

BIPARTISAN SUPPORT FOR PARLIAMENTARY FRIENDS OF MUTUALS AND CO-OPS A WIN FOR REGIONAL AUSTRALIA

Co-chairs of the new Parliamentary Friends of Mutuals and Co-ops, Nationals Senator Bridget McKenzie and the ALP's Dr Andrew Leigh said the new group underlined the importance of the bodies to the nation.

The bipartisan duo were speaking at the launch of the new Parliamentary Friends Group on Tuesday, this week.

"All sides of politics understand just how important co-operatives and mutuals are to this country - especially to regional Australia," said Senator McKenzie at the launch.

"The Parliamentary Friends of Co-operatives and Mutuals has been set up with a particular aim in mind - to increase awareness of the sector that provides so much to this country, even if many people who are members of co-operatives and mutuals don't realise it.

"To achieve things in Parliament is great, to achieve things in a bipartisan way is fantastic and the launch of Friends of Co-operatives and Mutuals this week has been just that."

Dr Leigh said "co-ops and mutuals, as member-owned enterprises, exist and often compete in the same markets as investor-owned enterprises".

"At the same time, cooperatives are a voluntary association of people, democratically run for their members, and for the pursuit of a common social, cultural or economic goal," he said.

"I think this combination of features is the reason we see support for member owned firms coming from across the political spectrum."

The CEO of the Business Council of Co-operatives and Mutuals (BCCM) Melina Morrison said it was heartening politicians recognised the importance of BCCM members to regional Australia.

"Co-ops and mutuals work hard at the local level to keep people employed. They are the engine behind much of our business community," said Ms Morrison.

"They range from the tiniest farm gate co-op to some of our largest players on the global stage – like CBH group, which is also Australia's second largest private business and our largest co-op, exporting 40 per cent of the nation's grain crops.

"Co-ops and mutuals are the backbone of local communities, especially in regional centres, the outback and across rural Australia."

Ms Morrison called on all MPs, particularly those in regional areas, to join the group and "ensure we don't take the foot off the pedal when it comes to implementing the 17 recommendations which came out of last year's senate inquiry".

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“There is a lot of low hanging fruit - simple regulatory fixes and awareness raising - which could easily be done,” she said.

“There are a lot of barriers we could raise to sector competition and growth such as the way that co-ops are often forgotten when the government has a new grant or co-investment scheme CMEs are not able to apply like any other business.”

The formation of the Parliamentary Friendship Group comes after the recent Senate Economics References Committee inquiry into the co-operative, mutual and customer-owned sector of the economy.

Treasurer Scott Morrison has recently announced a review of key recommendations of that Senate inquiry to be undertaken by Greg Hammond OAM.

Mr Hammond will consult with the industry into the ability for Co-operative and Mutual Enterprises (CMEs) to raise capital through a number of new financial instruments. The Parliamentary Friends of Mutuals and Co-operatives will provide a forum for MPs and Senators to meet and interact with mutual and co-operatives organisations on matters relating to mutuals and co-operatives.

These businesses have a combined turnover of \$12 billion last year and 8 million individual members. The peak bodies represent another 5 million members.

“We know that eight in 10 Australians are a member of a co-op or mutual. Sadly, they’ve been hiding in plain sight for too long, and this has been reflected in sub-optimal legislation and regulation for the sector. This Friendship Group will ensure that we start to create an enabling environment for these member-owned firms,” said Ms Morrison.

Andrew Crane, CEO of the CBH group, cited grain industry infrastructure in WA as an example of the value co-operatives can bring to regional Australia. “This new bipartisan parliamentary group is an opportunity to bring the value of Australia’s cooperatives and mutuals into the light. As an example, CBH Group is investing 750 million over the next five years in infrastructure to directly benefit Western Australian grain growers with all benefits flowing back into the domestic economy because of our ownership structure.”

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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 over 2000 co-operative and mutual businesses operating nationally representing a total of 29 million memberships, the BCCM highlights the contribution co-operatives and mutuals make to economic and social development in Australia. www.bccm.coop