



Department of Justice

Director
Consumer Affairs Victoria

Level 17, 121 Exhibition Street
Melbourne, Victoria 3000
GPO Box 123A
Melbourne, Victoria 3001
Telephone: (03) 8684 6017
Facsimile: (03) 8684 6040
Email: consumer@justice.vic.gov.au
DX210220

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Mr David Griffiths
Secretary
Co-operative Federation of Victoria Ltd
71 Franciscan Avenue
FRANKSTON VIC 3199

Our ref: CD/08/65078


Dear Mr Griffiths

CO-OPERATIVES AND PRIVATE SECURITY ACTS AMENDMENT ACT 2008

I am pleased to announce that the *Co-operatives and Private Security Acts Amendment Act 2008* (CPSAA) passed both Houses of Parliament on 17 April 2008 and came into effect on Wednesday 23 April 2008.

The CPSAA amends the *Co-operatives Act 1996* by:

- a. Introducing co-operative capital units as an additional form of capital fundraising to support the trading operations of co-operatives;
- b. Simplifying the ability of co-operatives registered in another jurisdiction to operate in Victoria; and
- c. Providing discretion for the Registrar of Co-operatives to exempt small co-operatives from all or specified financial reporting and audit requirements under the Act.

The CPSAA also amends the *Private Security Act 2004* to extend the timeframe for completion of a statutory review of the Act by one year to 1 June 2009. The amendments to the *Co-operatives Act 1996* will support the operation and sustainability of the co-operative sector and we believe, should receive broad endorsement by the sector.

You may be aware that the Ministerial Council for Consumer Affairs (MCCA) has agreed to work towards developing a national scheme of co-operatives legislation with a set of core consistent provisions to be embodied in a National Co-operatives Code. In 2002, MCCA agreed to the inclusion of co-operative capital units and mutual recognition provisions in the proposed national code.

The co-operative capital unit and mutual recognition amendments contained in the CPSAA extend the benefits of these provisions to Victoria in advance of completion of the national project, but in a manner consistent with agreements at the national level and with drafting instructions for the proposed national code.

The discretion for the Registrar of Co-operatives to exempt small co-operatives from financial reporting and audit requirements is consistent with an existing discretion available to the Registrar of Associations under the *Associations Incorporation Act 1981* and available to the Australian Securities and Investment Commission in respect of companies under the *Corporations Act 2001*.

The discretion will be available on a case-by-case basis upon application by a co-operative. It may be exercised only upon the Registrar being satisfied that standard financial reporting requirements would impose an unreasonable burden on a co-operative and will enable a substantial reduction in the compliance burden for small co-operatives.

The amendments came into effect on Tuesday 22 April 2008. The *Co-operatives Act 1996*, as amended, can be viewed under "Victorian Law Today" on the Victorian Legislation and Parliamentary Documents website at www.legislation.vic.gov.au.

If you have any queries concerning the operation of the new provisions, the contact officer at Consumer Affairs Victoria is Mr John Unkovich on (03) 8684 6301.



Dr David Cousins
Director