is "the right thing to do" runs up against investment and performance incentives. Where major shareholders carry significantly more financial exposure than single-share staff, flattening that difference may weaken the accountability and performance incentives that meaningful ownership is designed to create. This is a tension SGS had not resolved at the time of writing.

Meaghan Burkett - Centre for Community Capital (community ownership)

Meaghan Burkett's work with the Centre for Community Capital shifts the ownership conversation from the workplace to the geographic community-demonstrating that the principles of distributed ownership apply at the level of place.

The underlying diagnosis. Burkett's argument is that ownership is a form of democracy most people never think about. Political democracy gets attention at election time, but economic democracy - who owns and controls capital in a community - shapes daily life far more directly. When buildings, businesses, and land in a town are owned by people who do not live there, the community loses control over its own economic trajectory. Decisions get made in distant boardrooms for distant shareholders and the community becomes a passive host.

"Communities have lost the sense that they can and should own things."

What the Centre for Community Capital does. The practice works by building the capacity of communities to engage with, control, and generate capital: both financial and physical. That means helping communities understand their capital needs, set up enterprise structures, govern assets, pool investment, and manage risk. Ownership of assets, Burkett argues, is the most impactful of all these functions: assets generate income, provide direct benefits for living and working, and, importantly, who owns them controls the community's economic direction.

The Castlemaine model. A recent example illustrates how this works in practice. The community of Castlemaine wanted to shift local property away from being a speculative tool - assets being bought, flipped, and repriced beyond the reach of local businesses. They formed a non-distributing co-operative (deliberately chosen to remove any speculative incentive) and raised $2 million through community debentures. Debenture holders could choose their own interest rate (0-4%) and repayment period (between 5 and 15 years), which was a negotiated agreement between the co-operative and each community lender, and is fundamentally different from how conventional bank finance works. The money was raised with the property being purchased. The model now exists as a replicable template for other communities across Australia.

Scaling through shared infrastructure. The challenge with community ownership at scale is that managing funds and enterprises requires capability that small communities often lack individually. The Centre for Community Capital is designing a mutual structure at the national level that would provide shared services - governance support, compliance, fund management - to local community investment funds across Australia. This mutual would also hold a financial services licence, enabling it to package diversified local investment opportunities (say, 100 small community housing projects bundled together) into products that institutional investors, including superannuation funds, could invest in. Individually, a community housing project is typically too small and illiquid to meet institutional investment criteria; pooled and diversified across a hundred such projects through a mutual structure, the proposition becomes viable.

Fifty-eight communities have expressed interest in participating in the feasibility study for this structure. If it works, it would create a pathway connecting Australia's $2 trillion superannuation pool to place-based community enterprises-without requiring changes to superannuation law, by working within the existing system rather than lobbying to change it.

Additional Australian Pioneers

Beyond the detailed cases above, other Australian businesses are pioneering employee and community ownership across a diverse range of sectors and models. Together they demonstrate that neither geography nor industry is a barrier to adoption.

Your New Dentist (Melbourne): EOT. Australia's first fully employee-owned social care service, with 10+ staff owners. Currently transitioning to self-managed teams based on the Buurtzorg model - a Dutch home care approach built around small autonomous teams with no middle management, now used across multiple sectors globally. COVID-19 lockdowns delayed EOT incorporation for over a year, but the model demonstrates that employee ownership can strengthen workforce stability and quality of care in healthcare settings.

Middleton Group (Melbourne): Employee-owned company. A 100% employee-owned engineering and project management consultancy, demonstrating that technical professional services firms can transition successfully to collective ownership.

Kosloff Architecture (Melbourne): ESOP. A 100% employee-owned architecture firm with 70 employee-owners, demonstrating the model's viability in the creative and built environment professions.

Goulds Natural Medicine (Hobart): EOT in formation. A long-established natural medicine retailer currently working through an EOT transition - one of the first retail businesses in Australia to pursue this pathway, and a signal that employee ownership is expanding beyond professional services.

PreviousNext (Melbourne): ESOP. A technology company that transitioned to employee ownership via an Employee Share Ownership Plan, with detailed public documentation of their journey providing a practical reference for other technology firms considering a similar path.

Honorbread (Bermagui, NSW): Proposed EOT. A proposed employee-owned bakery in regional New South Wales, demonstrating that employee ownership can anchor economic activity and jobs in small communities beyond metropolitan areas.

Galactic Co-operative (Perth, WA): Worker co-operative. A worker-owned co-operative providing scientific equipment repairs, demonstrating that the co-operative model can operate viably in specialist technical services.

Earthworker Energy Manufacturing Cooperative: Worker-owned regional manufacturer. After numerous years of organising and building community support, the co-operative began making solar hot water tanks in Morwell in 2018. The co-operative is a worker-run factory and certified social enterprise in the Latrobe Valley producing renewable energy technology including hot water systems and storage tanks.

These pioneers span healthcare, engineering, architecture, retail, technology, food production, scientific services and manufacturing - evidence that employee and community ownership is not confined to any single sector, scale or location.

5. Acknowledgments

This paper (and the forthcoming expanded White Paper) synthesises insights from six months of practitioner-led dialogue through the Employee and Community Ownership Hub (ECOH), hosted by RMIT FORWARD in partnership with Co-operative Bonds and Employee Ownership Australia. We are grateful to all ECOH members whose participation, ideas and practical engagement have helped shape the thinking behind it.

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Note: References are drawn from the full white paper. Suffix identifiers (a, b, c) reflect the original reference list and are retained for consistency with the expanded document.

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About RMIT FORWARD

RMIT FORWARD is the Centre for Future Skills and Workforce Transformation at RMIT University, a global university of design, technology, and enterprise. FORWARD brings together a network of seasoned Industry Fellows - practitioners and experts assembled into fluid teams to work as strategic partners with organisations navigating complex workforce and capability challenges. From AI adoption to organisational design, executive briefings to leadership development, FORWARD operates across sectors using cutting-edge industry practice to help clients solve future skills and workforce challenges quickly and responsively.

RMIT FORWARD hosted the ECOH community of practice and provided the institutional platform for the practitioner-led dialogue from which this paper emerged. Pete Cohen and Antony McMullen are both Adjunct Senior Industry Fellows at RMIT FORWARD.

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About Co-operative Bonds

Co-operative Bonds helps leaders and communities to start, grow and sustain member-driven enterprises in the social economy. Co-operative Bonds works with purpose, principle and values-driven member-based enterprises to develop financially viable and sustainable business models that maintain a strong connection to their vision and community.

Members of Co-operative Bonds offer expertise across various fields, from business context analysis to the development of strong governance, business, financial, and delivery models. Additionally, they equip communities with vital skills in fundraising, investment strategies, enhancing member culture, and managing projects, risks, and measurement strategies all focused on delivering mutually beneficial outcomes for the common good.

Co-operative Bonds provides these education and development services for co-operatives, mutuals, charities, clubs, industry associations, professional associations, unions, mutual benefit societies, foundations, faith-based organisations, owner-operated small businesses, and social enterprises so that they can thrive in the growing social economy.

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