

# Co-operatives Bill

## EXPLANATORY MEMORANDUM

### Background

The Co-operatives Bill 1996 is intended to create a base document for core consistent co-operatives legislation in other jurisdictions around Australia.

The new Act will repeal the **Co-operation Act 1981** and Part VI of the **Housing Act 1983**.

Co-operatives are member-based organisations operated for the benefit of their members. The factors which distinguish co-operatives from other forms of organisation are their mutuality, their democratic structure and character (each member is entitled to one vote only, regardless of the size of their shareholding), and the fact that capital in a co-operative services the activity rather than providing individual benefit.

One major problem with existing legislation is that co-operatives are subject to the Corporations Law if they wish to have members or issue securities across State borders. This impedes the competitive ability of co-operatives and is excessive and inappropriate. In order to have the relevant provisions in the Corporations Law "rolled back" from their application to co-operatives, the Bill includes the following:

- (i) the provision of adequate disclosure statements to members when co-operatives are formed and when securities are issued;
- (ii) the issuing of Corporations Law-style prospectuses where debentures and subordinated debt are issued to persons who include non-members;
- (iii) an adequate enforcement regime;
- (iv) a clear distinction between co-operatives and companies;
- (v) enhanced directors' duties; and
- (vi) adequate winding up procedures.

## **PART 1—PRELIMINARY**

### **Division 1—Introductory**

- Clause 1 provides that the purposes of the Co-operatives Act ("the Act") are: (a) to provide a legislative framework for the formation, registration and management of co-operatives which enables flexibility in the operation of co-operatives and promotes the development of co-operatives; and (b) to repeal the **Co-operation Act 1981** and Part VI of the **Housing Act 1983**.
- Clause 2 provides for the commencement of the Act.
- Clause 3 contains the objects of the Act.

### **Division 2—Interpretation**

- Clause 4 contains a number of definitions for the purposes of the Act.
- Clause 5 includes a definition of "qualified privilege".

### **Division 3—The co-operative principles**

- Clause 6 contains the co-operative principles.
- Clause 7 provides that the Act is to be interpreted to promote co-operative principles.

### **Division 4—Application of Corporations Law**

- Clause 8 describes the provisions of the Corporations Law that apply under their own force to co-operatives.
- Clause 9 provides that a provision of the Corporations Law may be adopted, with or without specified modifications, by this Act or the regulations.
- Clause 10 provides that provisions of the Corporations Law adopted by this Act apply with any modifications that may be necessary or appropriate for the effectual application of the provisions to co-operatives.
- Clause 11 provides for the implied adoption of regulations and other provisions of the Corporations Law arising from the application of a provision of the Corporations Law to co-operatives.
- Clause 12 provides for the effect of amendments to provisions of the Corporations Law applied to a co-operative.

## **PART 2—FORMATION**

### **Division 1—Types of co-operatives**

- Clause 13 provides that a co-operative registered under the Act may be either trading or non-trading.
- Clause 14 provides that a trading co-operative must have a share capital, and also prescribes minimum numbers of members.
- Clause 15 provides that a non-trading co-operative may or may not have a share capital, but must not give returns or distributions on surplus or share capital other than the nominal value of shares (if any) on winding up.

### **Division 2—Formation meeting**

- Clause 16 provides that a formation meeting must be held before a proposed co-operative can be registered, and specifies the matters which must be considered at the meeting and the persons who must attend the meeting.

### **Division 3—Approval of disclosure statement and rules**

- Clause 17 provides that a draft disclosure statement (containing the matters specified) of a proposed trading co-operative must be submitted to the Registrar of Co-operatives ("the Registrar") at least 28 days before the formation meeting is due to be held. If the Registrar does not otherwise notify the person who submitted the draft disclosure statement at least 5 days before the formation meeting is due to be held, the Registrar is to be considered to have approved the statement.
- Clause 18 provides that a draft of the rules (in the specified form) proposed for the co-operative must be submitted to the Registrar at least 28 days before the formation meeting is due to be held. The Registrar may approve or refuse to approve the rules and must give notice in writing of his/her decision to the person who submitted the rules.

### **Division 4—Registration of proposed co-operative**

- Clause 19 provides for applications for registration of proposed co-operatives, and prescribes the form and content of such an application.
- Clause 20 provides for the registration of co-operatives.

Clause 21 provides that the incorporation of a co-operative takes effect upon the registration of the co-operative.

### **Division 5—Registration of an existing body corporate**

Clause 22 provides that a body corporate may apply to the Registrar to be registered as a co-operative under the Act.

Clause 23 provides for the holding of a formation meeting by a body corporate, at which a special resolution approving of the proposed registration must be passed.

Clause 24 provides for applications for registration by bodies corporate and prescribes the form and content of such an application.

Clause 25 provides for the registration of a body corporate as a co-operative under this Division.

Clause 26 provides that the Registrar must issue a certificate of registration to a body corporate which has been registered as a co-operative and must publish notice of the issue of the certificate in the Government Gazette.

Clause 27 describes the effect of registration and incorporation of the body corporate as a co-operative.

### **Division 6—Conversion of co-operative**

Clause 28 provides that a co-operative may convert from a co-operative with share capital to one without share capital (or vice versa) or from trading to non-trading (or vice versa).

### **Division 7—Appeals**

Clause 29 provides that the person who submitted a draft disclosure statement to the Registrar may appeal to the Administrative Appeals Tribunal ("AAT") if the Registrar refuses or fails to approve the statement.

Clause 30 provides that the person who submitted draft rules to the Registrar may appeal to the AAT if the Registrar refuses or fails to approve the rules.

Clause 31 provides that the applicants for registration of a proposed co-operative may appeal to the AAT if the Registrar refuses or fails to register the co-operative.

Clause 32 provides that the Registrar must comply with a determination of the AAT under this Division.

## **Division 8—General**

- Clause 33 provides a stamp duty exemption for certain co-operatives.
- Clause 34 provides that money accepted by a proposed co-operative must be held on trust until the co-operative is registered, and must be returned if the proposed co-operative is not registered within 3 months of acceptance of the money.
- Clause 35 provides for the issuing by the Registrar of a duplicate certificate of registration under certain circumstances.

## **PART 3—LEGAL CAPACITY AND POWERS**

### **Division 1—General powers**

- Clause 36 describes the effect of incorporation on a co-operative.
- Clause 37 provides that, in addition to other powers, a co-operative has power to form companies and enter into joint ventures.

