

## CO-OPERATION (AMENDMENT) ACT.

Act No. 5, 1945.

An Act to amend the Co-operation Act, 1923-1941, and the Income Tax Management Act, 1941, in certain respects; to validate certain matters; and for purposes connected therewith. [Assented to, 14th March, 1945.]

George VI.  
No. 5, 1945.

**B**E it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

**1.** (1) This Act may be cited as the "Co-operation (Amendment) Act, 1945."

Short title  
and  
citation.

(2)

**Co-operation (Amendment) Act.**

**No. 5, 1945.** (2) The Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts and by this Act, may be cited as the Co-operation Act, 1923-1945.

Amendment of Act No. 1, 1924.

Sec. 8.  
(Powers of rural societies.)

**2.** (1) The Co-operation Act, 1923-1941, is amended—

(a) by inserting at the end of section eight the following new subsection:—

(2) A rural society shall have and shall be deemed always to have had power to purchase or otherwise acquire and to sell to its members or other persons any goods or commodities.

Sec. 10.  
(Powers of trading societies.)

(b) by omitting from paragraph (c) of section ten the word “trading”;

Sec. 15.  
(Powers of community advancement society.)

(c) by inserting next after paragraph (d) of section fifteen the following new paragraph:—

(di) acquire land on which dwellings or buildings are being or have been erected and sell or let the same to its members;

New sec. 15A.

(d) by inserting next after section fifteen the following new section:—

15A. (1) Where a community advancement society is selling or letting dwellings or buildings to its members its objects may include all or any of the objects prescribed for a small loans society in paragraphs (a), (b) and (ei) of subsection one of section twenty-nine of this Act and may also include the guaranteeing of loans made by any person to the members of the society for any of the purposes specified in those paragraphs.

(2) A community advancement society may, if authorised by its rules, exercise all powers which are necessary for or incidental to the carrying out of any objects referred to in subsection one of this section.

The provisions of sections thirty-one and 31A of this Act shall apply, mutatis mutandis, and with such modifications as may be prescribed to and in respect of the exercise by the society of such powers.

Additional objects and powers.

(e)

- (e) by omitting from paragraph (c) of subsection one of section seventeen the words "community advancement" and by inserting in lieu thereof the word "other"; No. 5, 1945.  
Sec. 17.  
(Powers of building societies.)
- (f) (i) by omitting from section 17A the words "ninety per centum of" wherever occurring; Sec. 17A.  
(Building societies—indemnities.)
- (ii) by omitting from paragraph (c) of subsection one of section 17A all words following the word "lent" and by inserting in lieu thereof the words "does not exceed one thousand two hundred and fifty pounds; and"
- (iii) by omitting from subsection four of section 17A the words "five hundred" and by inserting in lieu thereof the words "seven hundred and fifty";
- (g) (i) by inserting in subsection one of section eighteen after the word "not" where firstly occurring the words "except with the approval of the Co-operative Building Advisory Committee constituted under this Act"; Sec. 18.  
(Second Mortgage.)
- (ii) by omitting from the same subsection the words "or is for a fixed period, of which three years at least are then current, whether with or without any right or obligation of repaying by instalments" and by inserting in lieu thereof the words "or of any other building society";
- (h) (i) by inserting at the end of subsection one of section thirty-four the words "And a community advancement society which has been formed for objects which include the sale or letting of dwellings or buildings to its members, and which, in the conduct of its operations, carries out or gives effect thereto may become a component society of an association of building societies. And an association which is a foreign association as defined in subsection two of section thirty-six of this Act may, with the approval"; Sec. 34.  
(Associations.)

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approval of the registrar, become a component society of any association formed under this Act."

(ii) by inserting in subsection three of the same section after the words "rural credit societies" the words "building societies";

Sec. 35.  
(Rural associations.)

Sec. 36.  
(Trading association.)

(i) by omitting section thirty-five;

(j) (i) by omitting subsection one of section thirty-six and by inserting in lieu thereof the following subsection:—

(1) The objects of an association may include the acquisition by purchase or otherwise of shares in any other association or in any union or in any foreign association, or in any society or company which is incorporated in this State and which has undertaken, in consideration of such acquisition, to render special services to the association, and may also include the joining with any such other association, union, foreign association, society or company as aforesaid in any operations authorised by its rules.

