



PRESS RELEASE

\$14M funding boost for agricultural cooperatives welcomed

4 July 2015: The Business Council of Co-operatives and Mutuals (BCCM) welcomes today's Federal government announcement of a \$14 million package to help farmers form cooperatives, as a key measure in the White Paper on Agricultural Competitiveness.

"The government has responded to our two key industry recommendations; to improve access to information on forming cooperatives so that farmers can compete for success in gaining better access up and down the supply chain; and to hasten the adoption of the new national legislation for cooperatives," said BCCM chief executive Melina Morrison.

"This funding commitment shows the government recognises the need for more cooperatives to ensure agricultural producers get a fair return at the farm gate. It's a turnaround from the pattern of demutualisations of the past couple of decades.

"The government has also recognised that helping farmers form cooperatives will help them to attract investment. The Cooperatives National Law (CNL) regime provides better access to external capital funding by allowing a type of hybrid security to be issued.

"CNL replaces an ageing and fragmented legislative system. But we still don't have full take up across all States and Territories which means many cooperatives are still waiting for the benefits of reduced compliance costs as well as cross state border trading.

"The benefit of the cooperative structure is it keeps the integrity of the family farm intact while delivering family farmers the scale to influence what happens beyond the farm gate. Good news for Australian ownership and food security," said Ms Morrison.

Concluding her comments, Ms Morrison stated "The government is showing interest in the advantages of cooperatives in a number of areas including with the current Senate inquiry into the operation of cooperative firms in the economy."

"Today's announcement addresses a key recommendation we have also made to the Senate Economics References Committee on the need for more awareness and education on cooperative structures in all areas including agriculture."

Cooperatives account for significant agricultural markets. CBH Group, a BCCM member, ships an average of 40 per cent of Australia's grain harvest every year. The world's biggest exporter of rock lobster is Geraldton Fisherman's Co-operative. Victorian dairy co-op, Murray Goulburn, a BCCM member, processes a third of Australia's milk supply with two of the top five businesses in the IBIS World Top 500 being agricultural cooperatives.

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Notes for editors

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2. You can also receive the BCCM's news and press releases by following us on Twitter @BCCM_AU or signing up to our newsletters at www.bccm.coop

3. The Business Council of Co-operatives and Mutuals (BCCM) is the national peak body representing the cooperative and mutual models of enterprise in Australia. Formed in 2013, the BCCM is led by the chief executives of Australia's leading cooperative and mutual businesses and is the only organisation uniting the entire, diverse range of member owned business.