### **Division 2—Doctrine of ultra vires abolished**

- Clause 38 provides guidance in the interpretation of this Division.
- Clause 39 provides that the objects of this Division are to provide that the doctrine of ultra vires does not apply to co-operatives and to ensure that a co-operative's officers and members give effect to the provisions of the co-operative's rules relating to the primary activities or powers of the co-operative.
- Clause 40 provides that a co-operative has the legal capacity of a natural person and specifies certain particular powers of co-operatives.
- Clause 41 provides that a co-operative's rules may contain restrictions or prohibitions on the exercise by the co-operative of a power, and also provides that the section is contravened if a co-operative exercises a power contrary to an express restriction or prohibition in its rules.
- Clause 42 provides that the exercise of a power or the doing of an act in contravention of section 41 is not invalid merely because of the contravention.

### **Division 3—Persons having dealings with co-operatives**

- Clause 43 provides that a person is entitled to make the assumptions in section 44 in relation to dealings with a co-operative and persons who have or purport to have acquired title to property from a co-operative.

- Clause 44 specifies the assumptions which a person is entitled to make, as provided by section 43.
- Clause 45 provides that a person who knows or ought to know that an assumption is incorrect is not entitled to make that assumption.
- Clause 46 provides that a person is not to be considered to have constructive knowledge of documents (other than those relating to registrable charges) lodged with the Registrar.
- Clause 47 provides that a person's entitlement to make assumptions under this Division is not affected by the fraudulent conduct of, or forgery by, a person, unless the person attempting to rely on the assumption has actual knowledge of the fraudulent conduct or forgery.

#### **Division 4—Authentication and execution of documents and confirmation of contracts**

- Clause 48 provides that a document or proceeding requiring authentication by a co-operative may be authenticated under the common seal of the co-operative.
- Clause 49 provides that a co-operative may have one or more official seals, each of which must be a facsimile of the co-operative's common seal, to be used in place of its common seal outside the State where the common seal is kept.
- Clause 50 provides that a document or proceeding may be authenticated by the signature of a director and a director or officer of a co-operative, and need not be under seal.
- Clause 51 provides that a co-operative may authorise a person as its agent or attorney to execute deeds on its behalf.
- Clause 52 provides for the validity of documents executed under seal where a person attesting the affixing of the seal was in any way interested in the matter contained in the document.
- Clause 53 provides that a person acting under the authority of a co-operative may make, vary or discharge a contract on behalf of the co-operative.
- Clause 54 provides that this Division does not affect other legal requirements as to consent or sanction in relation to contractual procedures.
- Clause 55 provides for the transitional operation of this Division.

### **Division 5—Pre-registration contracts**

- Clause 56 provides for the entering into on behalf of a proposed co-operative, and the later ratification by a co-operative, of pre-registration contracts.
- Clause 57 provides that the person who entered into the pre-registration contract may be released from liability but is not entitled to an indemnity.
- Clause 58 provides that this Division replaces any rights or liabilities anyone would otherwise have in relation to a pre-registration contract.

### **Division 6—Government guarantees**

- Clause 59 provides that the Treasurer may execute a guarantee in favour of any bank or other person or body guaranteeing the repayment of any loan made by the bank or body to a co-operative.
- Clause 60 provides that the aggregate liability of guarantees given under this Division must not exceed \$20 000 000.
- Clause 61 provides for the execution of guarantees and the entering into of agreements under this Division by the Treasurer or any person authorised by the Treasurer.
- Clause 62 provides for a number of restrictions on shares of a co-operative with a guarantee under this Division.
- Clause 63 restricts the transfer of incorporation of a co-operative with a guarantee under this Division.

## **PART 4—MEMBERSHIP**

### **Division 1—General**

- Clause 64 provides for the admission of persons as members of a co-operative.
- Clause 65 provides for the admission of co-operatives and other bodies corporate as members of an association.
- Clause 66 provides for membership of a federation.
- Clause 67 prescribes qualifications for membership of a co-operative.
- Clause 68 provides that membership of a co-operative may be joint.

- Clause 69 provides for the membership of a co-operative by natural persons under 18 years of age.
- Clause 70 provides that a body corporate which is a member of a co-operative may appoint a person to represent it in respect of its membership.
- Clause 71 requires a body corporate which is a member of a co-operative to notify the board of directors of the co-operative (if requested) of the body corporate's shareholders and shareholdings.
- Clause 72 prescribes the circumstances under which membership of a co-operative ceases.
- Clause 73 provides additional circumstances in which membership of a co-operative with share capital ceases.
- Clause 74 prescribes the minimum number of members allowed for co-operatives, associations and federations and provides that the directors of a co-operative which carries on business for more than 28 days after the number of members falls below the minimum are guilty of an offence.

### **Division 2—Rights and liabilities of members**

- Clause 75 provides that rights of membership are not exercisable until the member's name appears on the co-operative's register of members and payment is made and shares acquired by the member.
- Clause 76 describes the liability of members of a co-operative.
- Clause 77 requires the board of a co-operative to provide certain information to each person intending to become a member of the co-operative.
- Clause 78 provides that the rules of a co-operative may require the payment by members of entry fees and regular subscriptions.
- Clause 79 provides that the rules of a co-operative may contain provisions requiring members to have any specified dealings with the co-operative for a fixed period, such as the sale of products through or to the co-operative or obtaining supplies or services through or from the co-operative.
- Clause 80 provides for the imposition of a fine by a co-operative on a member for any infringement of the rules of the co-operative, if the rules of the co-operative so provide.



Clause 81 provides for charges on certain property of members and ex-members where a debt is owed to a co-operative, and the set off of any amount paid towards satisfaction of that debt.

Clause 82 provides for the repayment of the amount paid up on a member's shares when the member is expelled from the co-operative.

### **Division 3—Death of member**

Clause 83 defines a deceased member's "interest" for the purposes of this Division.

Clause 84 provides for the transfer of a member's shares or interest in a co-operative on the death of the member.

Clause 85 provides for the transfer of a member's shares or interest in a co-operative on the death of the member, where the total value of the shares or interest is less than \$10 000 (or such other amount as prescribed).

Clause 86 provides that the value of the shares or interest of a deceased member is to be determined for the purposes of this Division in accordance with the rules of the co-operative.

Clause 87 provides that any transfer of property made by the board of a co-operative in accordance with this Division is valid and effectual against any demand made on the co-operative by any other person.

### **Division 4—Disputes involving members**

Clause 88 provides that the rules of a co-operative must provide for a grievance procedure, which must allow for the application of natural justice, for dealing with disputes under the rules between members and the co-operative and between members of the co-operative.

Clause 89 provides that a member of a co-operative may make application to the Supreme Court for an order declaring and enforcing the rights or obligations of members or the co-operative.

### **Division 5—Oppressive conduct of affairs**

Clause 90 provides for an extended definition of "member" for the purposes of this Division.

