

Co-operation (Amendment) Bill

NOTES ON CLAUSES

Clause 1 sets out the purposes of the Act.

Clause 2 provides for the Act to come into operation on days to be proclaimed.

Clause 3 provides that the *Co-operation Act* 1981 is the Principal Act.

Clause 4 repeals section 3 of the Principal Act.

Clause 5 inserts into the Principal Act definitions of “Reserve Board” and “books”.

Clause 6 inserts into the Principal Act a new section 17 (e) providing for an expanded agency capacity for credit societies.

Clause 7 inserts into the Principal Act a new section 18 (2) empowering the Reserve Board to fix requirements and guidelines to be observed by credit societies when entering into continuing credit arrangements and providing overdraft facilities.

Clause 8 inserts into the Principal Act a definition of “liquid funds” and makes provision for their declaration by the Minister.

Clause 9 amends section 19 of the Principal Act by providing that credit societies are not obliged to provide to borrowers particulars required under section 19 (9) where interest rates are decreased.

Clause 10 amends section 21 of the Principal Act by providing for the change in name of the Credit Societies’ Guarantee Fund Advisory Committee.

Clause 11 amends section 22 of the Principal Act by providing for the renaming of the Credit Societies’ Guarantee Fund Advisory Committee, its re-constitution and expanded role.

Clause 12 amends section 23 of the Principal Act by exempting from the amount of moneys deposited with and on loan to a credit society money on loan from the Reserve Board, for the purposes of calculating the annual contribution to the Credit Co-operatives Reserve Fund.

Clause 13 amends section 24 of the Principal Act to take into account the establishment of the Reserve Board.

Clause 14 amends section 25 of the Principal Act by providing that compulsory loans to the Reserve Board from credit societies shall not be required if the Reserve Fund exceeds an amount determined by the Minister.

Clauses 15 and 16 amend sections 27 and 28 (2) of the Principal Act to take into account the establishment of the Reserve Board.

Clause 17 amends section 19 of the Principal Act by making provision for payments to credit societies from the Reserve Fund.

Clause 18 amends section 30 of the Principal Act to take into account the establishment of the Reserve Board and to provide that credit societies may be placed under direction of the Reserve Board if they do not have a programme to achieve reserves approved in accordance with section 60A of the Principal Act.

Clauses 19 and 20 amend sections 31 and 32 of the Principal Act to take into account the establishment of the Reserve Board.

Clause 21 inserts new sections 33, 33A, 33B, 33C, 33D and 33E into the Principal Act empowering the Reserve Board to inspect credit society books and to appoint administrators,

and making it an offence for directors of a society under direction to act otherwise than in accordance with the directions of the Reserve Board, and subjecting the Reserve Board to secrecy requirements comparable to those governing the Registrar.

Clause 22 inserts new sub-sections (4), (5), (6), (7) and (8) into section 34 of the Principal Act empowering the Reserve Board to remove auditors of societies under direction or administration.

Clause 23 inserts a new sub-section (2) into section 45 of the Principal Act empowering associations of credit societies to reduce their share capital, and a new section 45A empowering such associations to act as agents.

Clause 24 amends section 47 of the Principal Act by expanding the permissible objects of an association of societies, to include acquisition of shares of a company incorporated outside Victoria.

Clause 25 amends section 53 (8) of the Principal Act to provide for the change of name of the Reserve Board.

Clause 26 amends section 54 (2) of the Principal Act by allowing companies approved by the Registrar and having the primary object of providing services to credit societies, associations and federations to use the words "credit society" in their names.

Clause 27 repeals section 56 of the Principal Act.

Clause 28 amends section 58 (1) of the Principal Act by providing that any incorporated body which is substantially co-operative in nature may be admitted to membership of another society.

Clause 29 amends section 60 of the Principal Act by providing that the Reserve Board must determine the minimum proper allowance for contingent liability for loss made by a credit society in respect of a loan made by it.

Clause 30 amends section 60A of the Principal Act by providing for the preparation of programmes to achieve reserves and the approval of such programmes by the Minister and the Reserve Board.

Clause 31 exempts credit societies from the operation of section 70 (1) and (2) of the Principal Act and repeals section 70 (4).

Clause 32 exempts credit societies from the operation of section 75 of the Principal Act.

Clause 33 inserts new sections 76 and 77 into the Principal Act providing for the investment powers of credit societies and associations of credit societies.

Clause 34 repeals sections 78 and 83 of the Principal Act.

Clause 35 inserts into the Principal Act a new Division 3A of Part III. providing for the merger of societies.

Clauses 36, 37 and 38 amend sections 100 (5), 108 (3), (4) and (5) and 166 (1) of the Principal Act by providing for the renaming of the Reserve Board.

Clause 39 amends section 163 (2) of the Principal Act by providing for the grounds upon which the Registrar may appoint an administrator to conduct the affairs of a society.

Clauses 40 and 41 amend sections 216 (4) and 217 (5) of the Principal Act to provide for the renaming of the Reserve Board.

Clause 42 repeals section 247 of the Principal Act.

Clause 43 amends the *Co-operative Housing Societies Act 1958* by providing for the establishment of the Victorian Co-operative Housing Council.

Clause 44 amends section 77 (1) of the *Co-operative Housing Societies Act 1958* by providing that the maximum aggregate liability under Treasurer's indemnities shall be \$30 million or such other prescribed amount.