(ii) by omitting from subsection two of the same section the words "a trading society registered under this Act" and by inserting in lieu thereof the words "the association which joins with it or takes shares in it";

Sec. 39.  
(Formation of societies.)

(k) (i) by inserting in subsection seven of section thirty-nine after the word "regulations" where lastly occurring the words "and are such as may reasonably be approved by him";

(ii) by inserting next after subsection seven of the same section the following new subsection:—

(7A) Notwithstanding anything contained in subsection seven of this section, where, upon a reference by the registrar to the advisory

advisory council constituted under this Act of an application for registration, that council recommends that the application should be refused on the ground that in the area in which the applicant society proposes to operate, the functions and services which it is designed to discharge and perform are capable of being discharged and performed by an existing society or societies, the registrar may refuse the application. No. 5, 1946.

- (l) by omitting from subsection one of section forty-five all words following the word "society" where firstly occurring; Sec. 45.  
(Certificate of incorporation.)
- (m) by omitting from paragraph (ii) of subsection nine of section forty-six the words "value of his share" and by inserting in lieu thereof the words "amount paid up on his shares"; Sec. 46 (9).  
(Cesser of membership.)
- (n) by omitting from subsection fourteen of section forty-seven the word "eight" and by inserting in lieu thereof the word "six"; Sec. 47 (14).  
(Dividend on shares.)
- (o) (i) by omitting from section 48A the word "rural" where firstly occurring; Sec. 48A.  
(Contributions by societies.)
- (ii) by omitting from the same section all words following the word "unincorporate" and by inserting in lieu thereof the words "which includes amongst its objects the rendering of services to such society or its members, or the operations of which are calculated to promote the economic interests of such members";
- (p) by omitting subsection one of section fifty-four and by inserting in lieu thereof the following subsection:— Sec. 54 (1).
- (1) A trading society may repay to a member with his consent the whole or any part of the amount paid up on any share held by him at any time when the money is not required for the purposes of the society. Repayment of shares in trading society.
- (q) by omitting section fifty-six; Sec. 56.  
(Repeal.)
- (r)

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Sec. 61.

(Use of  
word "co-  
operative.")

(r) by inserting next after subsection four of section sixty-one the following new subsection:—

(4A) Any company or society formed or incorporated elsewhere than in the State and which has in its name or title the word "co-operative" or any word importing a similar meaning, or not having any such word in its name or title holds out in any manner that its trade or business is co-operative, may, if it desires to trade or carry on business in New South Wales, apply to the registrar as prescribed for exemption from the provisions of subsection one of this section.

If the registrar is satisfied that such company or society is trading or carrying on business for the purpose of promoting the economic interests of its members in accordance with co-operative principles, he may grant such exemption for such period and upon such conditions as he thinks fit and shall notify the Registrar-General accordingly.

Sec. 64.  
(Property.)

(s) by inserting at the end of section sixty-four the following words "and may sell or lease any such real or personal property";

Sec. 66 (5).  
(Loans and  
deposits.)

(t) (i) by inserting in subsection five of section sixty-six after the words "four-fifths of the" the words "sum obtained by adding the";

(ii) by inserting at the end of the same subsection the following words "to the amount invested by the society in Government securities";

Sec. 67.  
(Banking and  
insurance.)

(u) by omitting from subsection two of section sixty-seven the words "or insurance";

New sec.  
67A.

(v) by inserting next after section sixty-seven the following new section:—

Business of  
insurance by  
a society or  
association.

67A. (1) A society or association shall not carry on the business of insurance unless the Governor, after a report and recommendation furnished to the Minister by a committee constituted as hereinafter provided, so approves.

‡ The

The committee shall consist of—

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- (a) the Under Secretary to the Treasury, or a person nominated in writing from time to time by him, to act on his behalf either generally or for any particular meeting of the committee;
- (b) the Government Actuary; and
- (c) the Registrar of Co-operative Societies.