Clause 91 provides that this Division does not apply in respect of anything done under or for the purposes of Part 6 (Active membership).

- Clause 92 specifies who may apply to the Court for an order under this Division.
- Clause 93 provides that the Court may make any order it thinks fit in respect of an application under this Division, including but not limited to the orders specified.
- Clause 94 describes the basis on which the Court may make orders under this Division.
- Clause 95 provides that the Court need not make an order for the winding up of a co-operative if the winding up would unfairly prejudice an oppressed member.
- Clause 96 provides for the application of the winding up provisions of the Act where an order for winding up is made by the Court under this Division.
- Clause 97 provides for the effect of an alteration of a co-operative's rules resulting from an order of the Court under this Division.
- Clause 98 requires an applicant for an order under this Division to lodge a copy of the order with the Registrar within 14 days after it is made.

#### **Division 6—Proceedings on behalf of a co-operative by members and others**

- Clause 99 specifies who may bring or intervene in proceedings on behalf of a co-operative.
- Clause 100 provides that a person referred to in section 99 may apply to the Supreme Court for leave to bring or intervene in proceedings, and specifies the circumstances in which the Court must grant the application.
- Clause 101 specifies the persons who may apply to the Court for an order that they be substituted for a person to whom leave has been granted under section 100.
- Clause 102 provides for the effect of a ratification or approval of conduct by members of a co-operative on an application under section 100.
- Clause 103 provides that proceedings brought or intervened in with leave must not be discontinued, compromised or settled without the leave of the Court.
- Clause 104 empowers the Court to make orders and give directions in relation to proceedings brought or intervened in under this Division.
- Clause 105 empowers the Court to make a costs order in relation to proceedings brought or intervened in with leave under section 100.

## PART 5—RULES

- Clause 106 describes the effect of the rules of a co-operative as a contract under seal between the co-operative and each member, between the co-operative and each director, the principal executive officer and the secretary, and between a member and each other member.
- Clause 107 specifies the required form and content of a co-operative's rules.
- Clause 108 provides for the purchase and inspection of a co-operative's rules.
- Clause 109 provides that a person who gives a false copy of the rules of a co-operative to a member or a person intending to become a member is guilty of an offence.
- Clause 110 provides for the approval of model rules by the Registrar by notice published in the Government Gazette.
- Clause 111 provides that the rules of a co-operative cannot be altered except in accordance with this Act.
- Clause 112 provides that a proposed alteration of a co-operative's rules must be approved by the Registrar before the passing of the resolution to alter the rules.
- Clause 113 provides that the rules of a co-operative must be altered by special resolution unless otherwise specified in this Part.
- Clause 114 provides that certain alterations to a co-operative's rules may be effected by a resolution passed by the board.
- Clause 115 provides that an alteration of a co-operative's rules does not take effect unless and until it is registered by the Registrar.
- Clause 116 provides for an appeal to the AAT against refusal by the Registrar to approve an alteration to a co-operative's rules.
- Clause 117 provides for an appeal to the AAT against refusal by the Registrar to register an alteration to a co-operative's rules.
- Clause 118 requires the Registrar to comply with a determination of the AAT on an appeal under this Part.

## **PART 6—ACTIVE MEMBERSHIP**

### **Division 1—Definitions**

Clause 119 defines the expression "primary activity".

Clause 120 defines "active membership" for the purposes of the Act.

Clause 121 defines what are active membership provisions and resolutions.

### **Division 2—Rules to contain active membership provisions**

Clause 122 states that a co-operative must have at least one primary activity.

Clause 123 requires the board of a co-operative to ensure that the rules of the co-operative contain active membership provisions in accordance with this Part.

Clause 124 specifies the factors and considerations for determining which of a co-operative's activities are its primary activities, and for determining an appropriate activity test in relation to each primary activity.

Clause 125 provides for the active membership provisions required of trading co-operatives.

Clause 126 provides that payment of a regular subscription is an adequate active membership requirement for a non-trading co-operative.

### **Division 3—Active membership resolutions**

Clause 127 provides for the giving of notice of a meeting at which an active membership resolution is to be proposed.

Clause 128 specifies which members are eligible to vote on an active membership resolution.

Clause 129 specifies which directors are eligible to vote at a board meeting on a proposal to submit an active membership resolution to a meeting of the co-operative.

Clause 130 provides that this Division does not affect other entitlements of members.

### **Division 4—Cancellation of membership of inactive members**

Clause 131 provides for the cancellation of the membership of an inactive member.

Clause 132 provides that the shares of a member are to be forfeited at the same time as the member's membership is cancelled under section 131.

Clause 133 provides that failure by the board of a co-operative to cancel a membership as required by this Part renders a director who did not use all due diligence to prevent that failure guilty of an offence.

Clause 134 provides that cancellation of a membership may be deferred by the board for periods up to 12 months.

Clause 135 provides that cancellation of a member's membership is prohibited in certain specified circumstances.

Clause 136 provides for the giving of notice to a member of the intention to cancel their membership.

Clause 137 empowers the Supreme Court to order against the cancellation of a membership.

Clause 138 requires a co-operative to repay certain amounts to a former member or otherwise apply those amounts within 12 months after the cancellation of the former membership.

Clause 139 provides for the accrual of interest when amounts owed to a former member are applied as a deposit with the co-operative or the co-operative allots or issues debentures to the former member in satisfaction of the amount owed.

Clause 140 provides for the repayment of the deposits and debentures referred to in section 139.

Clause 141 requires a co-operative to keep a register of cancelled memberships.

#### **Division 5—Entitlements of former members of trading co-operatives**

Clause 142 provides that this Division only applies to trading co-operatives.

Clause 143 provides that former shareholders are to be regarded as shareholders for certain purposes.

Clause 144 provides for the entitlements of a former member whose shares have been forfeited within 5 years of a merger of, or a transfer of engagements by, the co-operative of which he/she was a member.

Clause 145 provides for the set-off of amounts repaid to a person under section 138 (repayment of amounts due in respect of cancelled membership) or section 140

(repayment of deposits and debentures) against any entitlement of the person under section 143.

Clause 146 provides for the entitlement of former members to any distribution from the reserves of the co-operative that takes place within 5 years after the person's membership was cancelled.

Clause 147 provides that the Registrar may exempt co-operatives from all or some of the provisions of this Division.

## **PART 7—SHARES**

### **Division 1—Nature of share**

Clause 148 describes the nature of a share or other interest in a co-operative.

### **Division 2—Disclosure**

Clause 149 requires the board of a co-operative to provide a member with a disclosure statement, in the specified form, before shares are issued to the member.

### **Division 3—Issue of shares**

Clause 150 provides for the amount of share capital, the value of shares and the classes of shares of a co-operative, and states that, with certain exceptions, shares must not be issued to a non-member.

