



NSW Jobs First Bill 2025

NSW Treasury

20 February 2026

1. Executive Summary

The Business Council of Co-operatives and Mutuals (BCCM) thanks NSW Treasury for the opportunity to provide feedback on the exposure draft of the NSW Local Jobs First Bill 2025 (the Bill).

The BCCM is the national peak body representing co-operatives and mutuals. Eight in 10 people and 48,000 businesses in New South Wales are members of at least one co-operative or mutual.

We are supportive of the policy intention of the Bill to leverage government's procurement budget to boost the local SME sector, create local jobs and maximise wider social and environmental benefits.

Co-operatives are a proven model of business collaboration for smaller businesses across sectors like agriculture, fisheries, manufacturing and independent retail. They allow SMEs in these sectors to undertake local value-adding and compete with larger businesses. An outstanding example is [HunterNet Co-operative](#), which runs a significant group training business for its members and facilitates bidding activity in manufacturing and other sectors.

As in other jurisdictions like Wales and Scotland, the NSW Government's procurement policy should encourage collaboration that can deliver better value for all parties and provide smaller SMEs with more pathways to participate in tendering.

To achieve this, **we submit that the definition of a local small or medium business in the Bill should be extended to be inclusive of co-operatives that are majority-owned by local small or medium businesses with less than 200 full-time equivalent employees.** This would recognise that SME-owned co-operatives, irrespective of employee headcount, act like an extension of the SME members that is focused on facilitating their market access, profitability and efficiency.

The following is a sample of how this amendment could look. It is intended to be neutral as to legal structures, tax status or internal governance, and would be inclusive of co-operatives of small businesses:

local small or medium business means a business that operates primarily in Australia or New Zealand and:

- (a) has less than 200 full-time equivalent employees, or*
- (b) is majority-owned by businesses that have less than 200 full-time equivalent employees.*

We believe this broad approach aligns with the policy rationale we have put forward and benefits from simplicity and flexibility. However, in the alternative we would support narrower drafting that required a SME-owned entity with more than 200 full-time equivalent employees to meet one of the legal or taxation definitions of a co-operative or mutual.

Finally, we note the Bill, either through this definition or elsewhere, should clarify that 'business' is intended to be inclusive of entities that are not-for-profits.

We have provided further background on the rationale for our proposed amendment to the Bill below and stand ready to provide further information.

2. Background

Co-operative structures and their use by SMEs

Co-operative and mutual enterprises (CMEs) are businesses that are owned by and exist to benefit members. The members can be producers (SMEs), consumers, workers or a combination of these stakeholders. Members primarily benefit from ownership and participation in a CME through equitable access to goods and services, rather than dividends and capital gains, as in a shareholder-owned business.

Regardless of legal structure, CMEs operate under one-member one-vote governance or something close to it to preserve their focus on benefiting members through provision of services.

The most common legal structures for CMEs in Australia are a co-operative registered under Co-operatives National Law or a company that meets the definition of a mutual entity in the Corporations Act.¹ There is also a taxation definition of a co-operative company that is important for many farmer and retailer-owned co-operatives.²

In New South Wales, approximately 48,000 SMEs are members of a co-operative or mutual enterprise in order to:

- share costs (e.g. on inputs, insurance, apprentice training),
- undertake value-adding (e.g. processing plant)
- access markets (e.g. marketing, tendering on behalf of members)
- network (e.g. share best practice and innovation)

SME-owned co-operatives are fundamental in sectors such as agriculture and food manufacturing (Almondco Australia), fisheries (Clarence River Fishermen's Co-op), independent retail (Go Vita Group, RapidClean) and manufacturing and trades (HunterNet Co-op, Plumbers Supply Co-op), and increasingly important in sectors such as social care (Eurobodalla Community Care Co-op) and housing (Common Equity NSW). Across all these sectors, co-ops allow SMEs, local not-for-profits and family-owned businesses to compete effectively and retain their independence.

Policy rationale for an amendment to the definition of local small and medium business in the Bill to include co-ops

SMEs are defined in the Bill as businesses with fewer than 200 full-time equivalent employees. This definition works well in most cases. However, it will exclude SME-owned co-operatives and other similar entities where the co-operative has a large employee headcount. This typically arises when the co-operative is undertaking value-adding activities for its members, such as food manufacturing on behalf of farmers in an agricultural co-operative.

Examples of co-operatives owned by SMEs and with more than 200 full-time equivalent employees and operating primarily in Australia include:

- Norco Co-operative (owned by dairy farmers)
- Plumbers Supply Co-op (owned by plumbing businesses)
- Capricorn Society (owned by mechanics and crash repairers)

¹ See: [Co-operatives national law | NSW Government](#); s51M Corporations Act 2001.

² See s117 Income Tax Assessment Act 1936.

In our view, a co-operative that is owned by a group of SMEs should be viewed for procurement purposes as an extension of the member SMEs, irrespective of its employee headcount. Extending the definition of a local SME in the Bill to include SME-owned co-operatives would support the policy objectives underpinning the Bill:

- Provide smaller SMEs that may lack capacity to tender alone (even when given a favourable weighting) more flexibility to participate in tendering.
- Enhance value for money for government without undermining the focus on local SMEs.
- Support local economic development and job creation. Any profits generated in a SME-owned co-op stay within the group and research from Per Capita shows co-ops are [prepared to employ people at lower profit rates](#).

This approach would also be consistent with trends in government procurement policy in other jurisdictions:

- The Welsh Government [Procurement Policy Statement](#) encourages collaboration to reduce bidding costs and improve value for money, and explicitly recognises co-operatives, social enterprises and other community-oriented enterprises as part of resilient local supply chains alongside SMEs.
- In Scotland, the [Community Wealth Building framework](#) includes co-operatives as part of *inclusive ownership* models. The policy intent is to ensure public spending supports SMEs, local jobs and locally rooted enterprises, and that economic value is retained and circulated within communities.

Our proposed amendment to the definition of a local small or medium business in the Bill is neutral as to legal form, tax status or internal governance, as we believe this supports a broad range of SME collaboration that would align with the policy rationale. However, we would also support a 'narrower' definition that went beyond a simple majority-ownership requirement by being limited to entities that fell under one of the legal or taxation definitions of a co-operative or mutual entity.

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-operative 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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