



BUSINESS COUNCIL
OF CO-OPERATIVES AND MUTUALS

MEDIA RELEASE

Victorian Nationals endorses new policy to support co-operatives and mutuals

3 August, 2016: The Business Council of Co-operatives and Mutuals (BCCM) has welcomed the adoption of a new policy by the Victorian Nationals aimed at strengthening the role of co-operatives and mutual enterprises (CMEs) in Australia.

The policy calls for wide-ranging legislative reform including new capital raising measures and the establishment of a single national regulator for the CME sector.

Passed by the Victorian National's annual conference on Saturday, the policy includes initiatives to even up the playing field for CME businesses and to encourage growth and innovation within the sector.

Key elements of the new policy include:

- Commencing the Co-operatives National Law in all states and creating a single national regulator;
- Defining mutual companies in the Corporations Act and legislating for a new equity capital instrument that mutuals can issue to members;
- Requiring knowledge of the CME sector to be a part of the professional accreditation process for accountants, lawyers and business advisers;
- Encouraging the formation of new CMEs as collaborative solutions for growth and innovation; and
- Reducing the level of inadvertent government discrimination and giving portfolio responsibility for the sector to a specific Federal Minister.

Victorian Nationals Senator Bridget McKenzie was a co-proposer of a Senate inquiry into the role of co-operative, mutual and member-owned firms in the economy. The Senate Economics References Committee handed down their report in March this year which received bipartisan support and provides Federal government with a complete reform agenda to address the barriers faced by the sector.

Melina Morrison, BCCM CEO said the new policy recognised the important role co-operatives and mutuals play in regional Australia.

“CMEs focus on returning benefits to their members instead of shareholders. That's why many of the most successful agricultural business in Australia use the co-operative business model.”

“The co-operative model is a better way of giving primary producers a fairer return on their hard work and investment. It is also a way to stop the leakage of economic value from regional centres. With co-operatives you are guaranteed the boardroom



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is in town, there is employment for locals and the profits are reinvested in the local community.

“The Victorian National’s new policy addresses the most important issue facing the sector, namely the need to give CMEs the same opportunities as other businesses to raise capital and potentially unlock billions of dollars of investment.”

“The policy has a strong focus on education with the requirement that knowledge of the CME sector be a part of the professional accreditation process for accountants, lawyers and business advisers.”

“The BCCM welcomes the Victorian National’s new policy and looks forward to working with them on its implementation,” concluded Ms Morrison.

For requests:

Melina Morrison, CEO

Pádraic Varley, Public Relations Manager

Ph: 0410 902 656

Ph: 0456 558 680

The Business Council of Co-operatives and Mutuals (BCCM) is the national peak body representing Australian member owned businesses. Formed in 2013, the BCCM is led by the chief executives of Australia’s co-operative and mutual businesses in all sectors including agriculture, financial services, health insurance, retail, motoring services and human services. The BCCM works to promote the role of member-owned enterprises in the national economy. With an estimated 2000 co-operative and mutual businesses operating nationally representing a total of 14.8 million memberships, the BCCM highlights the contribution co-operatives and mutuals make to the economy and social development in Australia.

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