

**Submission
No 15**

INQUIRY INTO SUSTAINABILITY OF THE DAIRY INDUSTRY IN NEW SOUTH WALES

Organisation: Business Council of Co-Operatives and Mutuals

Date Received: 5 November 2018

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BUSINESS COUNCIL
OF CO-OPERATIVES AND MUTUALS

Submission to the New South Wales Legislative Council Industry
and Transport Committee inquiry into the sustainability of the
dairy industry in New South Wales

November 2018

Via email: portfoliocommittee5@parliament.nsw.gov.au

The Business Council of Co-operatives and Mutuals (BCCM) is pleased to provide comment to this inquiry into the New South Wales dairy industry.

Co-operatives have an important role to play in securing a sustainable dairy industry in New South Wales by giving dairy producers greater control of the value chain. **We support and endorse the submission to this inquiry of our member, Norco Co-operative Limited, the largest farmer-owned dairy co-operative in Australia.**

Formed in 2013 following the United Nations International Year of the Co-operative, the BCCM aims to educate, inform and advocate for recognition of the co-operative and mutual enterprise (CME) sector. The need for government action to include CMEs in regulatory and policy development is evident from the findings and recommendations of the Senate Economics References Committee Inquiry into Cooperative, mutual and member-owned firms, and the Hammond Review into Access to Capital for CMEs.

Co-ops and mutuals have been a part of the fabric of Australian life and business since the mid 1800s. They provided a business platform for small agricultural producers, community settlement programs, housing and financial and insurance services to Australians. They continue to serve with 8 in 10 Australians being members of a CME. CMEs carry on business in a range of primary, secondary and tertiary industries.

(a) The nature of, and relationship within, the value chain between farmers, processors, logistics companies and retailers and their respective influence on price;

The BCCM is of the view that co-operatives have an important role to play in increasing the bargaining power of farmers in the dairy value chain, thereby underpinning the sustainability and security of local dairy production and distribution.

It is the unique organisational structure of co-operatives, as member-owned and controlled enterprises, that allows producer-members of a co-operative to gain a greater share of the value generated in the value chain (e.g. through ownership of processing plant). Furthermore, when farmer co-operatives are strong, they facilitate long-term reinvestment in local and State economies, sustainable employment opportunities in regional areas, increased consumer choice and local procurement opportunities.

The BCCM recommends that the New South Wales Government should ensure dairy industry policy and supports are available on an equal footing to co-operatives registered with Fair Trading NSW.

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

Contact:

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