



BUSINESS COUNCIL
OF CO-OPERATIVES AND MUTUALS



Business Council of Co-operatives and Mutuels

Submission to the Uniform Legislation and
Statutes Review Committee inquiry into
Co-operatives Amendment Bill 2015

December 2015

The Honourable Kate Doust MLC
Chair
Standing Committee on Uniform Legislation and Statutes Review Committee
Legislative Council
Parliament House
PERTH WA 6000

unileg@parliament.wa.gov.au

Dear Ms Doust,

Re inquiry into Co-operatives Amendment Bill 2015

The Business Council of Co-operatives and Mutuals (BCCM) thanks the Committee for the opportunity to contribute to its inquiry into the proposed Co-operatives Amendment Bill 2015. The BCCM is a national body representing the interests of co-operative and mutual enterprises in all Australian states and territories.

In its *Blueprint for an Enterprising Nation*, the BCCM identified the need for a nationally consistent legislative framework for co-operatives and clear legislative policy to enable the co-operative and mutual sector to compete on a level playing field with other corporate forms.

Conservatively, there are over 1700 co-operatives and mutuals in Australia, including 68 registered in Western Australia. Over 14.8 million people are members of co-operative or mutual enterprises.

The combined annual turnover of the Top 100 co-operatives and mutuals was close to \$28 billion for the financial year ending June 2014. Twelve per cent of the Top 100 co-operatives and mutuals were from Western Australia and they accounted for 31% of the combined turnover¹.

The co-operative and mutual sector is important to the prosperity of Australia. Co-operatives help to create an economy and society that serves the widest number of people by sharing power in, and the rewards of, business. Co-operatives are regulated under state and territory laws. Until recently, they operated under a high compliance cost regime that required multiple registrations to enable them to carry on business nationally.

The commitment of all Ministers to the Australian Uniform Co-operatives Law Agreement in 2011 was a major step towards achieving a competitively neutral regulatory environment for co-operatives by reducing regulatory compliance costs and introducing mutual recognition.

In 2009 the Parliament of Western Australia recognised the value in passing legislation that was consistent with co-operatives legislation being developed by the then Ministerial Council of Consumer Affairs. The draft of the Co-operatives Act 2009 and its Regulation were considered by all jurisdictions as strong progression towards national uniformity.

Subsequent negotiations between officials from all jurisdictions moved to develop the Co-operatives National Law so as to secure complete mutual recognition and the reduction of regulatory red tape for co-operatives when operating either within or beyond their 'home' jurisdiction.

By enacting alternate consistent legislation, the Western Australian Parliament retains complete authority over the enactment and any subsequent amendment to its legislation. The Australian Uniform Co-operatives Law Agreement provides for amendment to the Co-operatives National Law, but it does not compel jurisdictions to amend consistent legislation, this remains a matter for the will of the Western Australian Parliament.

The BCCM supports the Co-operatives Amendment Bill 2015 as it achieves the necessary consistency with the Co-operatives National Law and thereby promotes a more competitively neutral regulatory environment for co-operatives across state and territory borders through mutual recognition. Such a development will not only benefit the co-operative sector in Western Australia, it will contribute to the development of a stronger national co-operative sector.

Yours faithfully,



Melina Morrison
Chief Executive Officer

10 December 2015

About the Business Council of Co-operatives and Mutuals

The BCCM is the peak cross-sector body for co-operatives, mutuals and member-owned businesses. Its purpose is to promote recognition of the important role of co-operative and mutual businesses in the economy and community development of Australia.

The sector represented by the BCCM is significant to the Australian economy. Including member owned superannuation funds; the contribution of the sector to GDP in 2012/2013 was 7 per cent.¹

¹ "2015 National Mutual Economy Report", Business Council of Co-operatives and Mutuals (2015)