

# A strong economy: It's everyone's business

## Blueprint for an enterprising New South Wales 2022

**Co-operatives and mutual enterprises (CMEs) help to build an economy that is as strong, resilient and inclusive as the people of New South Wales. They do this by mobilising the sense of collaboration and common purpose that exists between business and communities across the State.**

Co-operatives and mutuals strengthen competitiveness and diversity in markets and improve social and economic well-being by generating decent employment and contributing to sustainable development. They spread wealth by focussing on delivering value rather than capital accumulation. They are always domestically owned, employ local people and pay domestic taxes.

With a supportive business environment, the co-operative and mutual movement can contribute even more to economic growth, by boosting advanced manufacturing and continuing to play a key role in supporting the growing care economy, as well as through its strong performance across a range of well-established industry sectors.

**The Business Council of Co-operatives and Mutuals would like to engage directly with the NSW Government to explore how CMEs can help to deliver progress in a number of priority policy areas:**

### SME growth:

As a proven vehicle for SME collaboration across agriculture, manufacturing, retail and professional services, co-ops boost productivity and drive investment in skills, training and the digital economy, especially in the regions.

### Energy transition:

As we move towards a greener economy and climate resilience, energy co-operatives can help to embed local ownership and engagement in the future of energy security.



### Affordable homes:

Housing co-operatives and the mutual financial sector can be boosted to provide more secure, affordable housing – particularly for key workers priced out of the housing market.

### Caring together:

Co-ops and mutuals can support sustainable care services systems with empowered care givers and care recipients.

## The context

The last few years have presented a series of unprecedented challenges to New South Wales, some natural and local, with others global or geo-political. The global pandemic and volatile trade with China have each highlighted the importance of building greater self-reliance and resilience into the economy. These years of turmoil have also opened up new opportunities, especially for regional communities, to secure a new period of economic and social development.

### We have learned three things from this experience:

New South Wales need more self-reliance – co-operative ownership guarantees local supply and control

New South Wales needs more local manufacturing and processing – CMEs are proven to create value and re-circulate it into their communities

The people of New South Wales expect more fairness – CMEs are equitable wealth sharers

### New South Wales needs more self-reliance

The recent experience of the pandemic, natural disasters and a volatile trading relationship with China have shone a light on the importance of achieving greater self-reliance. This can be achieved through more local ownership and control across a range of sectors.

The interruption to global supply chains caused by the pandemic points to a need for greater domestic manufacturing. The importance of control over domestic production is just as relevant in the value-adding of manufacturing as with primary industries.

New South Wales-based food producers and processors like Norco and The Casino Food Co-op are the key to local food security. Agricultural co-operatives are here to stay – owned exclusively by family farms, they work together to add value to primary produce, export and return the value to regional communities.

### New South Wales needs more onshore manufacturing and processing

The twin objectives of more New South Wales' manufacturing and the growth of a medium-sized business sector can both be delivered through co-operatives. Co-operatives and mutuals are always domestically owned and controlled. The co-operative cluster of independent engineering services firms, working through HunterNet, is a great example of how SMEs can collaborate to strengthen their supply chains, increase production and boost exports.

### The people of New South Wales expect more fairness

CMEs are equitable businesses. They share the benefits of business fairly with all stakeholders – employees, customers and other participants. This ensures that wealth remains in New South Wales and is spread among the communities served by the CMEs, either through lower prices, access to otherwise inaccessible services, or sharing of profits.

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## Unleashing the new era of co-operation

There now needs to be a new spirit of co-operation between the people of New South Wales, its government and the co-operative and mutual movement. Working towards the common goal of strengthening the business environment will help to release the full potential of these people-centred businesses to do good for New South Wales and its people.

*New South Wales should be a world leading business environment for co-operatives and mutuals.*

The policy, legislative, regulatory and business services environment play an important role in deciding the success or otherwise of businesses. If we look around the world, it is these factors that have the biggest influence on the size and scope of the CME sectors in each country.

NSW Government business policies are fundamental to securing the potential of CMEs to create growth and spread prosperity. They should provide a supportive policy and legal framework for CMEs.

By adopting recognised international best practice (e.g. ILO Recommendation 193 on the promotion of co-operatives), CMEs should be considered as one of the pillars of New South Wales' economic and social development.

1.

**The registration of co-operatives should be as rapid, simple and affordable as possible.**

2.

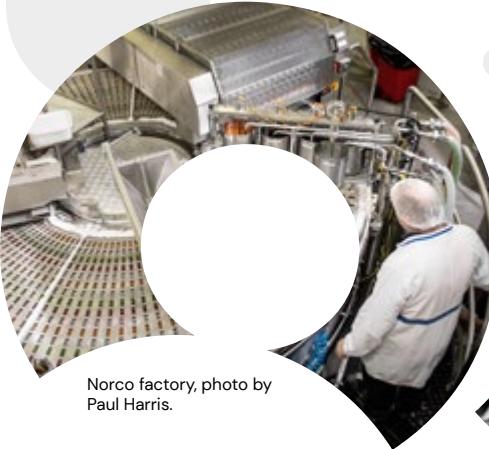
**Policies should support capital access and retention in CMEs.**

3.

**Regulations should treat CMEs on terms no less favourable than those accorded to other forms of enterprise.**

4.

**Policy should encourage the development of CMEs in areas where they have an important role to play or provide services that are not otherwise provided.**



Norco factory, photo by Paul Harris.



NRMA roadside assistance.

*To enable co-operatives and mutuals to play their full role in the future New South Wales' economy, the Business Council of Co-operatives and Mutuals calls on political parties to commit to the following measures:*

## Create a co-ops and mutuals unit in an industry-focused department

Co-ops and mutuals are significant businesses in the New South Wales' economy, yet there is no policy capacity within government to provide expert advice on the model. A co-ops and mutuals policy unit should sit within a core industry or economic department and provide a strong knowledge base and liaison point between co-ops and mutuals, Ministers and officials to deliver on shared social and economic goals.

## Appoint a Minister for co-ops and mutuals in that department

A Minister should be formally responsible for all economic and social policy affecting co-operatives and mutuals operating in New South Wales, distinct from responsibility for operation of the co-op registry in NSW Fair Trading. As Minister for CMEs, this would be an important cross-cutting responsibility and signal the significance that New South Wales places on the contribution of the CME sector and the fair treatment of collaborative enterprise.

## A NSW co-op and mutual business development plan

Working in consultation with the co-operative and mutual movement, New South Wales can develop a plan to grow existing co-operatives and to facilitate their engagement with new sectors. This plan could focus on the immense opportunities to support thriving communities in regional New South Wales through growth of established and new co-operatives and mutuals in agriculture, small business, care, housing, community retail and energy.

## Single national regulator for co-operatives

Now that Co-operatives National Law has been consistently adopted across all states and territories, a single national regulator for co-operatives should be instituted to ensure national consistency and access to full information about co-operatives. Because of under-resourcing of the registry in NSW Fair Trading, co-operatives face a range of barriers including a lack of regulatory guidance on offer documentation in relation to member and public offers of securities. This process should be managed under a principle of no disadvantage – adopting best practice from different jurisdictions and ensuring all types of co-ops are treated equally and fairly.



### About the BCCM

The Business Council of Co-operatives and Mutuals (BCCM) is Australia's peak body for co-operatives and mutuals across all industries. BCCM is the representative body for Australian co-ops and mutuals, working with governments, regulators and policy makers to ensure the Australian economic landscape is able to fully benefit from a competitive co-op and mutuals sector. The BCCM is funded by our co-operative and mutual members.

For more information on Australia's co-operative and mutual business sector please contact:

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