

## Co-operatives Legislation

**This submission identifies key principles that should inform the process of developing and implementing co-operatives legislation.**

Co-operatives Australia welcomes the release of the proposed Co-operatives National Law. CA is the national body for State Co-operative Federations. It is an unincorporated body with membership by the State Co-operative Federations of New South Wales, Queensland, South Australia, Victoria and Western Australia.

The following comments on the proposed National Law address key principles of co-operatives national law rather than the detail of the legislation. State Federations will provide detailed comments.

1. Co-operatives principles. Co-operatives legislation should reflect and reinforce co-operative values and principles.
2. Co-operatives legislation. CA believes that States and Territories should have the option of applying the proposed Co-operatives National Law or adopting co-operatives legislation that is substantially corresponding law.
3. Co-operative independence and autonomy. Co-operatives legislation should reflect and reinforce co-operative autonomy and legislation-minimising the role of the Registrar in areas better devolved to members via the rules of individual co-operatives.
4. Co-operative difference. There are significant differences between small and large co-operatives and this difference needs to be recognised in legislation and regulation.
5. Co-operative Operations. Co-operatives once incorporated in one jurisdiction should be able to operate throughout Australia without extra registration requirements.
6. Co-operative democracy. Co-operatives legislation should reflect and reinforce co-operative democracy - the accountability of boards to members as determined by members.
7. Director obligations. The obligations of directors to members should specify honesty and due diligence with provision for the business judgement rule defence in line with Corporations Act 2001 section 180.
8. Federations. States have recognised State Federations and this should be continued to be recognised.
9. Co-operatives. Co-operatives throughout most of the world use a hyphen in the word co-operative and this is the practice of the International Co-operative Alliance, the world peak body. The CNL should therefore adopt the hyphenated word "co-operative".

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