



Economic Reform Roundtable

Submission to The Treasury

14 July 2025

The Business Council of Co-operatives and Mutuals (BCCM) thanks The Treasury for the opportunity to make a submission as part of the Economic Reform Roundtable process.

The BCCM is the peak body representing the nation's largest co-operative and mutual businesses. BCCM's [members](#) operate in key industries including financial services, housing, care, agriculture, motoring, retail, manufacturing and renewable energy. Eight in 10 Australians are members of a co-operative or mutual. However, barriers to a national single market inhibit the scale and competition benefits of co-ops and mutuals, depriving Australian consumers of better prices and services.

Co-operatives and mutuals exist for the economic and social development of their members, who can be customers, producers (small businesses) or employees. Research supports the competition benefits of co-ops and mutuals in retail markets¹. Co-ops and mutuals are motivated to provide services at lower profit rates than investor-owned businesses². Employed-owned businesses are 8-12% more productive than investor-owned businesses.³

Three practical proposals to address the barriers to co-operatives and mutuals competing in a national single market will facilitate deployment of capital and productivity enhancing investment in the supply of affordable housing, safe and efficient care services, increased food production and a more productive small business sector:

1. Better regulation of co-operatives

The Treasury should work with the states and territories to modernise the national scheme for registration of co-operatives, Co-operatives National Law.⁴ Elimination of paper-based regulation and true integration into a national single market would streamline co-operative business formation and growth and facilitate productivity enhancing investment and scaling across small business, agriculture, housing, social care and renewable energy.

Case study: co-operatives legislation as a lever for an efficient care system

Through the Commonwealth-funded Care Together Program, the BCCM is developing shared services co-operative models for the social care sector.

Shared services co-operatives allow existing care providers to pool their resources and operate more efficiently while retaining their local connections and identity. Where there is a gap in local service provision, a shared services co-operative will promote the formation of new co-operative care provider.

A pre-condition for success of this project and the efficiency gains it can unlock in the government-funded care sector is **modern co-operatives legislation**.

Harmonisation of co-operative regulation could potentially be advanced through National Competition Policy.

¹ Monash University and BCCM, [Joint submission to the ACCC Supermarkets inquiry](#)

² Per Capita, [Co-operative Employment Economics](#)

³ Employee Ownership Association, [People-powered Growth Report](#)

⁴ See the [Better Competition Better Prices report](#)

2. Asset lock protection

The Commonwealth Parliament should amend the Corporations Act to provide permanent 'legacy asset' protection for mutual entities, in line with other Westminster regimes.

International experience shows that mutuals have more confidence to focus on growth strategies when legacy assets are permanently protected from asset raids (a form of merger activity with little consumer or competitive benefit).⁵

This measure would support greater investment in new housing supply and social care services, including through better access to capital.

3. Treasury-led working group on co-ops and mutuals

The Treasury should convene a national working group to co-ordinate the impact of policy and regulation on co-operatives and mutuals with a view to maximising formation, investment and growth of these enterprises across the entire Australian economy.

The working group could examine practical reforms to streamline capital raising for co-operatives and mutuals, increase employee ownership and facilitate more agricultural value-adding. Examples are provided in the appendix.

Case study: small business productivity and resilience in agricultural value chains

Co-operatives like Geraldton Fishermen's Co-op, Marquis Macadamias and Almondco Australia are industry-leading exporters and processors. The value they create is returned to regional economies and the small and medium primary production businesses that are their owners. They take a long-term view, supporting their member SMEs through production cycles and environmental crises.

Yet the expansion of these co-ops is hindered by patchwork availability of tax-effective government Co-operative Loans that incentivise small business collaboration, investment and productivity growth in this sector. A national approach is required to allow more producer-owned co-ops to scale and compete in international markets.

We stand ready to provide further information to The Treasury.

⁵ See the [Better Competition Better Prices report](#)

Appendix

Examples of practical reforms that a national working group on co-ops and mutuals could examine include:

Reform	Impact
Apply Corporations Act business restructuring provisions to co-operatives.	Increase flexibility for co-ops to restructure.
Eliminate dual reporting for charitable co-operatives.	Red tape reduction for co-ops that currently must report the same information twice.
Introduce a national co-operative loan scheme through a vehicle such as the Regional Investment Corporation that provides access across all jurisdictions.	Incentivise producer and small business investment in national logistics chains and manufacturing, leveraging existing co-operative company income tax provisions.
Include mutual and co-operative securities in the equity crowdfunding framework.	Increase investment in new mutuals and co-ops supplying social care, housing and renewable energy.
Eliminate the exclusion of First Nations co-operatives from Indigenous Advancement Strategy funding.	Incentivise growth of Aboriginal and Torres Strait Islander co-operatives.
Include mutual and co-operative securities in the Employee Share Scheme framework.	Incentivise employee ownership, which is proven to increase business productivity.
Fair treatment of employee-directors under the Fair Entitlements Guarantee.	Incentivise employee ownership, which is proven to increase business productivity.

About the BCCM

The BCCM is the national industry peak body for co-operatives and mutuals, working with governments, regulators, and policymakers to ensure the Australian economic landscape is fully able to benefit from a competitive co-op and mutual movement.

Through its member co-ops and mutuals, the BCCM represents 14.4 million memberships, including 60,000 small and medium businesses.

Sector snapshot from the [National Mutual Economy Report 2025](#):



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