Clause 151 provides that a share must not be allotted unless at least 10% of the nominal value of the share has been paid.

Clause 152 states that a co-operative must not issue shares at a discount.

Clause 153 provides for the issue of shares at a premium.

Clause 154 allows joint ownership of shares.

Clause 155 provides that members may be required to take up additional shares.

Clause 156 provides for the issue of bonus shares by a co-operative.

Clause 157 places a number of restrictions on the issuing of bonus shares by a co-operative.

Clause 158 specifies the content of the notice which must be given to members of the meeting or postal ballot at which a special resolution is to be proposed for the approval of a bonus share issue.

#### **Division 4—Beneficial and non-beneficial interest in shares**

- Clause 159 provides that notice of non-beneficial ownership of shares (where this is reasonably expected) must be given at the time of the transfer of those shares.
- Clause 160 provides for the notification of non-beneficial ownership of shares where this was not notified at the time of transfer.
- Clause 161 provides that, where notice of non-beneficial ownership has been given under section 159, but on registration of the transfer the transferee holds some or all of those shares beneficially, notice of that fact must be given to the co-operative.
- Clause 162 requires notification of a change in the nature of a person's shareholding.
- Clause 163 provides that, for the purposes of this Division, a person is presumed to have been aware of a circumstance of which an employee or agent of the person was aware.
- Clause 164 specifies certain circumstances in which non-beneficial ownership of shares will be presumed.
- Clause 165 requires the noting of beneficial and non-beneficial interests in a co-operative's register of members.
- Clause 166 provides for the registration of a trustee, executor or administrator as the holder of a share in a co-operative previously held by a person who has died.
- Clause 167 provides for the registration of an administrator as the holder of a share in a co-operative previously held by a person who has become mentally or physically incapable.
- Clause 168 provides for the registration of the Official Trustee in Bankruptcy as the holder of a share in a co-operative previously held by a person who has become bankrupt.
- Clause 169 provides for the liability of persons registered as holders of shares under sections 166, 167 and 168.
- Clause 170 provides for the noting in the register of members, with the consent of the co-operative, of shares held on trust.
- Clause 171 provides that no notice of a trust is to be entered on a register except as provided in this Division.

### **Division 5—Sale or transfer of shares**

Clause 172 provides for the sale or transfer of shares.

Clause 173 provides for the transfer of shares on the death of a member.

Clause 174 places a restriction of 20% (or a lower percentage specified in the rules of a co-operative) on the total shareholding to be held by a shareholder.

Clause 175 provides that a transfer of shares is not effective until registered.

### **Division 6—Repurchase of shares**

Clause 176 provides for the purchase and repayment of shares by a co-operative.

Clause 177 provides that a co-operative may apply an amount owed under section 176 as a deposit or allot or issue debentures in satisfaction of the amount.

Clause 178 requires a co-operative to cancel any share purchased by or forfeited to the co-operative.

## **PART 8—VOTING**

### **Division 1—Voting entitlements**

Clause 179 applies this Part to all voting whether at meetings or in ballots.

Clause 180 describes members' right to vote.

Clause 181 provides for voting by proxy.

Clause 182 places a restriction on the voting entitlement under a power of attorney.

Clause 183 places a restriction on voting by representatives of bodies corporate.

Clause 184 provides that inactive members are not entitled to vote.

Clause 185 prohibits a person from controlling the exercise of the right to vote of a member.

Clause 186 provides that a member of a co-operative is not entitled to vote if another person has a relevant interest in any share held by the member or in the right to vote of the member.

Clause 187 provides for the rights of representatives of members to vote.



Clause 188 provides that other rights and duties of members are not affected by ineligibility to vote.

Clause 189 provides that any vote of a disentitled member is to be disregarded.

### **Division 2—Resolutions**

Clause 190 provides that, except as otherwise provided, decisions by a co-operative are to be determined by ordinary resolution.

Clause 191 defines "ordinary resolution".

Clause 192 defines "special resolution".

Clause 193 specifies how a majority obtained at a meeting or by postal ballot is to be ascertained.

Clause 194 permits the Registrar to disallow a proposed special resolution before it is passed.

Clause 195 provides for proof by declaration of the passing of a special resolution at meetings and by postal ballot.

Clause 196 provides for the date from which special resolutions take effect.

Clause 197 requires the lodgment of special resolutions with the Registrar for registration.

Clause 198 requires the Registrar to register a special resolution if satisfied of certain matters.

### **Division 3—Postal ballots**

Clause 199 provides for the holding of postal ballots.

Clause 200 provides for the holding of special postal ballots.

Clause 201 specifies the circumstances in which a special postal ballot is required.

Clause 202 provides for the requisitioning by members of a postal ballot.

Clause 203 describes the expenses that are to be considered to constitute the "expenses involved in holding the ballot" for the purposes of section 202.

### **Division 4—Meetings**

Clause 204 provides for the holding of annual general meetings by co-operatives.

Clause 205 provides for the convening of special general meetings.

Clause 206 requires the giving of 14 days notice to members of each general meeting.

Clause 207 makes provision for the quorum for a meeting of a co-operative to be specified in its rules and provides that business cannot be transacted without a quorum present.

Clause 208 provides for the manner of determining a question for decision at a general meeting.

Clause 209 provides for the convening of a general meeting on the requisition of at least 20% of members or any lesser percentage specified in the rules.

Clause 210 provides for the entering and confirming of minutes of each general meeting, board meeting and sub-committee meeting.

## **PART 9—MANAGEMENT AND ADMINISTRATION OF CO-OPERATIVES**

### **Division 1—The Board**

Clause 211 provides that the business of a co-operative is to be managed by a board of directors which may exercise all the powers of the co-operative other than those that must be exercised by the co-operative in general meeting.

Clause 212 provides for the election of directors.

Clause 213 specifies the qualification of directors.

Clause 214 specifies disqualified persons who must not act as a director or directly or indirectly take part in or be concerned with the management of a co-operative.

Clause 215 provides for the holding of board meetings.

Clause 216 provides for the transaction of business by the board outside board meetings.

Clause 217 provides for the appointment of deputy directors.

Clause 218 allows the board to delegate the exercise of specified functions (other than the power of delegation) to a director or committee.

Clause 219 provides for the removal from and vacation of office of a director.

## **Division 2—Duties and liabilities of directors, officers and employees**

Clause 220 defines "officer" for the purposes of this Division.

Clause 221 requires officers of co-operatives to act honestly in the exercise of their powers and the discharge of the duties of their office.

Clause 222 specifies the standard of care and diligence required of officers of co-operatives.

Clause 223 prohibits the improper use of information or position by officers of co-operatives.

