



Creating sustainable economic growth in rural and regional Australia

Joint Standing Committee on Trade and Investment Growth

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1. Executive Summary

The Business Council of Co-operatives and Mutuals (BCCM) welcomes the opportunity to make a submission to the Joint Standing Committee on Trade and Investment Growth's inquiry into creating sustainable economic growth in rural and regional Australia.

The BCCM is the national peak body representing co-operatives and mutuals. There are more than 1,800 co-operatives and mutuals in Australia. The combined turnover of the top 100 of these is \$AUD47.7 billion much of which is derived from co-operatives domiciled in and serving rural communities and earning vital export income for regional economies.

Co-operatives and mutuals are owned by members, rather than shareholders. Members can be producers, smaller enterprises, or customers of the co-op or mutual. Their purpose is to provide services to members, rather than to maximise profits for external stakeholders. All profits are reinvested to benefit the members and the region where the co-operative operates. Research by Per Capita has shown that due to their different ownership structure, co-operatives are prepared to operate at lower profit margins than their investor-owned competitors.¹ Co-operatives reinvest in supply chain efficiency, value adding and community causes multiplying the impact of the business on regional economic growth and prosperity.

The ability and willingness of co-operatives to operate in low-profit environments is why they have played a special and sustainable role in rural and regional economic development in Australia and around the world. CBH Group's world-class bulk handling system, which underpins around half of Australia's grain exports, is one example. The New Deal electrification of rural United States by farmer co-operatives or the spurring of the White Revolution in India through the Amul federation of dairy co-operatives are others. Electricity co-ops serve 42 million Americans in rural areas and manage 42% of all distribution lines in the USA. The largest dairy exporters in the world are co-operatives including Amul, Fonterra, Arla Foods and FrieslandCampina.

Co-operative economic development in the regions encompasses sectors such as retail, health, social care, housing and mobility, as well as the sectors that are the main focus of this inquiry: agriculture and food. We have included case studies of regionally-based co-operatives active across food marketing, branding, certification and tourism in the body of our submission.

Despite being some of Australia's largest and most successful exporters and marketers across grains, nuts, berries, meat and seafood², we submit that the co-operative model is still not leveraged effectively by policymakers and government agencies with an interest in and responsibility for promoting Australian exports and small business productivity. Co-operatives are a proven pathway for small businesses to overcome the twin tyrannies of scale and distance. By uniting for scale and access, smaller enterprises can access markets favouring larger entrants, transfer business risk to the co-op entity to remain sustainable during supply chain disruptions and market volatility, share back office and network costs, and repatriate all profits for Australian economic success.

¹ [Co-operative Employment Economics: Sustaining Employment and Community Prosperity – Per Capita](#)

² CBH Group, AlmondCo, Marquis Macadamias, OzGroup, WAMMCO and Geraldton Fishermen's Co-operative.

Four simple policy measures can encourage sustainable growth of existing export-oriented co-ops and make it easier for groups of businesses to form new co-ops with an export, branding or food tourism focus:

- 1. Improved information to primary producers, food and beverage processors and other stakeholders about co-operatives as a vehicle for shared marketing, branding and export, and for destination tourism activities and assets.**
- 2. Streamline co-operative incorporation.**
- 3. National access to co-operative loans for eligible farmer-owned processing and marketing co-operatives, leveraging existing tax settings designed to promote the use of co-operative structures for regional economic growth.**
- 4. Legacy asset protection legislation to disincentivise the destruction of long-term value held in Australian owned and operated national brands and supply chains.**

The BCCM stands ready to provide further information to the Committee.

2. Co-operatives and mutuals deliver sustainable economic growth in rural and regional Australia

Due to their distinct member-based structure and purpose, co-operatives and mutuals have a long history delivering sustainable economic and social development in regional Australia, across sectors including agriculture, independent retailing, mobility, banking, health, housing and social care. In these sectors, co-operatives and mutuals have often been the market makers, building the supply chains and services that enable other businesses to be viable. In more mature markets, they continue to provide corporate diversity, encouraging all players to retain a focus on service.

What are co-operatives?

Co-operatives and mutuals are businesses that are owned and democratically controlled by members, who may be consumers, producers, workers or a combination of these stakeholders. Rather than seeking to maximise profits, the purpose of a co-op or mutual is to benefit members and their communities through equitable access to goods and services.

