



20 September 2024

Merger Notification Thresholds

Submission to The Treasury

Introduction

The Business Council of Co-operatives and Mutuals (BCCM) welcomes the opportunity to make this submission to The Treasury's consultation on merger notification thresholds.

The BCCM is the national peak body representing the co-operative and mutual movement across all industries. There are 1,800 co-ops and mutuals in Australia with a combined turnover of approximately \$43bn.

Co-ops and mutuals are businesses owned and controlled by consumers, producers (SMEs), workers or a combination of these stakeholders. They are open membership organisations open to any persons who are able and willing to contribute to their activities. This distinct ownership model means they can contribute to a diverse and dynamic Australian economy by:

- Shaping markets in the interests of consumers by being a consumer-focused challenger business model to investor-owned firms.
- Allowing smaller Australian businesses to compete in domestic and export markets.
- Being a sustainable business model in lower-profit or 'thin market' contexts, such as in remote areas, providing stable employment and service delivery.

Response to consultation paper

The BCCM is broadly supportive of the move to a mandatory notification regime designed according to a principle of risk based regulation.

In particular, the following would effectively focus the regime on riskier transactions and contribute to streamlining the transactions involving less risk:

- Increasing the proposed turnover thresholds for mandatory notification at commencement and reviewing them after a couple of years of operation.
- Requiring specified large national businesses in sectors like grocery retail to notify on all mergers (as discussed in the consultation paper).
- Provide quick track notification pathways and guidance for mergers between two co-ops and/or mutuals, for co-ops and mutuals operating in export-oriented industries and for co-ops and mutuals acquiring a business in regional and remote areas.

We would be pleased to provide further information on any matters raised in this submission.

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-op and mutual movement.

Through its member co-ops and mutuals, the BCCM represents 11 million individuals and 60,000 businesses.

The BCCM has supported new co-operatives and mutuals to form in a range of sectors and is a member of the International Co-operative Alliance (ICA) with access to world-wide networks.

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