Clause 224 empowers a court that convicts a person for contravention of this Division to order payment of compensation by the convicted person to the co-operative.

Clause 225 provides for the recovery of damages by a co-operative from a person who has contravened this Division, whether or not the person has been convicted of an offence.

Clause 226 provides that this Division does not affect other legal duties and liabilities relating to a person's office or employment in relation to a co-operative.

Clause 227 deals with the indemnification of officers and auditors.

Clause 228 adopts and applies the provisions of sections 589 to 598 and 1307 of the Corporations Law in respect of co-operatives.

## **Division 3—Restrictions on directors and officers**

Clause 229 restricts directors' remuneration to fees, concessions and other benefits that are approved at a general meeting of the co-operative.

Clause 230 prohibits officers from obtaining certain financial accommodation from the co-operative.

Clause 231 provides for financial accommodation to directors and associates of directors.

Clause 232 restricts directors of certain co-operatives from selling land to the co-operative.

Clause 233 provides that a co-operative must not enter into a management contract unless that contract has first been approved by special resolution.

#### **Division 4—Declaration of interests**

- Clause 234 requires directors to declare the nature and extent of any interest in contracts or proposed contracts with the co-operative.
- Clause 235 requires declarations under this Division to be recorded in the minutes.
- Clause 236 provides that this Division does not affect other laws or rules restricting a director from having any interest in contracts with the co-operative.
- Clause 237 specifies certain interests which need not be declared.

#### **Division 5—Accounts and audit**

- Clause 238 specifies requirements for accounts and accounting records of a co-operative.
- Clause 239 empowers the Registrar to grant exemptions from all or specified provisions of the regulations made for the purposes of this Part.
- Clause 240 defines "entity" and "control" for the purposes of this Division.
- Clause 241 requires directors to make certain disclosures required by the regulations.
- Clause 242 provides qualified privilege for auditors and persons who publish documents prepared by auditors.
- Clause 243 provides for the financial year of a co-operative.

#### **Division 6—Registers, records and returns**

- Clause 244 specifies the registers to be kept by co-operatives.
- Clause 245 specifies the required location of a co-operative's registers.
- Clause 246 provides for the inspection of registers.
- Clause 247 restricts the use of information contained in a co-operative's registers.
- Clause 248 requires the giving of notice to the Registrar of the appointment of a director, principal executive officer or secretary of the co-operative.
- Clause 249 requires a co-operative to send to the Registrar within the required period in each year an annual report containing the matters specified.
- Clause 250 requires a co-operative to provide a list of members at the request of the Registrar.

Clause 251 requires a co-operative to provide a special return at the request of the Registrar.

### **Division 7—Name and registered office**

Clause 252 specifies the required components of a co-operative's name.

Clause 253 allows the use of certain abbreviations in a co-operative's name.

Clause 254 requires the name of a co-operative to appear on its seal, advertisements and business documents.

Clause 255 provides for the change of name of a co-operative.

Clause 256 requires a co-operative to have a registered office.

## **PART 10—FUNDS AND PROPERTY**

### **Division 1—Power to raise money**

Clause 257 includes a definition of "financial accommodation" for the purposes of this Division.

Clause 258 requires fund raising by a co-operative to be in accordance with the Act and regulations.

Clause 259 restricts the ability to take deposits to those co-operatives which were authorised to do so prior to the commencement of this Act.

Clause 260 provides that members are not required to see to the application of money provided to the co-operative by way of loan or deposit.

Clause 261 empowers the Registrar to give directions to a co-operative in relation to the obtaining by the co-operative of financial accommodation.

Clause 262 allows a co-operative to incur subordinated debt.

Clause 263 provides that the provisions of Parts 1.2A, 7.11 and 7.12 of the Corporations Law are adopted and apply to and in respect of debentures of a co-operative, except where an issue of debentures is made by a co-operative solely to members or solely to members and employees.

Clause 264 requires a co-operative to provide a disclosure statement, containing the specified matters, where an issue of debentures is solely to members or solely to members and employees of the co-operative.

Clause 265 provides that a debenture of a co-operative cannot be sold or transferred except with the consent of the board and in accordance with the rules of the co-operative.

Clause 266 adopts and applies section 1051 of the Corporations Law in relation to debentures issued by a co-operative to any of its members.

Clause 267 provides that a co-operative may require its members to lend money, with or without security, to the co-operative, in accordance with a proposal approved by special resolution of the co-operative.

Clause 268 provides for the rate of interest payable on a compulsory loan.

### **Division 2—Charges**

Clause 269 gives effect to Schedule 3 (Registration etc of Charges) and specifies the mortgages, charges and encumbrances to which the Schedule does not apply.

### **Division 3—Receivers and other controllers of property of co-operatives**

Clause 270 gives effect to Schedule 4 (Receivers, and other controllers, of property of co-operatives).

### **Division 4—Disposal of surplus from activities**

Clause 271 allows a co-operative to retain all or any part of its surplus for the benefit of the co-operative.

Clause 272 provides that the rules of a co-operative may authorise the co-operative to apply a specified proportion of its surplus for any charitable purpose and that the rules of a trading co-operative may authorise the co-operative to apply a part of its surplus for supporting any activity approved by the co-operative.

Clause 273 provides for the distribution by a trading co-operative of surplus or reserves to members.

Clause 274 provides for the crediting of a part of a co-operative's surplus to a person who is not a member, but is qualified to be a member, by way of rebate in proportion to the business done by him or her with the co-operative.

### **Division 5—Acquisition and disposal of assets**

Clause 275 provides that a co-operative must not do any of the things specified (relating to the acquisition and disposal of assets) except as approved by means of a special postal ballot.

## **PART 11—RESTRICTIONS ON THE ACQUISITION OF INTERESTS IN CO-OPERATIVES**

### **Division 1—Restrictions on share and voting interests**

Clause 276 provides that this Part applies only to trading co-operatives.

Clause 277 requires a person to give notice to a co-operative of a relevant interest, or the cessation of a relevant interest, in the right to vote of a member of the co-operative.

Clause 278 requires a person to give notice to a co-operative of a substantial share interest, a substantial change in a substantial share interest, or a cessation of a substantial share interest, in the co-operative.

Clause 279 specifies the requirements for notices under this Division.

Clause 280 specifies the maximum permissible level of a relevant interest in shares of a co-operative.

Clause 281 provides that shares held in contravention of this Division are declared to be forfeited by the board of the co-operative to the extent necessary to remedy the contravention.

Clause 282 specifies the powers of the board of a co-operative in response to a suspected contravention of section 277.

Clause 283 specifies the powers of the Supreme Court with respect to a contravention of section 277.

