Draft CPS 510

Submission to the Australian Prudential Regulation Authority

28 August 2026

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Business Council of Co-operatives and Mutuals

The Business Council of Co-operatives and Mutuals (BCCM) thanks the Australian Prudential Regulation Authority (APRA) for the opportunity to provide feedback on the draft CPS 510.

The BCCM is the national peak body representing the co-operative and mutual enterprise movement across all sectors of the economy, including the prudentially regulated sectors.

We welcome inclusion of *type* and *structure* as factors for the design of proportionate regulation in the consultation questions APRA released alongside the draft CPS 510. With this in mind, we have provided comment on where clarification could support practical implementation of the standard in relation to mutual and group structures.

Tenure

Practical implementation of the tenure limit would be aided by APRA allowing for election cycles in mutuals. For example, regulatory guidance could clarify APRA's approach to circumstances where a director tenure limit does not line up precisely with the next AGM.

Practical implementation of the tenure limit in group structures would be aided by APRA clarifying:

- whether tenure is assessed at an entity level or with reference to a director's first appointment within a group;
- whether service on one group entity counts towards tenure on another;
- whether a director who has reached the tenure limit on one entity may subsequently be appointed to another group entity;
- how the tenure provisions are intended to operate where directors hold multiple appointments across a group, and;
- how these provisions are intended to operate across multiple appointments between APRA-regulated and non-regulated entities.

Independence

It would be helpful if the final framework recognised that a cross-appointment in a group structure does not, of itself, determine whether a director is independent or give rise to a conflict in every circumstance. Directors serving across multiple entities within a group may, from time to time, be subject to competing duties or actual, potential or perceived conflicts, which should be identified, assessed and managed through appropriate governance arrangements, including conflict disclosures, conflict management plans, board procedures and appropriate record-keeping.

The BCCM stands ready to provide further information to APRA.

About the BCCM

The BCCM is the national industry peak body for co-operatives and mutuals, working with governments, regulators, and policymakers to ensure the Australian economic landscape is fully able to benefit from a competitive co-op and mutual movement.

Through its member co-ops and mutuals, the BCCM represents 14.4 million memberships, including 60,000 small and medium businesses.

Contact details:

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