



A Public and Co-operative Partnership in Ontario...A Collaborative Solution with Win-Win Potential

Why Do Ontario's Co-operatives Matter?

- Co-ops and credit unions are large, medium, and small business enterprises that **contribute over \$30 billion** to the economy¹
- Co-operative businesses **create and retain jobs** in both rural and urban communities across the province
- Co-ops often **fill a need or a void** where a traditional business does not exist or has vacated a community
- Studies show that co-operatives are **sustainable**, outlasting conventional businesses by about 24% in the first 5 and 10 years²
- Co-ops **foster local economic development** as revenues are re-invested into the business, shared among members and put back into the community

What Challenges do Co-operatives Face in Ontario?

Despite playing a significant role in the Ontario economy, co-ops face ongoing barriers in terms of regulation, lack of capital investment and limited public awareness and understanding of the model. These barriers put co-ops at a significant competitive disadvantage compared to traditional businesses. We are not seeking preferential treatment for the co-op model, but recognition of it as a viable business model, as in the other provinces.

Co-operatives are Nationally Recognized as a Viable Business Model...Why not in Ontario?

Many other provinces, such as Quebec (3,300 co-ops and a dedicated \$5.4 million budget in MEDIE to support co-ops) and Saskatchewan (1,160 co-ops and a \$685,000 budget in MEI to support co-ops), play an active role in the on-going success of their growing co-operative movements. In fact, even Newfoundland and Labrador, with only 95 co-ops, allocates \$165,000 and 11 part-time employees in support of its co-op sector! The Ontario government, however, has **no budgetary provisions** designed to support its 1,300 co-operatives. This lack of government recognition and support greatly hinders the Ontario co-operative sector's potential for further growth.

The Solution: Moving Forward on Resolution #33

The implementation of MPP Ted McMeekin's resolution #33, unanimously passed in the legislature on December 14, 2006, ***"That...the Government of Ontario should commit to the promotion, development and support of the co-operative model of business as one that should be replicated to provide stronger communities, increased social responsibility and continued economic growth...That, the Ministry of Economic Development and Trade commit to investigating the establishment of a Co-operatives Secretariat to support the co-operative model of business,"*** would be a strong first step towards putting Ontario on par with other provinces, and ensure that co-ops can continue to contribute to the social and economic fabric of the province.

In the Meantime...Building Blocks for a Public and Co-operative Partnership

In keeping with the realities of the current economic climate, what better time is there than now to begin developing a partnership between the province and the co-op sector, as a means to achieve mutually beneficial objectives?

At the request of the Ministry of Economic Development and Trade, On Co-op and its sector partners recently developed a list of 13 low-cost and manageable priorities that, when implemented, would strengthen not only the co-operative sector, but also foster local economic development and most importantly, contribute to the **creation and retention of jobs**, resulting in more prosperous and stable communities across Ontario. We have already begun the work to establish these partnerships, but we need *your support* to move them towards actual implementation. Please turn the page to learn more about this list of priority projects...

¹ *Census of the Ontario Co-operative Sector*. Ontario Co-operative Association, 2007.

² *Survival Rate of Co-operatives in Quebec*. Quebec Ministry of Economic Development, Innovation and Export. 2008.

Short Term Collaborative Initiatives

1. Incorporate information on the co-operative business model to the Service Ontario website, in order to provide the general public with access to information on co-operative business development opportunities that currently do not exist.

2. Incorporate information and expertise on the co-operative business model into Service Ontario centers across the province, in order to increase awareness of and access to co-operative business development opportunities, in the same way that this already exists for both private and not-for-profit business enterprises.

3. Improving the regulatory environment for co-operatives by moving forward with necessary amendments to the Ontario Co-operative Corporations Act, will enable more efficient and effective development and operation of co-ops (e.g. Green Energy Act).

4. Conduct presentations about the Ontario co-operative sector, the co-op model of business enterprise and sector-specific information to key ministries as a way to increase awareness among ministry staff of the Ontario co-operative sector and the

co-op model of business enterprise, as well as the successes and challenges of the model in specific sectors.

5. Conduct study tours of Ontario's co-operatives to increase the Ministry's overall awareness and understanding of the co-op model of business enterprise and its potential application to diverse sectors.

6. Conduct a study tour of Quebec's equivalent to the Co-operatives Secretariat, the "Direction des cooperatives," with the Ministry of Economic Development, Innovation and Exports and the Ontario Ministry of Economic Development and Trade. The objective would be to gain a better understanding of their public and co-operative partnership and its positive impact on the province of Quebec as a whole.

7. Invitation for co-op sector representatives to participate in government roundtables, caucus meetings, Premier's Advisory Councils, and other consultation venues, to include the fair representation of co-ops and to provide them with a voice at various inter-governmental tables and forums (similar to what is happening in Nova Scotia).

Longer Term Collaborative Initiatives

8. Create a fund for technical assistance programs for both new and existing co-operatives that will improve technical assistance services for both pre-existing and newly developing co-ops.

9. Transfer registration of co-operatives from FSCO to the Service Ontario (website) in order to facilitate the registration of new co-operatives through the same site as other businesses.

10. Establish a Community Tax System, which would result in tax incentives for co-ops that would put them on an equal playing field with other forms of business enterprise (as is the case in Manitoba, Quebec and Nova Scotia).

11. Maintain a comprehensive database of Ontario co-operatives. By transferring the current database of Ontario's 1,300 co-ops and credit unions from FSCO to On Co-op, the ability to regularly update and provide information on co-ops to the public would be enhanced (similar to Nova Scotia and Newfoundland & Labrador).

12. Updating and expanding on the 2007 Census research profiling the Ontario co-operative sector would provide a greater insight into and understanding of the social and economic impact of the co-op model, which could positively influence a more pro-active approach to, and development of, new co-operatives.

13. Conduct and expand on research regarding the co-operative model in Business Succession Planning (in particular, with regards to its application to manufacturing sector in Ontario). Generating case studies on the use of the co-op model in the manufacturing sector in other provinces (e.g. Quebec), particularly in the Natural Resources sector, would ultimately help determine if the model could be applied and replicated in Ontario.

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