

JOHN MARTIN

18 March 2008

SELECT COMMITTEE ON STATE GOVERNMENT FINANCIAL
MANAGEMENT,
THE SENATE,
PARLIAMENT HOUSE, CANBERRA, ACT 2600.

SUBMISSION TO THE SELECT COMMITTEE RE CO-OPERATIVES

Dear Sir/Madam,

Co-operatives as a form of financing the upgrading of raw materials in rural Australia have gone out of favour with Government due to the perception that adequate alternative financing methods and facilities exist.

The writer believes this to be incorrect and favours the development of co-operatives where the Government (Federal operating through the States) provides 70% of the funding and the supporters of the co-operative provide 30%.

That the Government funding be by way of subordinated loan, to be repaid as soon as the financial position of the co-operative reasonably allows.

There is a history of famous co-operatives in Australia and they are required again to offset the purchasing power of the major buyers in many raw materials, particularly food.

The industries of indigenous Australians will be greatly assisted by such co-operatives.

Whilst it is appreciated that the main thrust is financial arrangements, the above has relevance to items (i) and (j) in the Terms of Reference, the maintenance of communities in rural Australia, the building of brands in Australian produce, development and proper use of infrastructure.

The writer would be happy to appear before the Committee, should that be desired.

Yours sincerely,

John Martin