

MEDIA RELEASE

GPO Box 5166 Sydney NSW 2001
P 02 9239 5916 E info@bccm.coop
www.bccm.coop



Policy reform will result in increased banking competition and support the fast growing CME sector

15 November 2016: The Labor Party's recently announced proposed suite of policy reforms has been welcomed by Australia's fast growing co-operative and mutual enterprise (CME) sector.

The Hon. Dr Andrew Leigh MP will assume portfolio responsibilities for member-owned firms. He told a gathering of over 140 top CME leaders at last week's Business Council of Co-operatives and Mutuals' Leaders' Summit in Canberra that mutual banks and credit unions should be supported to help increase competition, to get better outcomes for Australian banking customers and promote ethical markets.

Dr Leigh quoted Conservative UK Prime Minister Teresa May's words on mutualism - "success and solidarity are not incompatible". "Labor is making a commitment to implement key bipartisan recommendations in the Senate Economics References Committee's March 2016 report into cooperative, mutual and member-owned firms," Dr Leigh said.

"These reforms will promote ethical competition and productivity, as well as encouraging social investment and the well-being of workers and small businesses."

"Today in Australia, we need initiatives that will build the strength of our communities. That's because social capital – the networks of trust and reciprocity that link multiple individuals together – is declining,"

"Free markets depend on trust, morality and decency. Trust and reciprocity are important for an inclusive society, and they help to foster empathy for our fellow human beings."

BCCM CEO Melina Morrison said the sector overwhelmingly supported the proposed reforms, which would result in a more diverse and inclusive economy, better access to capital for mutual businesses, including customer owned banks, credit unions and building societies, and address the lack of competition within the banking sector.

"While our sector has agreed with recommendations which emerged from the Financial System Inquiry, such as the account portability recommendations, they are not enough in themselves to create a level playing field and better customer choice.

"This is why in October, we launched a playful social media campaign "#switchnotbitch" to prod consumers to shop around for alternative trustworthy banking choices.

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"What we often don't hear is the idea that Australians can take matters into their own hands and switch to an ethical provider," Ms Morrison said.

Ms Morrison said the policy announced by Labor would also better define mutual enterprises and director's duties in the Corporations Act, and remove unnecessary red tape which currently prevents these businesses from reaching their full potential.

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Media contacts:

Melina Morrison, CEO, BCCM, melina.morrison@bccm.coop Ph: 0410 902 656
Padraig Varley, PR Manager, BCCM, padraig.varley@bccm.coop Ph: 0456 558 680

About the BCCM

The Business Council of Co-operatives and Mutuals (BCCM) is the national peak body representing the co-operative and mutual models of enterprise. Formed in 2013, the BCCM is led by the chief executives of Australia's co-operative and mutual businesses from sectors such as banking and finance, agriculture, retailing and purchasing, motorist's mutuals, health care and insurance. The BCCM works to promote the role of member-owned enterprises in the national economy. With approximately 2000 co-operative and mutual businesses operating nationally representing a total of 29 million active memberships when superannuation funds are included, the BCCM highlights the contribution co-operatives and mutuals make to the economy and social development in Australia. www.bccm.coop