

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates 19-23 October 2015

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet

Outcome/Program: Outcome 2: Indigenous

Topic: Cooperative, mutual and member-owned firms

Senator: Senator Nick Xenophon

Question reference number: 155

Type of question: Written

Date set by the committee for the return of answer: 4 December 2015

Number of pages: 1

Question:

What are the costs for the business case for demutualising and restructuring in order to maintain funding under the IAS?

Answer:

The cost of incorporating is expected to vary from organisation to organisation. Cooperatives required to incorporate under Commonwealth legislation should seek legal advice on the appropriate corporate structure and process involved, including whether demutualisation or restructuring are required in their specific circumstances.

Organisations may incur additional one-off costs when they transfer incorporation, including for independent legal advice and accountancy services in order to assist organisations that are required to transfer incorporation. The Department of the Prime Minister and Cabinet provides a one-off \$10,000 payment as a contribution to the associated costs.