Clause 284 requires a co-operative to inform the Registrar of a relevant interest which exceeds the maximum permissible level.

Clause 285 requires a co-operative to keep a register of notifiable interests.

Clause 286 requires an unlisted company (within the meaning of the Corporations Law) that is a member of a co-operative to furnish to the co-operative a list of the company's shareholders within 28 days after the end of each financial year of the company and within 28 days after a request by the Registrar.

Clause 287 provides that an excess share interest does not affect a loan liability of a member.

Clause 288 describes the extent of the operation of this Division.

Clause 289 allows the Registrar to grant exemptions from the operation of this Division.

## **Division 2—Restrictions on certain share offers**

Clause 290 specifies the share offers to which this Division applies.

Clause 291 specifies the requirements to be satisfied before an offer to which this Division applies can be made.

Clause 292 prohibits certain discriminatory offers.

Clause 293 provides that offers to which this Division applies must first be submitted to the board of the co-operative.

Clause 294 prohibits the public announcement of a proposed takeover involving the conversion of a co-operative to a company where the person making the announcement knows that the announcement is false, is recklessly indifferent as to whether it is true or false, or has no reasonable grounds for believing that the performance of obligations arising from the announcement is possible.

Clause 295 specifies additional disclosure requirements for offers involving the conversion of a co-operative to a company.

Clause 296 specifies the consequences of an offer to purchase shares in a co-operative made in contravention of this Division.

Clause 297 allows the Registrar to grant exemptions from all or specified provisions of this Division.

## **PART 12—MERGER, TRANSFER OF ENGAGEMENTS, WINDING UP**

### **Division 1—Mergers and transfers of engagements**

Clause 298 provides that this Division does not apply to a merger or transfer of engagements to which Part 14 (Foreign Co-operatives) applies.

Clause 299 provides that any 2 or more co-operatives may consolidate all or any of their assets, liabilities or undertakings by way of merger or transfer of engagements approved under this Division.

Clause 300 specifies the requirements which must be complied with before an application can be made under this Division.

Clause 301 requires each co-operative to send to each of its members a disclosure statement approved by the Registrar at least 21 days before the ballot papers must be returned by members voting in the special postal ballot required by section 300.



Clause 302 provides for the making of an application to the Registrar for approval of a merger or transfer of engagements.

Clause 303 provides that the Registrar must approve a merger pursuant to an application under this Division if satisfied of certain specified matters.

Clause 304 provides that the Registrar must approve a transfer of engagements pursuant to an application under this Division if satisfied of certain specified matters.

Clause 305 provides for a transfer of engagements by direction of the Registrar.

### **Division 2—Transfer of incorporation**

Clause 306 provides for an application for transfer of incorporation of a co-operative to one of the bodies corporate specified in the section.

Clause 307 specifies the requirements that must be complied with before an application can be made under section 306.

Clause 308 defines "new body" and "transfer" for the purposes of this Division.

Clause 309 provides that on the transfer of a co-operative under this Division the co-operative ceases to be registered as a co-operative under this Act.

Clause 310 provides that a transfer of incorporation under this Division must not impose greater or different liability on the members of the new body who were members of the co-operative.

Clause 311 describes the effect of a new certificate of registration.

Clause 312 provides that the new body is the same entity as the body corporate constituted by the co-operative.

Clause 313 provides that stamp duty previously paid is to be taken into account when assessing the stamp duty payable on an incorporation or registration pursuant to a transfer under this Division.

### **Division 3—Winding up**

Clause 314 provides that a co-operative may be wound up voluntarily, by the Supreme Court or on a certificate of the Registrar.

Clause 315 provides for winding up on a Registrar's certificate.

Clause 316 provides that the provisions of Parts 5.4 to 5.7 of the Corporations Law are adopted and apply to the winding up or dissolution of a co-operative.

Clause 317 places certain restrictions on voluntary winding up of a co-operative.

Clause 318 specifies when a members' voluntary winding up commences.

Clause 319 provides for the distribution of surplus on a winding up of a non-trading co-operative.

Clause 320 provides that a vacancy in the office of liquidator (in the case of a voluntary winding up) may be filled by the Registrar.

Clause 321 provides for application to the Supreme Court for review of the remuneration of a liquidator.

Clause 322 provides for the liability of a member to contribute in a winding up where their membership is cancelled within 2 years of the commencement of the winding up.

#### **Division 4—Administration of co-operative—adoption of Corporations Law**

Clause 323 provides that the provisions of Part 5.3A and Division 3 of Part 5.9 of the Corporations Law are adopted and apply to and in respect of a co-operative as if it were a company.

#### **Division 5—Appointment of administrator**

Clause 324 provides for the appointment of an administrator by the Registrar.

Clause 325 describes the effect of the appointment of an administrator.

Clause 326 provides for the revocation of appointment of an administrator by the Registrar.

Clause 327 provides that the expenses of an administration are payable out of the funds of the co-operative.

Clause 328 provides that an administrator is liable for any loss incurred by the co-operative which is incurred because of any fraud, dishonesty, negligence or wilful failure to comply with the Act, the regulations or the co-operative's rules by the administrator.

Clause 329 provides the Registrar with additional powers where the Registrar has appointed directors of a co-operative under section 326.

Clause 330 provides for a stay of proceedings against a co-operative where the Registrar has appointed an administrator to conduct the co-operative's affairs.

Clause 331 requires an administrator to report to the Registrar if requested to do so by the Registrar.

### **Division 6—Effect of merger etc. on property, liabilities etc.**

Clause 332 provides for the application of this Division to a merger of co-operatives.

Clause 333 provides for the application of this Division to a transfer of engagements of a co-operative to another co-operative under Division 1.

Clause 334 provides for the application of this Division to a transfer of incorporation under Division 2.

Clause 335 describes the effect of an event to which this Division applies (as provided for in sections 332, 333 and 334) on the property, liabilities etc of the relevant bodies.

### **Division 7—Miscellaneous**

Clause 336 specifies the grounds for a winding up, a transfer of engagements and the appointment of an administrator.

Clause 337 provides that the provisions of Part 5.7A of the Corporations Law are adopted and apply to and in respect of a co-operative.

Clause 338 provides that the provisions of Part 5.7B of the Corporations Law are adopted and apply to and in respect of a co-operative.

## **PART 13—ARRANGEMENTS AND RECONSTRUCTIONS**

### **Division 1—General requirements**

Clause 339 specifies the requirements for a binding compromise or arrangement.

Clause 340 provides for a meeting of creditors ordered by the Supreme Court.

Clause 341 provides for the giving of notice to the Registrar of the hearing of an application for an order under this Division.

Clause 342 provides that the results of 2 or more meetings of creditors to be held in relation to a proposed compromise or arrangement are to be aggregated.