To achieve this purpose, they are guided by seven internationally-agreed principles:

1. Voluntary and open membership
2. Democratic member control
3. Member economic participation
4. Autonomy and independence
5. Education, training and information
6. Co-operation among co-operatives
7. Concern for community

Australian co-operatives use a variety of legal forms. The most common forms are incorporation under Co-operatives National Law (and the consistent Co-operatives Act 2009 (WA)) or incorporation as a mutual company under the Corporations Act.

The United Nations designated 2025 the second International Year of Cooperatives recognising the contribution of co-operatives and mutuals to sustainable livelihoods and socio-economic progress. Such is the importance of co-operatives to sustainable economic growth and food security, the United Nations recently passed a resolution calling for an International Year of Cooperatives to be held every decade.

There are more than 1,800 co-operatives and mutuals in Australia and the top 100 alone have a combined turnover of \$47.7 billion (National Mutual Economy Report 2025).

Primary producer-owned co-operatives enable farmers and fishers to come together to share costs, value-add and access markets that one farmers could not access alone. In Australia, there are 220 primary producer-owned co-operatives with 24,000 members undertaking a range of business activities that support their members' on-farm productivity and profitability. This can include provision of:

- farm inputs
- farm advice
- irrigation infrastructure and services
- pooling or bargaining services

- farm risk or finance products
- storage and handling
- processing
- distribution, marketing and branding
- climate resilience initiatives and environmental stewardship

The sector is diverse in services, size and commodities. For example, CBH Group stores and handles around 40 per cent of Australia's grain production on behalf of approximately 3,500 growers and is also involved in farm inputs (fertilizer), marketing and milling activities, while Mountain Milk Co-op pools the milk of 20 north-eastern Victorian dairy farmers to achieve better deals with private processors. Australia's top ten agricultural co-operatives by turnover (National Mutual Economy Report 2025) are:

- CBH Group, \$4.7bn.
- Norco Co-operative, \$770m.
- WAMMCO, \$424m.
- Geraldton Fishermen's Co-operative, \$324m.
- OZ Group Co-op, \$259m.
- Almondco Australia, \$245m.
- Australian Dairy Farmers Corporation, \$217m.
- NSW Sugar Milling Co-operative, \$163m.
- Yenda Producers Co-operative, \$141m
- Isis Central Sugar Mill, \$132m

Profits generated in these co-operatives are reinvested in improved services and market development, returned to members or allocated to communities causes. There is no leakage of value outside of the regional economy.

3. Co-operative marketing, branding and food tourism case studies

All regionally-based co-operatives – not only those owned by farmers – have an interest in the success of local industries in domestic and international markets, including through destination food tourism. The Barossa Co-op, owned by local consumers, stocks more than 40 local Barossa producers in its supermarket³, while Bega Circular Valley utilises a multi-stakeholder co-op model to bring together large businesses, community, local government and other stakeholders to leverage and develop the Bega Valley's clean and green economy credentials.



The following case studies outline the role that primary producer-owned co-ops are playing in developing new markets for their members, including through branding, licencing, certification and tourism strategies.

Geraldton Fishermen's Co-op

Geraldton Fishermen's Co-operative (GFC) was established in 1950 and has grown over 75 years to become the largest rock lobster exporter in the world, with member-fishers operating across the one thousand kilometre, Marine Stewardship Council-certified Western Rock Lobster fishery.

It generates mutual value for its member-fishers by giving them shared control of the transport, storage, processing, marketing, sales and promotion of their own product, including through the Brolos brand. It also helps fishers to save on business costs through bulk purchasing of bait, fuel and other supplies, pot carting, pot brokerage and transparent market information and forecasting.

Co-operative profits are reinvested in product and market development or returned to members. Recent significant investments by GFC have included the \$23m state-of-the-art Welshpool live

³ See SGS Economics & Planning case study of The Barossa Co-op included as an attachment with this submission.

lobster export facility in 2017 and the upgrade of the Sultan Way processing facility in 2020, enabling the co-op to pursue product and market diversification. These investments have been underpinned by access to the Western Australian Government's tax-effective Co-operative Loan Scheme.

GFC also benefits its members by playing a leadership role in wider industry and regional development initiatives, including the promotion of food tourism. An example is the [Shore Leave Festival](#) in Geraldton.