Any nomination made by the Under Secretary to the Treasury may be revoked by him at any time by writing under his hand.

(2) A society or association carrying on the business of insurance pursuant to the approval of the Governor under this section is hereby authorised and empowered, but subject always to any conditions or stipulations imposed by the Governor in granting his approval, to undertake and carry on such business according to the practice, usage, form and procedure which is, for the time being, followed by other persons engaged in the like business.

(3) An association carrying on the business of insurance only pursuant to the provisions of subsection one of this section may notwithstanding anything contained in this Act be composed of societies of different kinds.

- (w) (i) by omitting from subsection (3A) of section sixty-eight the word "rural";
- (ii) by omitting from the same subsection the figures "1899" and by inserting in lieu thereof the figures "1936";

Sec. 68.  
(Investments.)

- (x) by inserting at the end of section seventy-two the following new subsection:—

Sec. 72.  
(Service of documents.)

(6) A document may be served on a society by leaving it at the registered office of the society with some person apparently in the service of the society or by post enclosed in a prepaid registered letter addressed to the society at its registered office.

The service by post shall be deemed to be effected at the time at which the letter would be delivered in the ordinary course of post.

(y)

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(Returns.)**

(y) (i) by omitting from subsection two of section seventy-six the words "before the thirtieth day of September in each year or before such later date" and by inserting in lieu thereof the words "within three months after the close of each of its financial years or within such further time";

(ii) by omitting paragraph (b) of the same subsection;

(iii) by omitting paragraph (c) of the same subsection and by inserting in lieu thereof the following paragraph:—

(c) a statement of the assets and liabilities of the society at the close of its financial year then last past and of the accounts of the society for that year;

(iv) by inserting next after the same subsection the following new subsection:—

(2A) A society shall, at least once in every three years, within three months after the close of a financial year of the society or within such further time as the registrar may authorise, transmit to the registrar a full list of the members as at the close of that financial year with such particulars in regard thereto as may be prescribed and in any year in which it does not furnish such a list it shall furnish a list in prescribed form of all the alterations that have taken place in the membership since the date in respect of which the full list or a previous list of alterations, as the case may be, was furnished.

(v) by omitting subsection three of the same section;

**Sec. 83.  
(Alteration  
of rules.)**

(z) by inserting in subsection four of section eighty-three after the word "regulations" the words "and is such as may reasonably be approved by him";

(aa)



- (aa) by inserting in paragraph (c) of subsection nine of section eighty-six after the word "liability" the words "or of a building society or of a community advancement society or of a small loans society or of an investment society"; No. 5, 1945.  
Sec. 86.  
(Voting by proxy.)
- (bb) by inserting next after subsection two of section eighty-eight the following new subsection:— Sec. 88.  
New sub-sec. 2A.  
(Officers.)
- (2A) A director of any society, not being a rural credit or a small loans society, shall not be paid any remuneration for his services other than such fees as may be approved at a general meeting of the society. The total amount payable by way of fees to such directors in any year shall not exceed the amount fixed by the advisory council constituted under this Act.
- (2) The Income Tax Management Act, 1941, as amended by subsequent Acts is amended by inserting in paragraph (o) of section nineteen after the word "income" wherever occurring the words "(other than income from the business of insurance)". Amendment of Act No. 48, 1941, s. 19 (o).  
(Exemptions.)
- 3.** (1) The Co-operation Act, 1923-1941, is further amended— Further amendment of Act No. 1, 1924.  
Sec. 92.  
(Winding-up.)
- (a) (i) by inserting in subsection one of section ninety-two after the word "court" the words "or subject to the supervision of the court";
- (ii) by omitting subsection two of the same section and by inserting in lieu thereof the following subsection:—
- (2) In the case of a winding-up voluntarily, or by the court, or subject to the supervision of the court, the society may, subject to the provisions of this Part of this Act, be wound up in the same manner and in the same circumstances in which a company formed and registered under the Companies Act, 1936, may be so wound up.
- (iii) by inserting in paragraph (e) of subsection three of the same section after the word "mistake" the words "or fraud";
- (iv)

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(iv) by inserting at the end of subsection five of the same section the following words "Any vacancy occurring in the office of a liquidator so appointed shall be filled by a person appointed by the registrar for the purpose";

(v) by inserting next after the same subsection the following new subsection:—

(5A) A winding-up upon a certificate of the registrar shall be deemed to commence at the time of the certificate and the liquidator shall give notice thereof by advertisement in the Gazette.