Clause 343 specifies persons who are disqualified from administering a compromise or arrangement approved under this Act.

Clause 344 provides for the application of certain provisions of Schedule 4 to this Act, and the adoption and application of section 536 of the Corporations Law, to persons appointed to administer a compromise or arrangement.

Clause 345 requires a co-operative to ensure that a copy of an order of the Supreme Court approving a compromise or arrangement is annexed to each future copy of the co-operative's rules.

Clause 346 requires the directors of a co-operative in respect of which a compromise or arrangement has been proposed to instruct that certain reports be prepared and made available.

Clause 347 empowers the Supreme Court to restrain further proceedings in respect of a co-operative that has proposed a compromise or arrangement with any of its creditors.

Clause 348 provides that the Supreme Court need not approve a compromise or arrangement unless it is satisfied of certain matters.

### **Division 2—Explanatory statements**

Clause 349 provides that an explanatory statement, containing the specified information, must be sent with every notice to creditors convening the court-ordered meeting, and to members for the purpose of the conduct of the special postal ballot.

Clause 350 specifies further requirements for the explanatory statement referred to in section 349.

Clause 351 provides that a contravention of this Division constitutes an offence.

Clause 352 specifies provisions for facilitating reconstructions and mergers.

### **Division 3—Acquisition of shares of dissenting shareholders**

Clause 353 defines "dissenting shareholder" and "excluded shares" for the purposes of this Division.

Clause 354 describes the schemes and contracts to which this Division applies.

Clause 355 provides for the acquisition of shares pursuant to a compulsory acquisition notice sent to a dissenting shareholder.

Clause 356 specifies certain restrictions to the application of section 355 where the nominal value of excluded shares exceeds 10% of the aggregate nominal value of all the shares to be transferred under the scheme.

Clause 357 provides that remaining shareholders in the transferor co-operative may require the transferee to acquire the holders' shares.

Clause 358 provides for the transfer of shares pursuant to a compulsory acquisition.

Clause 359 provides for the disposal of the consideration received for shares compulsorily acquired.

#### **Division 4—Miscellaneous**

Clause 360 requires a person appointed to administer a compromise or arrangement to give written notice to the Registrar of his/her appointment.

Clause 361 empowers the Supreme Court, when an application is made to it under this Part, to require certain reports concerning the proposed compromise or arrangement to be given to it.

Clause 362 describes the effect of an out-of-jurisdiction compromise or arrangement.

Clause 363 requires the jurisdiction of the Supreme Court under this Part to be exercised in harmony with its jurisdiction under the Corporations Law.

Clause 364 allows the Registrar (or his/her representative) to appear and be heard in any proceedings under this Part.

### **PART 14—FOREIGN CO-OPERATIVES**

#### **Division 1—Introductory**

Clause 365 contains a number of definitions for the purposes of this Part.

Clause 366 provides for the declaration of a law of a State other than Victoria as a co-operatives law for the purposes of this Part.

#### **Division 2—Registration of foreign co-operatives**

Clause 367 provides that a foreign co-operative must not carry on business in Victoria until it is registered under this Part.

Clause 368 specifies what constitutes carrying on business.

Clause 369 provides for an application for registration as a foreign co-operative by a participating co-operative.

Clause 370 provides for an application for registration as a foreign co-operative by a non-participating co-operative.

Clause 371 provides that a non-participating co-operative is not eligible for registration unless the Registrar is satisfied as to certain matters in relation to the co-operative's rules.

Clause 372 provides that a foreign co-operative is eligible for registration if the name it proposes to use in Victoria is not likely to be confused with the name of a body corporate or a registered Victorian business name.

Clause 373 requires the Registrar to register a foreign co-operative if satisfied that it is eligible for registration.

Clause 374 applies the Act and regulations to foreign co-operatives as if they were co-operatives.

Clause 375 specifies certain changes of which the Registrar must be notified within 28 days of the alteration.

Clause 376 requires the lodgment by a foreign co-operative of a balance sheet within 6 months (or such longer period as allowed by the Registrar) of the end of each of its financial years.

Clause 377 requires a foreign co-operative to notify the Registrar within 7 days of ceasing to carry on business as a co-operative in Victoria.

Clause 378 provides for the issue of a certificate of compliance by the Registrar to a co-operative that proposes to apply to be registered as a foreign co-operative in another participating State.

### **Division 3—Mergers and transfers of engagements**

Clause 379 defines "appropriate Registrar" for the purposes of this Division.

Clause 380 provides for a merger of, or transfer of engagements between, a Victorian co-operative and a participating co-operative.

Clause 381 specifies the requirements that must be complied with before an application can be made under this Division.

Clause 382 requires that a disclosure statement, containing the specified matters, be sent to each member by each co-operative prior to the passing of the special resolution approving the merger or transfer of engagements.

Clause 383 provides for the making of an application to the Victorian Registrar for approval of a merger or transfer of engagements under this Division.

Clause 384 provides for the approval of a merger under this Division by the Victorian Registrar.

Clause 385 provides for the approval of a transfer of engagements under this Division by the Victorian Registrar.

Clause 386 describes the effect of a merger or transfer of engagements under this Division.

Clause 387 provides that this Division applies instead of certain other provisions of the Act.

## **PART 15—SUPERVISION AND PROTECTION OF CO-OPERATIVES**

### **Division 1—Supervision and inspection**

Clause 388 contains certain definitions for the purposes of this Part.

Clause 389 provides that, in this Part, "co-operative" includes subsidiaries, foreign co-operatives and co-operative ventures.

Clause 390 provides for the appointment of inspectors for the purposes of the Act.

Clause 391 provides that the Registrar and investigators have and may exercise all the functions of an inspector.

Clause 392 requires the Minister to provide each inspector with an identity card, which must be produced by the inspector on request.

Clause 393 provides that inspectors may require certain persons to appear, answer questions and produce documents.

Clause 394 specifies inspectors' powers of entry to certain premises.

Clause 395 specifies the powers of inspectors on premises that they are authorised to enter.

Clause 396 specifies the functions of inspectors in relation to taking possession or making copies of documents.

Clause 397 provides that failure to comply with any requirement of an inspector constitutes an offence.

Clause 398 provides that a person is not excused from making a statement on the grounds that the statement might tend to incriminate him or her, but the statement is not admissible against him or her in criminal proceedings other than proceedings under this Division.

Clause 399 provides for the issuing of search warrants by a magistrate to inspectors.

Clause 400 provides for the admissibility into evidence of copies or extracts of records relating to the affairs of a co-operative.

Clause 401 relates to documents containing privileged legal communications, and allows a legal practitioner to refuse to comply with a requirement under section 393 or 396 under certain circumstances.

