



BUSINESS COUNCIL
OF CO-OPERATIVES AND MUTUALS

Co-operatives National Law Bill 2019 and Co-operatives National Law Regulation 2019 Consultation Drafts

Submission to the Queensland Government

Response to consultation drafts

The Business Council of Co-operatives and Mutuals (BCCM) welcomes the release of exposure draft legislation and regulations to introduce Co-operatives National Law (CNL) in Queensland.

The BCCM is the national peak body for co-operatives in Australia. It is a member driven and funded organisation representing co-operatives in all industries and regions.

Co-operatives are important vehicles for collaboration by producers, consumers, employees and communities seeking to increase buying power, reduce business costs and secure local jobs, services and infrastructure.

Co-operative enterprises have been important for the early development of many industries in Queensland and their competitiveness and resilience has been well recognised in Australian and global research.

There are more than 150 co-operatives registered in Queensland. They operate in a diverse range of industries such as agriculture ([Sunfresh](#)), irrigation ([Pioneer Valley](#)), disability employment ([Nundah Community Enterprises Co-operative](#)), retail ([Kilarney Co-operative](#), [Maple Street Co-op](#)) and wholesale ([Independent Liquor Group](#), [Plumbers' Supplies Co-op](#)).

The BCCM has received many requests for advice regarding the formation of new co-operative enterprises in Queensland as well as requests by co-operatives in other jurisdictions looking to conduct business in Queensland. Regrettably these enterprises have been discouraged by the absence of uniform regulation that permits the mutual recognition of co-operatives across Queensland and other jurisdictions.

The BCCM supports and encourages the introduction of the Co-operatives National Law in Queensland.

By adopting the nationally uniform legislative and administrative regime, Queensland will become a more attractive location to start and grow co-operative enterprises. Existing co-operatives already operating in Queensland will also benefit through the reduced costs that flow from uniformity of regulation across jurisdictions. The adoption of CNL provides Queensland-based entrepreneurs with greater ability to choose an appropriate business structure and places Queensland-registered co-operatives on an even footing with other corporations when trading interstate.

Specifically, adoption of the CNL in Queensland will:

1. boost the competitiveness of Queensland co-operatives by permitting them to conduct business in other jurisdictions;
2. allow Queensland co-operatives better access to capital through developing Co-operative Capital Units as a means of fundraising; and
3. release small co-operatives from the obligation to conduct a compulsory formal audit process

Uniform administration

The Australian Uniform Co-operatives Laws Agreement underpinning the CNL scheme of legislation provides under Clause 25 that each jurisdiction will ‘use its best endeavors to ensure that as far as is reasonably possible the administration of the Co-operative Legislation is uniform.’

It is important that, as much as possible, uniformity extends beyond primary legislation to the local regulations and administration of the CNL. Schedule 1 of the Co-operatives National Regulation 2019 (Qld) sets out proposed fees for administrative functions under the CNL in Queensland. It is noted that the fees specified for the formation of a co-operative in Queensland are significantly higher than the fees in other jurisdictions as well as the fees for the formation of a company. The impact of the fee differences is likely to continue to discourage the formation of a co-operative in Queensland.

For example, the fees for registration of a non-distributing co-operative in New South Wales where no disclosure statement is required is \$108 and for a distributing co-operative the fees are \$378. Under the Co-operatives National Regulation 2019 (Qld) the fees for the formation of a non-distributing co-operative would be \$376.60 and for a distributing co-operative it would be \$753.80 making it the most costly jurisdiction in which to form a co-operative.

Attached for information is a table of common fees across each jurisdiction.

In summary:

- the BCCM supports the adoption of the Co-operatives National Law as proposed in the exposure draft of the Co-operatives National Law Bill 2019 and the Co-operatives National Law Regulations 2019, and
- suggests that the Fee Schedule is reviewed so that fees are more closely aligned with other jurisdictions.

The BCCM and our members can provide further information on each of the matters raised in this submission should this be required.



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