(vi) by omitting subsections six, seven, eight and nine of the same section and by inserting in lieu thereof the following subsection:—

(6) (a) In the case of any winding-up of a society, the provisions of Part X of the Companies Act, 1936, with respect to the winding-up of a company formed and registered under that Act, including the provisions as to dissolution contained in Division 6 of that Part, shall, subject to this Part of this Act, apply to the winding-up of the society.

(b) In the application of the provisions of Part X of the Companies Act, 1936 to the winding-up of a society—

(i) a reference in any of those provisions to a special resolution or an extraordinary resolution shall be construed as a reference to a special resolution within the meaning of this Act;

(ii) a reference in any of those provisions other than the provisions of section two hundred and ninety-nine and section three hundred to the Registrar-General shall be construed as a reference to the registrar of co-operative societies under this Act;

(iii)

- (iii) paragraph (d) of subsection one of section two hundred shall be deemed to be amended by inserting after the words "past member" the words "together with the amount of the contingent liability, if any, attached thereto, and together with any charges payable by him to the society in accordance with the rules";
- (iv) a reference in sections two hundred and eight and two hundred and ten to a proprietary company shall be construed as a reference to an association or union;
- (v) a winding-up of a society upon the certificate of the registrar shall be deemed to be a voluntary winding-up, and, without prejudice to the generality of this or any other provision of this Part of this Act, the provisions of sections two hundred and sixty-nine, two hundred and seventy and two hundred and seventy-one of the Companies Act, 1936, shall apply to and in respect of the winding-up of the society as if it were a members' voluntary winding-up within the meaning of that Act.
- (b) by inserting next after section ninety-two the following new section:—
- New sec.  
92A.
- Liquidator.
- 92A. Where a society is being wound up voluntarily and a vacancy occurs in the office of liquidator which in the opinion of the registrar is unlikely to be filled in the manner provided by the Companies Act, 1936, the registrar may appoint a person to be liquidator.
- (c) by omitting section ninety-three.
- Sec. 93.  
(Repeal.)
- (2) Subsection one of this section shall be deemed to have commenced on the first day of January, one thousand nine hundred and thirty-seven.

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(3) Where a society which was registered under the Building and Co-operative Societies Act, 1901, but was not registered under the Co-operation, Community Settlement, and Credit Act, 1923, wound up in pursuance of subsection seven of section forty-one of the last-mentioned Act, all or any of the property real or personal (including things in action) of the society which was vested in trustees on its behalf, shall be deemed to have vested in the liquidator in his name as liquidator upon his appointment and he shall be deemed to have had full power and authority to bring or defend in his name as liquidator any action or other legal proceeding relating to such property or necessary to be brought or defended for the purposes of effectively winding-up the society or recovering its property.

(4) The special resolution of the No. 3 Argyle Starr Bowkett Ballot & Sale Co-operative Society, Limited, to wind up that society, which special resolution was registered on the twenty-seventh day of April, one thousand nine hundred and thirty-nine, shall be and be deemed always to have been a valid and sufficient authority for the winding-up of the society as a members' voluntary winding-up within the meaning of the Companies Act, 1936, notwithstanding the non-observance of section two hundred and sixty-five of that Act in relation to the winding-up.

Further  
amendment  
of Act No. 1,  
1924.

Sec. 101.  
(Offences.)

(5) The Co-operation Act, 1923-1941, is further amended—

(a) by inserting next after subsection three of section one hundred and one the following new subsection:—

(3A) A director of a society who continues to act as such after his office as a director has been vacated shall be guilty of an offence.

Sec. 114.  
(Advisory  
Council.)

(b) by inserting in subsection three of section one hundred and fourteen after the word "and" where firstly occurring the words "a majority of them."