Clause 402 provides for the giving of assistance by police to inspectors.

### **Division 2—Inquiries**

Clause 403 contains definitions of "affairs", "costs", "investigator" and "involved person" for the purposes of this Division.

Clause 404 provides for the appointment of investigators.

Clause 405 specifies the powers of investigators.

Clause 406 provides for the examination of "involved persons" by investigators.

Clause 407 provides for the privilege of an involved person who is a legal practitioner.

Clause 408 creates a number of offences by involved persons.

Clause 409 creates a number of offences relating to documents.

Clause 410 provides for the admissibility into evidence of a record of an examination made under section 406.

Clause 411 provides for interim and final reports to be made by an investigator to the Registrar.

Clause 412 provides for the institution of legal proceedings following an inquiry under this Division.

Clause 413 provides for the admissibility into evidence of an investigator's report.



Clause 414 provides for the payment of the costs of an inquiry under this Division.

### **Division 3—Prevention of fraud etc.**

Clause 415 prohibits the falsification of the records of a co-operative.

Clause 416 prohibits the obtaining of any property of a co-operative by fraud or misappropriation of the assets of a co-operative.

Clause 417 prohibits the offering or paying of a commission, fee or reward to an officer of a co-operative in connection with a transaction of the co-operative.

Clause 418 prohibits an officer from accepting such commission, fee or reward.

Clause 419 prohibits the making of false statements in or in relation to any application, request or demand for money made to or of any co-operative.

### **Division 4—Miscellaneous powers of the Registrar**

Clause 420 provides for the calling by the Registrar of a special meeting or the holding of an inquiry, on the application of a majority of members of the board or not less than one third of the members of a co-operative.

Clause 421 provides for the holding of a special meeting.

Clause 422 provides for the payment of expenses of a special meeting called or an inquiry held under this Division.

Clause 423 allows the Registrar, without any application, to hold a special inquiry into a co-operative.

Clause 424 provides for the calling by the Registrar of a special meeting following an inquiry under this Division.

Clause 425 allows the Registrar to require information and evidence from an applicant in relation to any application for registration or approval under the Act.

Clause 426 allows the Registrar to extend or abridge any time for doing anything required to be done by a co-operative under the Act, the regulations or the rules of a co-operative.

Clause 427 empowers the Registrar to intervene in any proceedings relating to a matter arising under the Act or the regulations.

## **PART 16—ADMINISTRATION OF THIS ACT**

### **Division 1—The Registrar**

Clause 428 provides for the appointment of a Registrar of Co-operatives.

Clause 429 specifies the Registrar's functions.

Clause 430 provides for the appointment of a Deputy Registrar and Assistant Registrars.

Clause 431 allows the Registrar to delegate any of his/her functions including this power of delegation.

Clause 432 establishes a Register of Co-operatives.

Clause 433 requires the Registrar to keep certain registers in the form and containing the particulars the Registrar thinks fit.

Clause 434 provides for the disposal of records by the Registrar.

Clause 435 provides for the inspection of the Register and the obtaining of copies of documents kept by the Registrar.

Clause 436 allows the Registrar to indicate to an applicant for an approval under the Act that the approval is considered to have been granted at the end of a specified period unless the applicant is otherwise notified.

Clause 437 provides that a document is not considered to be lodged unless all required information is provided and the fee (if any) paid.

Clause 438 provides for lodgment of documents by facsimile or electronic transmission.

Clause 439 empowers the Registrar to reject or refuse to register documents under certain circumstances.

### **Division 2—Evidence**

Clause 440 provides that certificates of registration issued under the Act are conclusive evidence of incorporation and that all requirements for registration have been complied with.

Clause 441 provides for the issue of certificates by the Registrar certifying that certain matters have or have not been done or that certain requirements of the Act have or have not been complied with.

Clause 442 provides that instruments published in the Government Gazette under the Act or the regulations are evidence of the giving or issuing of the instrument.

Clause 443 provides for the admissibility into evidence of records kept by a co-operative.

Clause 444 provides that minutes purporting to be minutes of the business transacted at a meeting are evidence that the business recorded was transacted at the meeting and that the meeting was duly convened and held.

Clause 445 provides that official certificates and other documents signed by or bearing the seal of the Registrar are to be received in evidence without further proof.

Clause 446 provides that judicial notice is to be taken of the Registrar's signature.

Clause 447 provides that a copy of a co-operative's rules verified by statutory declaration by the secretary of the co-operative to be a true copy of the rules is evidence of the rules.

Clause 448 provides that the registers of a co-operative are evidence of the particulars inserted therein.

## **PART 17—OFFENCES AND PROCEEDINGS**

Clause 449 provides that officers and directors involved in a contravention of the Act or the regulations by a co-operative are taken to have contravened the same provision.

Clause 450 provides that notice is to be given to each member of a co-operative of a conviction for an offence against this Act or the regulations by the co-operative or an officer within 28 days after the conviction is recorded.

Clause 451 imposes obligations of confidentiality, with specified exceptions, on persons involved in the administration of this or the former Act.

Clause 452 provides that the making of false or misleading statements in a document required for the purposes of the Act or lodged with the Registrar is an offence.

Clause 453 creates a further offence for a continuing failure to do a required act.

Clause 454 provides that a contravention by a co-operative of the Act, the regulations or its rules in making, guaranteeing or raising any loan or receiving any deposit does not affect the civil rights and liabilities of any person, but the money becomes immediately payable.

Clause 455 provides for the issuing of injunctions by the Supreme Court on the application of the Registrar or an affected person on certain specified grounds.

Clause 456 provides that proceedings for an offence under the Act may be instituted at any time within 3 years after the alleged commission of the offence.

### **PART 18—GENERAL**

Clause 457 provides an exemption from stamp duty in respect of certificates of incorporation of co-operatives and share certificates and other instruments issued or executed in connection with the share capital of co-operatives.

Clause 458 requires the Registrar to register a dissolution of a co-operative and cancel the registration of the co-operative.

Clause 459 provides for the service of documents on a co-operative.

Clause 460 provides for the service of documents on a member of a co-operative.

Clause 461 provides for the reciprocal exchange of information between State and Territory Registrars.

Clause 462 requires translations of documents that are not in English that are required to be furnished or lodged.

Clause 463 provides for the making of regulations under the Act.

### **PART 19—REPEALS, AMENDMENTS, SAVINGS AND TRANSITIONAL**

Clause 464 repeals the **Co-operation Act 1981**.

Clause 465 repeals Part VI of the **Housing Act 1983**.

Clause 466 gives effect to Schedule 5 (Savings and Transitional).

Clause 467 provides for the amendment of other Acts, as specified in Schedule 6.