Key takeaways: Scaled co-ops play a leadership role in export industries, driving innovation and sustainable economic development. Government policy can support long-term investment.



Geraldton Fishermen's Co-operative Chair and Fisher Basil Lenzo, credit Tony McDonough

Mitta Valley Beef Co-op

Formed in 2018 by thirteen local producers, Mitta Valley Beef Co-op allows members to work together to supply meat direct to retail butchers, securing a better price. The co-op also promotes the Mitta Valley brand to generate a price premium associated with the members' local provenance and commitment to grass-fed meat production.

Key takeaways: New co-ops can form with a focus on local branding and marketing. The structure can have an immediate impact for smaller groups of producers.



Fruit West Co-operative

Fruit West Co-operative was established in 2012 to enable greater grower involvement in the commercialisation of new fruit varieties developed with public and industry investment.

The co-op holds an exclusive licence from the Western Australian Agriculture Authority to grow, pack and market the Bravo™ and Soluna™ brands of apple.

Working with industry partners such as APAL, Fruit West has progressively secured new domestic and export markets for its branded apples, including recently announced expansion of exports to China and the Middle East.

Value from these new markets is reinvested or shared with growers, facilitating on-farm investments and returns to farming communities that would not arise under another ownership structure.

Key takeaways: Putting a grower-led entity at the centre of marketing arrangements can align incentives, streamline co-ordination with industry and government stakeholders, and ensure value from public and grower investments in new products flows back to regional economies.



Fruit West Co-operative director and grower Mark Wilkinson, credit Tony McDonough; The Bravo™ apple, credit Fruit West Co-operative Ltd.

4. How government can help to expand co-op exports: policy recommendations

Encouraging new co-op formations

Improved information to primary producers and other stakeholders about co-operatives as a vehicle for shared marketing, branding and export, and for destination tourism activities and assets.

Government agencies focused on export and small business productivity should work with the BCCM to boost awareness and information about co-operatives among primary producers and other export-oriented small businesses. The BCCM has existing resources that can be leveraged for this purpose. [Co-operative Farming](#), funded by the Department of Agriculture, Fisheries and Forestry and delivered by the BCCM assisted smaller producers to form and grow co-operative businesses aimed at accessing local, national and global export markets for shared success.⁴

Government agencies, regional councils and chambers of commerce should work with the BCCM to boost awareness and information about co-operatives as vehicles for stewarding and investing in destination tourism campaigns and assets to leverage the advantages of local ownership, buy in and co-design.

Streamline co-operative incorporation

The Commonwealth should work with the states and territories to modernise the national scheme for registration of co-operatives, Co-operatives National Law. Elimination of long approval times and a refresh of the Model Rules would encourage incorporation as a co-operative.⁵

Long-term sustainability and investment

National access to co-operative loans for eligible farmer-owned processing and marketing co-operatives, leveraging existing tax settings designed to promote the use of co-operative structures for regional economic growth.

Co-operatives like Geraldton Fishermen's Co-op, Marquis Macadamias and Almondco Australia are industry-leading exporters and processors. A key to their expansion and industry leadership has been access to tax-effective co-operative loans to fund expansion.⁶

Yet these types of loans are only available currently to co-operatives operating in Western Australia, New South Wales and South Australia, meaning many expansion opportunities fall by the wayside. A Commonwealth scheme is required to facilitate co-operative investment anywhere in Australia.

⁴ Case studies of new ventures in meat processing, truffle growing, high-value forestry and fishing can be found on the [Co-op Farming](#) website.

⁵ For more detail on this recommendation see [our submission to the Economic Reform Roundtable](#)

⁶ For more detail on existing loan schemes for co-operatives and the provisions in the Income Tax Assessment Act 1936 that make them effective see: [Accessing co-op loans in Australia-BCCM-2.pdf](#)

Legacy asset protection legislation to disincentivise the destruction of long-term value held in Australian owned and operated national brands and supply chains.

The Co-operatives National Law and the Corporations Act should be amended to provide agricultural co-operatives and mutuals with the option of permanent 'legacy asset' protection, in line with other Westminster regimes. The one agricultural co-operative with this protection currently in Australia is CBH Group (due to unique State grain sector legislation), Australia's largest and most successful agricultural co-operative and grain exporter.

International experience shows that co-operatives and mutuals have more confidence to focus on growth strategies when legacy assets are permanently protected from asset raids.

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.

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