

# Co-operatives National Law Regulation 2020

Explanatory notes for SL 2020 no. 180

made under the

*Co-operatives National Law Act 2020*

## General Outline

### Short title

The short title is the *Co-operatives National Law Regulation 2020*.

### Authorising law

Section 27 of the *Co-operatives National Law Act 2020*.

### Policy objectives and the reasons for them

The objective of the *Co-operatives National Law Regulation 2020* (CNL Regulation) is to prescribe matters relating to the local application of the Co-operatives National Law (CNL) and the Co-operatives National Regulations (CNR). The CNL and CNR are applied as a law of Queensland by the *Co-operatives National Law Act 2020* (the Act).

The CNL is template legislation that regulates the formation, registration and operation of co-operatives in each Australian state and territory. The CNR are template regulations which support the CNL by regulating administrative matters common to each jurisdiction.

The CNL delivers the benefits of a nationally harmonised legislative scheme, which includes reduced reporting requirements, and enables Queensland co-operatives to participate in national mutual recognition arrangements. The CNL has modernised co-operatives laws, creating uniformity of laws among participating jurisdictions and supports the commercial viability of co-operatives.

### Achievement of policy objectives

The CNL Regulation achieves the policy objective by supporting the application of the CNL and CNR as a law of Queensland.

The CNL Regulation prescribes certain local arrangements, necessary for the operation and administration of the CNL and CNR in Queensland. For example, the CNL Regulation makes provision for certain processes and functions undertaken by the Queensland registrar and prescribes fees for various registry services.

## **Consistency with policy objectives of authorising law**

The CNL Regulation is consistent with the policy objectives of the Act.

## **Inconsistency with policy objectives of other legislation**

The CNL Regulation is not inconsistent with the policy objectives of other legislation.

## **Benefits and costs of implementation**

The CNL Regulation is necessary to support the operation of the CNL in Queensland, which provides a modernised, streamlined and nationally consistent regulatory framework for co-operatives.

Implementation of the CNL in Queensland will have some resource impacts for the Queensland Office of Fair Trading, including costs associated with communications, website adjustments and changes to registry forms.

## **Consistency with fundamental legislative principles**

The CNL Regulation is consistent with fundamental legislative principles.

## **Consultation**

The Office of Best Practice Regulation (OBPR) was consulted about the proposal to apply the CNL as a law of Queensland. OBPR advised that as the proposal was previously the subject of extensive national consultation in 2009, the proposal is excluded from further regulatory assessment under the *Queensland Government Guide to Better Regulation*.

However, OBPR recommended that further consultation with Queensland co-operatives be undertaken. Accordingly, in September 2019, registered Queensland co-operatives and peak stakeholders were consulted on an exposure draft of the CNL Regulation.

Stakeholders were supportive of applying the CNL in Queensland, anticipating benefits the CNL would provide to co-operatives in Queensland, particularly small co-operatives.

In addition to the benefits in cost savings for co-operatives, stakeholders noted that adopting the CNL will enhance choice of business structure for Queensland businesses and enterprises, promote the formation of new co-operatives, and achieve the objective of uniform laws in Australia. Stakeholders noted that uniform laws reduce costs and create opportunities to deliver benefits to Queensland's economy and society and promote further efficiencies for businesses operating across state and territory borders.